

Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives
Supporting Statement
Information Collection Request
OMB 1140-0024

Demand 2 Program: Report of Firearms Transactions — ATF Form 5300.5

A. JUSTIFICATION

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

This report is required under authority 18 U.S.C. § 923(g)(5), in the form and manner specified in 27 CFR § 478.126(a) and is in addition to all records and reports required under any other provision of law or regulations. This information collection documents transactions of firearms for law enforcement purposes. Each federal firearms licensee (FFL), when required by letter issued by a Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) official, shall submit a Demand 2 Program: Report of Firearms Transactions — ATF Form 5300.5 (ATF Form 5300.5), detailing all firearms transactions during a specified period, with quarterly follow up reports required until notified in writing by the official to cease such reporting.

Expansion of Demand 2 Program to Include Type 07 and Type 08 FFLs:

Since the Demand 2 Program's inception in 2000, only Type 01 (Dealer in Firearms Other Than Destructive Devices) and Type 02 (Pawnbroker in Firearms Other Than Destructive Devices) that meet the program's criteria of having a certain number of traces that have a time to crime of three years or less have been required to report information on firearms they have acquired from non-FFLs (i.e., "used" firearms). The Demand 2 program is an important tool to assist in identifying and investigating the diversion of firearms from lawful commerce to criminal use. Information from the Demand 2 program helps identify purchasing patterns involved in trafficking schemes and other forms of criminal diversion, and enhances the ability of law enforcement to determine the source of firearms used in violent crimes.

Over the past five years, there has been an increase in the number of Type 07 (Manufacturer Firearms) FFLs that meet the Demand 2 program criteria. Based on the number of traces from 2019 to 2023, there were 299 Type 07 FFLs that would have qualified for Demand 2 program at least once between 2020 to 2024. Approximately 65% of these FFLs met the Demand 2 requirements in more than one year. Furthermore, just under half (46%) of the affected FFLs performed no manufacturing in the last five years based on the Annual Firearm Manufacturing and Exportation Report. This would suggest that most of the Type 7 FFLs that would have been subject Demand 2 requirements primarily deal in firearms rather than manufacture.

While the numbers for Type 08 (Importers of Firearms) FFLs that meet the Demand 2 program is lower than Type 07, trace data shows that of the 16 Type 08 FFLs that met the Demand 2 criteria in the past five years, more than half met the Demand 2 criteria in more than one year. Furthermore, of the 16 Type 08 FFLs that would have been subject to Demand 2 between 2020 to 2024, only one submitted the “Release and Receipt of Imported Firearms, Ammunition, and Defense Articles,” ATF Form 6A to actually import firearms into the United States. Again, this suggests that most of the Type 08 FFLs that would have been subject to Demand 2 primarily deal in firearms rather than import.

For all new Type 07 and 08 FFLs that would have been subjected to Demand 2 for the past five years, they make up only 1.01% (299) of the current (19,637) Type 07 population and 0.86% (16) of the current (1,856) Type 08 population.

Due to the growing number of Type 07 FFLs meeting Demand 2 criteria—with many showing little or no manufacturing activity—and the potential that some FFLs may use a Type 08 license to deal in firearms and avoid reporting requirement if Type 08 is not subjected to Demand 2, ATF is now including Type 07 and 08 FFLs as a population that is subject to the reporting requirements of Demand 2 program.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

ATF Form 5300.5 is used when an ATF official has determined that an FFL has met the Demand 2 reporting requirements. Currently, the Demand 2 program requires FFLs with 25 or more traces with a time to crime of three years or less in a calendar year, to submit an annual report followed by quarterly reports of firearms acquired from unlicensed sources (non-FFL holders). The form clearly outlines all required information to include: Acquisition Date, Firearm Manufacturer, Firearm Model, Serial Number, Type of Firearm, Caliber or Gauge. ATF personnel will examine all completed forms for any discrepancies.

The “used” firearm information collected on the ATF Form 5300.5 is recorded in the Firearms Tracing System (FTS) and used by the ATF NTC Tracing Staff to facilitate the tracing of secondary market firearms.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.

ATF Form 5300.5 is available on ATF’s website and can be downloaded and printed for completion. The electronic form is fillable and accessible (508 compliant) to individuals with disabilities. The completed form can be submitted by email.

Demand 2 Participant FFLs can electronically or manually complete the PDF Version of the

ATF Form 5300.5 and submit it via e-mail, fax, or mail/ship. Alternatively, FFLs can create their own electronic Demand 2 Reports using programs such as MS Excel and MS Word to submit the required, quarterly information.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item A.2 above.

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 this information collection.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

This collection of information has no significant impact on small businesses or other small entities. Electronic reports are acceptable.

6. Describe the consequence to federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

Without this collection, ATF personnel would not have access to trace data to assist law enforcement entities with criminal investigations.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- **requiring respondents to report information to the agency more often than quarterly;** There are no special circumstances. The data will be collected in a manner consistent with the guidelines in 5 CFR 1320.6.
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;** There are no special circumstances.
- **requiring respondents to submit more than an original and two copies of any document;** There are no special circumstances.
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;** There are no special circumstances.
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;** There are no special circumstances.

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- **requiring the use of statistical data classification that has not been reviewed and approved by OMB;** There are no special circumstances.
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**

This information is used for law enforcement purposes only. These records will be viewed by ATF personnel only. Confidentiality is not assured.

- **requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

No trade secrets are requested. Records will be viewed by ATF personnel only. Confidentiality is not assured.

8. If applicable, provide a copy and identify the date and page number of publication in the *Federal Register* of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

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

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

No efforts made to consult with persons outside the agency.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection-of-information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

No efforts made to consult with such representatives.

9. Explain any decision to provide any payments or gifts to respondents, other than remuneration of contractors or grantees.

No government funds will be used as payment or for gifts to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

Confidentiality is not required in the processing of this information collection.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

No questions of sensitive nature asked.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. General, estimates should not include burden hours for customary and usual business practices.**

See below table.

- **If this request for approval covers more than one form, provide separate hour burden estimates for each form.**

Request for approval covers only one form.

- **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.**

Estimated Annualized Respondent Cost and Hour Burden

Activity	Number of Respondents	Frequency	Total Annual Responses	Time Per Response	Total Annual Burden (Hours)	Hourly Rate*	Monetized Value of Respondent Time
ATF Form 5300.5	1,453	4	5,812	0.5 hours	2,906	N/A	N/A
Unduplicated Totals	1,453	4	5,812	0.5 hours	2,906	N/A	N/A

Hourly rate source citation or you may enter a footnote:

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

- **The cost estimate should be split into two components: (a) a total capital and start up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of service component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.**

It is estimated that 80% email their response, 10% fax their response, and 10% mail or ship their response. Therefore, the total annual cost burden associated with the submission of the ATF Form 5300.5 is estimated at \$424, which is equal to 581 (10% of responses) * \$0.73 (estimated cost for each respondent to mail multiple forms).^{1,2}

- **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis**

¹ The number of mail-in responses is 581 total mailed in responses =10% mail in * 5,812 annual responses.

² <https://www.usps.com/business/prices.htm>

associated with the rulemaking containing the information collection, as appropriate.

- **Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

The annual IC cost burden for this collection is \$424

14. Provide estimates of the annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 into a single table.

The Federal Government will send a certified letter to respondents with a return receipt. The certified mail costs \$4.85 and the return receipt costs \$4.10, making the total cost for mail \$8.95 (\$4.85 + \$4.10) per respondent.³ At 1,453 respondents, the Federal Government Cost \$13,004 (1,453 respondents * \$8.95 mailing cost).

15. Explain the reasons for any program changes or adjustments.

There was a decrease in total respondents, but an increase in total responses, burden hours, and cost and is due to the increase in multiple sales. See Table below

	Current OMB Inventory	New OMB Inventory	Difference
Respondents	628	1,453	825
Responses	2,512	5,812	3,300
Burden Hours	1,256	2,906	1,650
Cost	\$240	\$424	\$184

16. For collections of information whose results will be published, outline plans for tabulations, and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

³ [USPS Certified Mail Rates, Mailing Costs | Simple Certified Mail](#)

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The results of this Collection of Information will not be published.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

We are requesting no exemption.

18. Explain each exception to the certification statement.

This collection of information does not include any exceptions to the certificate statement.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS.

This collection does/does not contain statistical data.