

Department of Justice  
Bureau of Alcohol, Tobacco, Firearms and Explosives

Supporting Statement  
Information Collection Request  
1140-0102  
FEL Out of Business Records

A. Justification

1. Federal Explosives Licensees (FEL) and permittees are required to keep explosives records of importation, production, shipment, receipt, sale, or other disposition, whether temporary or permanent, of explosive materials as prescribed by 27 CFR 555.121. Per 27 CFR 555.128, records for an explosive materials business or operations must be delivered to the ATF Out of Business Records Center, within 30 days of the business or operations discontinuance. Per 27 CFR 555.61, FELs and permittees are required to furnish notification of the discontinuance or succession, and submit their license or permit and any copies furnished with the license or permit, to the Chief of the Federal Explosives Licensing Center, within 30 days of their business cessation.
2. The out of business records are important because they aid ATF field personnel in conducting investigations. Per 27 CFR 555.128, where an explosive materials business or operations is discontinued and succeeded by a new licensee or new permittee, the records will reflect that fact and be delivered to the successor. Where discontinuance of the business or operations is absolute, the records must be delivered within 30 days of business closure, to any ATF office located in the region where the business was located, or to the ATF Out of Business Records Center, 244 Needy Road, Martinsburg, WV 25405.
3. FEL records are normally maintained by respondents in paper format and are imaged for easy retrieval. Once the images have been verified as legible, the paper copies are destroyed. ATF will continue to explore and work toward alternate record submission methods, such as allowing FELs/permittees to submit records by email. However, due to existing security concerns, size limitations and other risks associated with emailing records from outside the agency, it does not appear as a feasible alternative at this time. For instance, existing DOJ file size limitations of 20 megabytes from external sources and spam filters would prohibit large files containing business records from penetrating existing firewalls. Additional research will be performed to determine if an exception or work around can be made to existing email size limitations for ATF, or to obtain access to Justice Enterprise File Share system for the transmission of FEL records, provided there are no security or other risks involved.

The collection of FEL records is for out-of-business records submitted to ATF, and does not require the completion of an ATF form. Per ATF Ruling 2007-1, it is also acceptable for licensees/permittees to maintain required records using a combination of

a computer programs, commercial invoices, and other documents, provided that all of the required information is maintained as part of the permanent business records. Each particular transaction must also be self-contained among the permanent recordkeeping medium.

COMPUTERIZED RECORDS. The NTC accepts automated records only when there is a legible printout of all required information. Computer storage tapes or data punch cards are not acceptable. The FFL/FEL/FEP must provide a complete printout, along with an American Standard Code for Information Interchange (ASCII) text file (conforming to common industry standards), and a file description. The ASCII text file must contain all the information required as indicated in the referenced regulations.

4. 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. The collection of information has no significant impact on small businesses or other small entities.
6. The consequence of not conducting this information collection would result in ATF not having access to explosives information that will be used by ATF field personnel during their investigations.
7. There are no special circumstances. The data will be collected in a manner consistent with the guidelines in 5 CFR 1320.6.
8. No comments were received during the 60-day Federal Register notice period. However, a 30-day Federal Register Notice will be published shortly, in order to solicit comments from the public.
9. No payment or gift is associated with this collection.
10. The FEL records must be sent to ATF division offices or to the ATF Out-of-Business Records Center will be kept in a secured location. These records will be viewed by ATF personnel only. Confidentiality is not assured.
12. No questions of a sensitive nature are asked.
13. There are an estimated 249 respondents associated with this collection. Each respondent answers one (1) time. When respondents' businesses are discontinued, it is estimated that an average of 2 boxes of explosives records will be shipped or delivered to ATF. It is estimated to take each respondent 30 minutes to package and ship/deliver the explosives records to ATF. The estimated burden hours to ship/deliver the explosives records are 124.5 or 125 hours (249 respondents x 30 minutes / 60). There is no capital/startup cost. The estimated total annual cost for shipping/delivering the explosives records is \$34,461.60 or 34,462 which can be calculated as follows:

249 (# of respondents) \* \$138.40 (total cost of shipping two (2) boxes per respondent based on rate of \$69.18 per box)<sup>1</sup>.

There is no annual cost to the National Tracing Center Division (NTC), as the form is generated by the Firearms Explosive License Center (FELC).

14. The annual cost for the Federal Government to generate the OMB 1140-0022 form is as follows:

a.	Printing	\$2,300
b.	Distribution	\$430
c.	Clerical Costs	\$2,300
d.	Other Salary	\$1,800
e.	(Review supervisory, etc.)	_____
f.	Total	\$6,830

15. Due to an increase in the number of Federal Explosive Licensee's (FEL) going out of business, the respondents to this IC has risen from 200 in 2016 to 249 in 2019. The change in respondents has also contributed to a rise in public burden hours from 100 to 124.5 or 125 hours between 2016 and 2019, as well as a higher cost burden, which has grown from \$ 12,304 to \$34,461.60 or \$ 34,462.

16. The results of this collection will not be published.

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

18. There are no exceptions to the certification statement.

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<sup>1</sup> <https://postcalc.usps.com/Calculator/MailServices?country=0&cocode=US&oz=85001&omil=False&dz=25405&dmil=False&mdt=5%2F21%2F2019&mdz=9%3A59&m=7&ct3=True&p=25&rect=True&l=12&h=10&w=15&g=0>

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