

Department of Justice  
Bureau of Alcohol, Tobacco, Firearms and Explosives  
Supporting Statement - Information Collection Request  
OMB # 1140-0098

Prevent All Cigarette Trafficking (PACT) Act Registration Form - ATF  
Form 5070.1 and Prevent All Cigarette Trafficking (PACT) Act  
Registration Form Continuation Sheet - 5070.1A

**A. Justification:**

1. The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) enforces federal laws regarding the manufacture and commerce of firearms and explosives. ATF also investigate and assist US states in their effort to eliminate interstate trafficking, sale and distribution of cigarettes and smokeless tobacco, while evading federal and state taxes. On March 31, 2010, the *Prevent All Cigarette Trafficking (PACT) Act of 2009* (PL 111-154) was signed into law. This law requires persons who sell, transfer, or ship for profit cigarettes and/or smokeless tobacco in interstate commerce, to register with the Attorney General of the United States. This role is now delegated to ATF. Persons must also register with the tax administrators of the state in which the shipment, advertisement, or offer of sale of cigarettes and/or smokeless tobacco is disseminated.
2. Due to the potential for interstate trafficking of cigarette and smokeless tobacco while evading taxes, Congress enacted federal laws to ensure state cigarette and smokeless tobacco taxes are paid. The law requires any person who sells, transfers, or ships for profit cigarettes and/or smokeless tobacco in interstate commerce to register with ATF, using the Prevent All Cigarette Trafficking (PACT) Act Registration Form - ATF Form 5070.1. The purpose of the form is to register cigarettes and/or smokeless tobacco products, so they can be legally distributed, advertised and sold. The collected information will assist ATF in the creation of a PACT registration database of delivery sellers of cigarettes and/or smokeless tobacco products, which can be made available to the US attorney general, the tax administrator of each state, and other appropriate individuals.
3. The 508 compliant fillable ATF Form 5070.1 form is available for download on the ATF public website, and can be completed and mailed to ATF for processing. The form is also accessible, 508 compliant and can be electronically completed and digitally signed, if individuals possess this capability. ATF will create a database for electronic registration, when funding becomes available.
4. ATF uses a uniform subject classification system 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 (IC).

5. ATF assessed small businesses and other small entities under the Regulatory Flexibility Act (5 U.S. C. 601 et seq.), and concluded that this IC has no significant impact on them.
6. Without this IC, delivery sellers would be unable to register with ATF, in violation of the PACT Act. Such individuals would be placed on a list of non-compliant delivery sellers, thereby limiting their capacity to operate their business.
7. The collection of information is consistent with the provisions of 5 CFR 1320.6.
8. No comments were received during the 60-day Federal Register Notice period. However, a 30-day notice will be published in the Federal Register to solicit public comments.
9. No payment or gift is associated with this collection.

I 0. Confidentiality is not assured.

11. No questions of sensitive nature are asked.

12. ATF estimates that there are about 400 respondents associated with this IC. This calculation is based on the combined total of PACT Act registrants and non-compliance letter recipients. Since 2010, ATF has received between 14 and 200 PACT Act Registration forms annually. We anticipate this number will continue to increase in the coming years, as ATF focuses on improving enforcement measures. In 2016, the Alcohol and Tobacco Enforcement Branch (ATEB) forwarded approximately 112 non-compliant violation letters to delivery sellers who were advertising the sale of or selling cigarettes on the internet, without registering with ATF or the state in which they are doing business.

Each respondent will take approximately thirty minutes to complete and mail ATF Form 5070.1 to ATF for processing. Each respondent will also respond once to this IC. Therefore, the total annual public burden associated with this collection is 200 hours.

13. ATF estimates that the total public burden costs associated with this IC is \$13,542 collectively. This total includes the following: I. The cost of a stamp and envelope, which is estimated at \$.55, and II. The labor cost to complete the form is estimated at \$33.58 per hour for service-providing civilian workers. ATF estimates that 50 percent of businesses will email the information rather than use postage. Therefore, the total costs can be calculated as follows:

Labor Costs:  $\$ 33.58 \times 1 \text{ hour} \times 400 \text{ businesses} = \$ 13,432$

Mailing Costs:  $\$ 0.55 \times 200 \text{ businesses} = \$ 110$

Total Costs:  $\$ 13,432 + \$ 110 = \$ 13,542$

14. There are no Federal government costs associated with this IC.
15. The adjustment associated with this IC include a reduction of the time taken to complete this form from 1 hour in 2017 to 30 minutes currently. Consequently the total burden hours for this IC has reduced by 200. Due to an increase in both the wage and postage rate, the total public cost burden has risen from \$9,396 in 2017 to 13,542 currently.
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.

## B. Statistical Methods

None