

Department of Justice  
Bureau of Alcohol, Tobacco, Firearms and Explosives  
Supporting Statement  
Information Collection Request OMB 1140-0036  
FFL Out of Business Records Request  
ATF F 5300.3A

A. Justification

1. Necessity of Information Collection

Federal Firearms Licensees (FFLs) are required to keep records of firearms acquisition and disposition. These records remain with the licensee as long as he/she is in business. The records are of critical importance in the tracing of firearms suspected of being used in crimes. Per Federal law 18 U.S.C. 923(g)(4) implemented in 27 CFR 478.127, if the licensee goes out of business, they are required to send their firearms records to the ATF Out-of-Business Records Center (OBRC), so they are available for firearms traces when necessary. If a successor takes over the business, the successor has the option of maintaining the records from the previous FFL, or sending those records to the OBRC.

ATF requests approval to make the following changes to the ATF F 5300.3A:

- Re-worded Paragraph 3 on the front page to better explain the submission of electronic records.
- Corrected telephone extension on the front page of the form under Questions concerning your firearms records from 3683 to 03683 based on new extension structure implemented in the agency.
- Now includes email address for respondents of ATF F 5300.3A as required by the Paperwork Reduction Act of 1995.
- Under the Paperwork Reduction Act Notice, the word “weapons” was changed to “firearms” to more accurately reflect the type of records being collected.

2. Needs and Uses

When a licensee discontinues a firearms business, Federal Law allows them 30-days to submit those records to ATF. If the 30-day time limit passes and the records have not been submitted, ATF generates ATF Form 5300.3A, which serves as notification to the licensee of their obligation to turn those records over; if the business discontinuance is absolute. If the business discontinuance is not absolute, this Form allows the licensee to notify ATF of the successor entity that will be maintaining control of their firearms related records, in order to ensure firearms tracing continuity in support of the Law Enforcement community. When the discontinuance of the business is absolute, the records shall be delivered within 30-days following business discontinuance to: ATF Out-of-Business Records Center, 244 Needy Road, Martinsburg, West Virginia 25405 or to the nearest ATF Field Office within proximity to the FFL’s business location.

However, when State law or local ordinance requires the delivery of records to other responsible authority, the Chief, Federal Firearms Licensing Center may arrange for the delivery of the records to such authority.

### 3. Use of Information Technology

The ATF Form 5300.3A is computer-generated from the ATF Firearms Licensing System (FLS) in Martinsburg, West Virginia. The form is not available on the ATF website because it is automatically generated by the firearms licensing database when a license(s) is placed in an “Expired (Computer Generated)” status. Licenses are changed to an “Expired (Computer Generated)” status automatically by FLS, if a license renewal is not received within 30-days after the expiration date of the license and the required records have not been submitted to ATF in accordance with Federal Law. ATF has established a means to allow respondents to electronically scan and submit this form via email or fax. For those FFLs who maintained electronic firearms records pursuant to ATF Rulings, or in accordance with an approved variance, ATF accepts submission of these electronic records via an electronic storage device (i.e. USB, DVD, CD, etc...) to the OBRC upon discontinuance of the business.

### 4. Efforts to Identify Duplication

ATF uses a uniform subject classification system for forms to identify duplication, and to ensure that any similar information already available cannot be used or modified for use for the purpose of this information collection.

### 5. Minimizing Burden on Small Businesses

This collection of information has no significant impact on small businesses or other small entities, as it only takes approximately five minutes to complete.

### 6. Consequences of Not Conducting or Less Frequent Collection

Non-compliance of the regulated industry in submitting their records in accordance with Federal Law would result in ATF failing to meet a critical part of its mandated mission of tracing firearms for law enforcement and provide investigative leads.

### 7. Special Circumstances

There are no special circumstances. The data will be collected in a manner consistent with the guidelines in 5 CFR 1320.6.

### 8. Public Comments and Consultations

No public comments were received during the 60-day Federal Register Notice period. However, ATF responded to a comment received during the 30-day Federal Register Notice period for this Information Collection.

## 9. Provision of Payments or Gifts to Respondents

No payment or gift is associated with this collection.

## 10. Assurance of confidentiality

Records that are sent to an ATF Field Office or to the ATF Out-of-Business Records Center are kept in a secured location. These records are viewed by ATF personnel only. Confidentiality is not assured.

## 11. Justification for Sensitive Questions

No questions of a sensitive nature are asked.

## 12. Estimate Respondents Burden

As stated in previous paragraphs, Federal Law and Regulations require federally licensed firearms businesses to submit their records when discontinuing business. During 2017, 4,607 firearms licensees submitted records (600 of which included electronic records) to the OBRC. This was the largest number of records received by the OBRC since its inception. During 2017, ATF also sent out 3,147 notifications of ATF Form 5300.3A to FFLs that have closed, but had not submitted files within the 30-day limit.

Of the respondents that submitted files, they sent an average of 4 boxes of firearms records to ATF, weighing approximately 25 pounds each. It is estimated to take each respondent an average of 6 hours to package and ship/deliver the 4 boxes of firearms records to ATF. The estimated burden hours to ship/deliver firearms records are 27,642 (4,607 respondents x 6 hours), which includes the packaging/shipment of electronic records.

When a licensee discontinues business Federal Law allows them 30-days to submit those records to ATF. If the 30-day time limit passes, ATF generates ATF Form 5300.3A, which serves as notification to the licensee of their obligation to turn those records over. During 2017, ATF sent 3,147 forms to those licensees. For the licensee's that actually complete the form, each respondent responds one time. It is estimated that it takes five minutes per respondent to complete the form. The number of burden hours for completing the form is 262.25.

The total number of burden hours associated with this collection is 27,904.25 hours (262.25 for the form + 27,642 for packaging and shipping/delivering records). ATF realizes that the burden for this collection has increased and attributes this to the record number of respondents discontinuing their firearms business and submitting those records in accordance the Federal Law.

## 13. Estimate of Cost Burden

The cost to the respondent is mailing ATF Form 5300.3A, packaging and shipping/delivering the firearms records. There is no capital/startup cost. The estimated cost for the 4,607 respondents shipping/delivering firearms records is \$923,059 (4,607 respondents x 4 boxes per respondent x \$50.09 large package, ground delivery).<sup>1,2</sup> Due to the typical size of these businesses, we assume that a Sales Representative might be typical of a person performing the task of packaging the boxes.<sup>3</sup> We added a load rate of 1.43 to account for fringe benefits, making the loaded wage rate \$47.25.<sup>4</sup> The estimated cost to ship/deliver is \$1.306,084 million (27,642 hours \* \$47.25 loaded wage).

The estimated cost for mailing Form 5300.3A is \$1,479 (3,147 respondents x .47 postage).<sup>5</sup> The opportunity cost to fill out Form 5300.3A is \$12,390 (3,147 respondents x 0.83 hours \* \$47.25 loaded wage rate); if the respondents decide to complete return the form vs. just sending in their records.

The estimated total annual cost of this collection is \$2.2 million or 224, 3012.5/ 224, 3013, which is equal to (\$923,059 (shipping/delivery costs) + \$1.306,084.5 (shipping/delivery time) + \$1,479 (postage) + \$12,390 (respondent opportunity cost).

#### 14. Costs to Federal Government

Estimates of annual cost to the Federal Government are as follows:

Printing	\$2,300
Distribution	700
Clerical cost	500
Postal cost	<u>1,479</u>
Total	\$4,979

#### 15. Reason for Change in Burden

The number of respondents increased from 2,745 in 2015 to 4,607 in 2017. The cost to mail the form per respondent increased from \$.46 to \$.49 due to postal rate increases. The opportunity cost of time was incorporated at \$47.25 per hour. The burden hours - 27,642 are due to increased respondents and this includes the time it takes to package firearms records and ship/deliver the firearms records to ATF. The annual cost increased to \$2.2 million due to the increased number of respondents who submitted firearms

<sup>1</sup> <https://postcalc.usps.com/Calculator/MailServices?country=0&ccode=US&oz=76011&omil=False&dz=25405&dmil=False&mdt=3%2F14%2F2018&mdz=15%3A59&m=7&ct3=True&p=25&rect=True&l=12&h=12&w=12&g=0>

<sup>2</sup> Based on the current addresses of FFLs, the large number of FFLs are located in Texas; therefore, a rate originating from Texas was used.

<sup>3</sup> <https://www.bls.gov/oes/current/oes414012.htm>

<sup>4</sup> Bureau of Labor Statistic codes CMU201000000000D,CMU201000000000P for Total Employee Compensation and codes CMU202000000000D,CMU202000000000P for Industry Wages and Salaries. The average of 2017 quarters were used. (\$33.31 Total Compensation / \$23.19 Wages and Salaries = 1.43). <https://data.bls.gov/cgi-bin/surveymost>

<sup>5</sup> <https://www.stamps.com/usps/postage-rate-increase/>

records, postage, shipping rate increases, and incorporating the wage rate for the opportunity cost of time.

16. Anticipated Publication Plan and Schedule

The results of this collection will not be published.

17. Display of Expiration Date

ATF does not request approval to not display the expiration date of OMB approval for this collection.

18. Exception to the Certification Statement

There are no exceptions to the certification statement.

B. This collection does not employ statistical methods.