

Department of Justice  
Bureau of Alcohol, Tobacco, Firearms and Explosives  
Information Collection Supporting Statement

OMB 1140-0025  
Limited Permittee Transaction Report – ATF Form 5400.4

**A. Justification**

1. Necessity of Information Collection

The Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) is charged with enforcing the provisions of Title XI of the Organized Crime Control Act of 1970 and its implementing regulation 27 Code of Federal Regulations (CFR) Part 555. One of the primary purposes of the Act is to protect interstate and foreign commerce against interference and interruption, by reducing the hazard to persons and property, arising from the misuse of explosive materials. This responsibility has been expanded by the recent enactment of legislation to combat terrorism and defend the Nation against terrorist acts, among other purposes. The Safe Explosives Act of 2002, in part, has amended 18 United States Code (U.S.C.) Chapter 40, to require that all persons receiving explosives on and after May 24, 2003, obtain a Federal permit.

The Act created an additional type of permit, the “limited permit,” which is valid for one year and authorizes the holder to receive explosive materials only within his State of residence on a maximum six (6) separate occasions. The interim implementing regulations amended 27 CFR § 555.105 and 27 CFR § 555.126, also provide for explosive transactions involving holders of limited permits. The amended regulations, in part, require that a limited permittee complete the appropriate section of the Limited Permittee Transaction Report – ATF Form 5400.4 (ATF Form 5400.4), and affix to the form one of his six original Intrastate Purchase of Explosives Coupons (IPECs) – ATF Form 5400.30, prior to the delivery of explosive materials. ATF Form 5400.4 also verifies that all persons who are purchasing explosive materials have the proper Federal permit and requires certification that such persons have appropriate storage facilities for explosive materials.

In 2003, explosives industry members informed ATF that the provisions of 27 CFR § 555.105(b)(6)(iii), requiring contract carriers hired by a Federal explosives licensee or permittee to verify the identity of the person accepting delivery on behalf of the distributee, and to note this information for the distributor, place an undue burden on common and contract carriers. Drivers were concerned that verifying the identification and notification processes would be overly time consuming and that drivers could be held personally liable for delivering explosives to persons not authorized to receive them. In response, ATF issued ATF Ruling 2003-5, which allowed distributors transporting explosive materials to holders of limited permits via common or contract carrier, to verify receipt of the explosive materials by telephone, facsimile, e-mail, or other means within three business days of shipment, in lieu of requiring the common or contract carrier to

verify the identity of the person accepting delivery of the explosives. Consequently, ATF is amending and revising ATF Form 5400.4 to include the alternate procedure described in said ruling. In addition, ATF is removing all references to ATF Form 5400.8 – Explosives Delivery Record which was discontinued in 2004.

## 2. Needs and Uses

Limited permittees are required to complete ATF Form 5400.4, prior to receiving explosive materials. This form requires those persons to provide an IPEC and information about the intended use of the explosive materials. It also requires that distributors of explosive materials to limited permittees, provide information about the type and amount of explosive materials received, and the type of identification used to verify the limited permittee's (or their agent's) identity. One copy of the completed form is to be submitted to ATF, and one copy is to be kept on the premises of the licensee or permittee (in the case of disposition of surplus stocks), in chronological order by date of disposition, or in alphabetical order by name of licensed permittee, for a period of 5 years.

This information is maintained by licensees and certain permittees and provides ATF with valuable information in cases where explosive materials are traced. This information may also be useful for ATF investigators responsible for verifying inventory and validating proper conduct of business activities during explosives compliance inspections.

## 3. Use of Information Technology

ATF Form 5400.4 is available on the internet. However, the form cannot be completed or submitted electronically to ATF, because the form requires an original Intrastate Purchase of Explosives Coupon (IPEC) be affixed to the form and an original signature. The respondent can electronically sign the form if they possess this capability. Individuals with disabilities (508 Compliant) can access and complete this form.

## 4. Efforts to Identify Duplication

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.

## 5. Minimizing Burden on Small Businesses

This collection of information has no significant impact on small businesses.

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

Failure to collect this information would hinder ATF's ability to carry out its responsibility to ensure that limited permittees do not exceed the six (6) transactions authorized by the permit, and that the identity of the permit holder (or his agent) is appropriately verified.

7. Special Circumstances

There are no special circumstances associated with this collection. Licensees are required to report information only as often as necessitated by criminal enforcement and regulatory activities. Licensees are required to maintain the information on their business premises, in chronological order by date of disposition, or in alphabetical order by name of licensed permittee, for a period of 5 years.

8. Public Comments and Consultations

No comments were received during the 60-day Federal Register (FR) notice period. However, a 30-day FR notice will be published to solicit public comments.

9. Provision of Payments or Gifts to Respondents

No payment or gift is associated with this collection.

10. Assurance of Confidentiality

Documentation regarding this information is kept in a secured location. Confidentiality is not assured.

11. Justification for Service Questions

No questions of a sensitive nature are asked.

12. Estimate of Respondent's Burden

ATF estimates that 100 respondents will take 20 minutes to complete the form annually. Each respondent may complete this form no more than 6 times annually as follows: (100 respondents x 6 submissions annually = 600 total responses. The total burden hours for this information collection are 200, which is equal to  $100$  (# of respondents) \*  $6$  (# of responses per respondents) \*  $.333333$  (20 mins).

13. Estimate of Cost Burden

The cost to the respondent is postage to mail one copy of the form to ATF. This cost is estimated to be \$348 (600 responses x \$0.58 postage) annually.

14. Cost of Federal Government

There is no cost to the Federal government. The form is available online and may be printed or downloaded from [www.atf.gov](http://www.atf.gov).

15. Reason for Change in Burden

There are adjustments associated with this collection. There was a postage rate increase from 55 cents to 58 cents in August 2021. Also, the respondent number has been adjusted

to reflect a decrease in the number of limited permittees. Both factors caused a decrease in the public cost burden by a total \$65, from \$413 in 2019 to \$348 in 2022.

16. Anticipated Publication Plan and Schedule

The results of this collection will not be published.

17. Display of Expiration Date

ATF requests authorization to avoid displaying the expiration date on the form for this collection for several reasons. Use of the current edition of this form cannot be predicted and could easily span the several Office of Management and Budget renewal cycles. Additionally, a substantive inventory of forms must be maintained to meet the demand of the explosives industry, which would be costly if the expiration date is printed on the form.

18. Exception to the Certification Statement

There are no exceptions to the certification statement.

**B. This Collections of Information Employs No Statistical Methods.**