

Supporting Statement for Paperwork Reduction Act Submissions

DEA Form 486 and DEA Form 486A Import/Export Declaration for List I and List II Chemicals [1117-0023]

Part A. Justification

1. Necessity of Information:

Persons who import, export, or conduct international transactions involving list I and list II chemicals are required to report certain information regarding those transactions to the Drug Enforcement Administration. The chemicals subject to control are used in the clandestine manufacture of controlled substances. Part 1313, Title 21, Code of Federal Regulations establishes the import and export controls. These regulations require importers, exporters, brokers and traders of listed chemicals to furnish the Drug Enforcement Administration with a DEA Form 486, Import/Export Declaration for List I and List II Chemicals, not later than 15 days prior to the proposed transaction. The DEA Form 486 includes information regarding the person(s) to whom the listed chemical is proposed to be transferred and the name and quantity of the chemical proposed to be transferred.

If, after submission of the initial DEA Form 486, Import/Export Declaration, the importer, exporter, broker, or trader will not be transferring the listed chemical to the person initially named on the DEA Form 486, or if the importer or exporter will be transferring a greater quantity than originally indicated on the DEA Form 486, then the importer, exporter, broker, or trader must file an amended DEA Form 486 reporting the change. This amendment must provide the name of the new prospective customer and/or the greater quantity of the listed chemical to be transferred. The requirement to notify DEA of a change in the transferee or an increase in the quantity of the chemical to be transferred applies to amended DEA Forms 486 in the same manner that it applies to original submissions.

For importers of ephedrine, pseudoephedrine, and phenylpropanolamine, the Controlled Substances Act further requires that the advance notification “shall include all information known to the importer on the chain of distribution of such chemical from the manufacturer to the importer.” Finally, to comply with the import, manufacturing, and procurement quota provisions for ephedrine, pseudoephedrine, and phenylpropanolamine, of the Controlled Substances Act, importers must provide DEA with certain information regarding the import quota they have been issued. Importers of ephedrine, pseudoephedrine, and phenylpropanolamine notify DEA of their transactions using a DEA Form 486A.

The Attorney General, by law, has the authority to suspend the import/export of a listed chemical if evidence reveals the chemical may be diverted to the clandestine manufacture of a controlled substance.

Finally, within 30 days after the importation, exportation, or international transaction is completed, the importer, exporter, broker, or trader must send DEA a return declaration containing information regarding the transaction. For importers, a single return declaration may include the information for both the importation and distribution. If the importer has not distributed all chemicals imported by the end of the initial 30-day period, the importer must file supplemental return declarations no later than 30 days from the date of any further distribution, until the distribution or other disposition of all chemicals imported under the import notification or any update are accounted for. In addition, if an importer, exporter, broker, or trader files a Form 486, but the transfer covered fails to take place (e.g., the import or export is canceled prior to shipment), the person must file an amended Form 486 to notify DEA of the cancellation.

DEA may waive this reporting requirement for a specific listed chemical for which the Administrator of DEA has determined reporting is not necessary for effective chemical diversion control. DEA has waived the reporting requirements for imports of three List II chemicals: acetone, 2-Butanone, and toluene. Persons importing these three List II chemicals must provide DEA with quarterly reports regarding those importations.

2. Needs and Uses:

The DEA Forms 486 and 486A provide the Drug Enforcement Administration with control measures over the importation, exportation, and international transactions of List I and List II chemicals. Analysis of these documents provides DEA with important intelligence regarding the international commerce in chemicals. This information assists DEA in the identification of suspected traffickers and trafficking routes. The additional requirements imposed by the Combat Methamphetamine Epidemic Act of 2005 ensure that DEA has an accurate record of importations, exportations, and international transactions.

3. Use of Technology:

Currently, approximately 96% of all submissions are sent to DEA via facsimile. The DEA Form 486 is available on the Diversion Control Program web site, <http://www.deadiversion.usdoj.gov>, as a partially interactive form. Registrants may complete the form online, print it, sign it, and send or fax it to DEA. DEA is currently in the process of making these forms fully interactive.

4. Efforts to Identify Duplication:

The import/export control function for these listed chemicals is unique to DEA. There is no other source of information.

5. Methods to Minimize Burden on Small Businesses:

The collection of information does not impact small businesses or other small entities.

6. Consequences of Less Frequent Collection:

The law requires the information to be collected on an as needed basis (which is frequently more often than quarterly), and cannot, therefore, be collected less frequently. Businesses and other for-profit entities participating in this information collection maintain the requested data as part of usual and customary business practice.

7. Special Circumstances Influencing Collection:

This collection is required every time a listed chemical is imported or exported from the United States, and every time an international transaction is conducted involving a United States broker or trader. Therefore, forms are collected as needed, often more than quarterly. There are no other special circumstances in item 7 of the supporting statement applicable to this information collection.

8. Reasons for Inconsistencies with 5 CFR 1320.6:

There are no circumstances that require the collection of data that would be inconsistent with the guidelines set forth in 5 CFR 1320.6. DEA meets regularly with the affected industry to discuss policies, programs and regulations.

9. Payment or Gift to Claimants:

There are no payments or gifts to respondents.

10. Assurance of Confidentiality:

Information requested in this collection may be considered confidential business information if marked as such pursuant to 28 CFR 16.8(c) and Exemption 4 of the Freedom of Information Act (FOIA). Submitters who are required to furnish commercial or financial information to the government are protected from the competitive

disadvantages that could result from disclosure of such information. The information is protected by DEA through secure storage, limited access, and federal regulatory and DEA procedures. In the event a FOIA request is made to obtain information that has been designated business information per 28 CFR 16.8(c) and Exemption 4 of FOIA, DEA will give written notice to the submitter to allow an opportunity to object within a reasonable time prior to any disclosure by DEA.

This information is also governed pursuant to 21 U.S.C. 830.

11. Justification for Sensitive Questions:

Questions of a sensitive nature are not included in this information collection.

12. Estimate of Hour Burden:

Respondents report imports, exports and international transactions of listed chemicals using DEA Forms 486 and 486A:

The below table presents information regarding the number of respondents, responses, and associated burden hours. Note that all hour calculations have been rounded up to the nearest hour.

Form	Number of Respondents	Number of Responses	Average time per response (Hours)	Mins.	Total Hours
	2012	2012			2012
Form 486 - Export (Facsimile)	189	8,395	0.2833	17	2,379
Form 486 - Export (Online)	25	434	0.1333	8	58
Form 486 - Export Return Declaration (Facsimile)	189	5,357	0.1166	7	625
Form 486 - Export Return Declaration (Online)	25	311	0.0833	5	26
Form 486 - Import (Facsimile)	119	1,593	0.3330	20	531
Form 486 - Import (Online)	2	3	0.1167	10	1
Form 486 - Import Return Declaration* (Facsimile)	119	1,138	0.2000	12	228
Form 486 - Import Return Declaration* (Online)	2	3	0.1000	6	1
Form 486A - Import (Facsimile)	26	336	0.4000	24	135

Form 486A - Import (Online)	0	0	0.1167	10	1
Form 486A - Import Return Declaration * (Facsimile)	26	213	0.2000	12	43
Form 486A - Import Return Declaration * (Online)	0	0	0.1000	6	1
Form 486 - International (brokered)	15	366	0.2833	17	104
Form 486 - International (brokered) Return Declaration	15	83	0.1333	8	12
Quarterly Reports for Imports of Acetone, 2-Butanone, and Toluene	50	150	0.5	30	75
Total	802	18,382			4,220

* DEA assumes 10% of all imports will not be transferred in the first thirty days and will necessitate submission of a subsequent return declaration.

Estimates are based on the population of the regulated industry participating in this business activity. DEA assumes that a purchasing manager (SOC 11-3061, 2010 Standard Occupational Classification) (http://www.bls.gov/soc/2010/soc_alph.htm) will complete the form on behalf of the importer or exporter. The median hourly wage for that position according to the Bureau of Labor Statistics' 2011 National Industry-Specific Occupational Employment and Wage Estimates, NAICS 424600 – Chemical and Allied Products Merchant Wholesalers (2012 NAICS) (http://www.bls.gov/oes/2011/may/naics4_424600.htm#11) is \$42.58. Therefore, for the 4,220 hours estimated to complete these forms, the labor cost is \$179,687.60.

13. Estimate of Cost Burden:

There are no cost burdens beyond those acknowledged in item 12 of the supporting statement.

There is no other cost associated with this collection as the vast majority of forms are sent to DEA via facsimile.

14. Estimated Annualized Cost to Federal Government: Cost to Federal Government:

All labor costs are rounded up to the nearest dollar. Costs are calculated by using the DC-Baltimore pay tables for the grade listed, step 5.

1 GS-7 5% of time:	\$2,392
3 GS-9 100% of time:	\$175,533
1 GS-13 25% of time:	\$25,226

1 GS-13 95% of time: \$95,859
 2 GS-14 20% of time: \$47,696
 Total: \$346,706

All costs to the Federal Government for these activities are recovered from registrants through registration fees, as required by the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act of 1993.

15. Reasons for Change in Burden:

All changes are due to population adjustments. There have been no statutory or program changes related to this information collection. The table below summarizes the changes since the last renewal of this information collection.

	2012 Approved Burden	2013 Requested Burden	Difference
Annual Respondents	271	802	531
Annual Burden Hours	5,695	4,220	(1475)
Annual Cost	\$0	\$0	\$0

16. Plans for Publication:

There are no plans to publish this information.

17. Expiration Date Approval:

DEA is not seeking permission to not display the expiration date.

18. Exceptions to the Certification Statement:

There are no exceptions to the certification requirement.

Part B. Statistical Methods

The Drug Enforcement Administration will not be employing statistical methods in this information collection.