

Department of Justice  
Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)  
Information Collection Request (ICR)  
Supporting Statement for 1140-0079  
Transactions Among Licensee/Permittees and Transactions Among Licensees and  
Holders of User Permits

**A. Justification**

**1. Explain the circumstances that make the information collection necessary.**

ATF has been delegated authority to regulate commercial transactions in and storage of explosive materials (18 U.S.C., chapter 40) and to issue implementing regulations at 27 CFR part 555. The statute at 18 U.S.C. § 842(a) requires all persons purchasing or distributing explosive materials to obtain a federal explosives license or permit. The affected regulations under 27 CFR § 555.103 require distributors of explosive materials to verify the license/permit status of the distributee prior to releasing the ordered explosive materials and the distributee must provide the distributor a certified copy of their license/user permit, a current list of their employee possessors and responsible persons authorized to accept delivery of explosive materials on their behalf, and a current, certified statement of how they intend to use the explosive materials.

For distributions made to limited permittees, under 27 CFR § 555.105, a distributor of explosive materials is required to verify that the limited permittee is a resident of the same State in which the distributor's business premises are located, obtain an executed Limited Permittee Transaction Report – ATF Form 5400.4 (approved as OMB 1140-0025) -- and the Interstate Purchase of Explosives Coupon – ATF Form 5400.30 -- issued to the distributee, and verify the identity of the individual accepting the explosive materials by examining their identification document and noting their name, ID type, and number on the ATF Form 5400.4. Additionally, the limited permittee must provide the distributor a current list of their employee possessors and responsible persons authorized to accept delivery of explosive materials on their behalf.

For distributions made via common or contract carrier under 27 CFR §§ 555.103 and 555.105, the distributor must verify the identity of the person accepting possession for the common or contract carrier by examining the person's valid, unexpired driver's license issued by any State, Canada, or Mexico, and record the name of the common or contract carrier and the full name of the driver. Additionally, the distributor must verify that the carrier delivered the explosive materials and record the delivery date and the name of the individual accepting delivery in their permanent record.

**2. Indicate how, by whom, and for what purpose the information is to be used.**

ATF uses this information to comply with the statutory and regulatory provisions described above. The collected information ensures that licensees/permittees distribute

explosive materials only to licensees/permittees and those persons authorized to accept delivery on their behalf whose identities have been verified prior to relinquishing possession of explosive materials to them. The collected information also ensures that licensees/permittees relinquish possession of explosive materials only to employees of common and contract carriers whose identity has been verified. The respondent (industry member) collects and maintains these records for a period of five years, or until they discontinue their business (record-keeping requirements approved under OMB control number 1140-0030).

**3. Describe whether, and to what extent, the information collection 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.**

Licensees/permittees may collect and share this information electronically, but ATF does not mandate this because sometimes the information is exchanged in situations in which a computerized or internet system isn't feasible. ATF Ruling 2007-1 allows the use of computerized record-keeping, as long as the data cannot be modified, and the respondents have a reliable daily memory backup system. 27 CFR § 555.122 is being revised to incorporate and supersede ATF Ruling 2007-1 during the time of this IC renewal.

**4. Describe efforts to identify duplication.**

This information is not duplicative. It requires distributors to verify and collect information for identification purposes to ensure that distributions of explosives are made only to licensees/permittees and persons properly designated to receive the explosives. Such information is not collected otherwise.

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

ATF anticipates that this collection will cause 13 hours or \$585 of hourly burden cost in any given year. In order to have a 1% impact on a small business, the overall revenue of that business would need to be \$5,850 or less, which is likely too small a revenue for a business in this arena to continue to operate. This collection would not have even a 1% impact on small businesses with overall revenue sufficient to maintain a business. This collection therefore will not significantly affect small businesses.

**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.**

Failure to collect this information would hinder ATF's ability to carry out its responsibility to ensure that explosive materials are distributed only to federal explosives licensees/permittees, or representatives authorized to accept delivery on behalf of the distributee, and that the identity of the recipient (or their agent) is appropriately verified.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner inconsistent with 5 CFR 1320.6.**

There are no special circumstances with regard to this information collection, which is conducted in a manner consistent with 5 CFR § 1320.6.

**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.**

The 60-Day Notice was published in the *Federal Register* on [xx/xx/xx] (XX FR XXXXX). The comment period ended on [xx/xx/xx]. ATF received no comments.

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

No payment or gift is associated with this information collection.

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

Licensees/permittees acquiring the information covered by this ICR must maintain the information in a secured location on their licensed/permitted premises. ATF investigators check to ensure that the transaction records are being kept on the business premises of these explosives licensees and ATF has not assured respondents of confidentiality.

**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 information collection does not ask questions or require information of a sensitive nature.

**12. Provide estimates of the information collection's hour burden.**

There are an estimated 3,391 (licensee) respondents associated with this collection. Permittees may also sell excess stock of explosives, but the number of such distributions is very small and ATF does not track the number. For each time a licensee (3,391) sells or otherwise distributes explosive materials, they must collect the required information from the distributee/recipient. Each licensee will collect the information (i.e., respond) once for every distribution, and ATF estimates an average of 78 distributions per licensee annually. This results in a total of 264,498 distributions per year (3,391 licensees \* 78 distributions). Each respondent will take approximately 0.1667 hours per distribution to collect the information, for a total annual hourly burden of 13 hours per licensee (78 distributions \* 0.1667 hours). Therefore, the total annual burden hours associated with this information collection is 44,083 hours (3,391 licensees \* 13 hours per licensee per year).

Activity	Number of respondents	Frequency	Total annual responses	Time per response	Total annual burden (hours)	Hourly rate <sup>1</sup>	Monetized value of respondent time
Disposition (respondent)	3,391	78 distributions per year	264,498	0.1667	44,083	\$45	\$1,983,735
<b>Unduplicated totals</b>	<b>3,391</b>		<b>264,498</b>		44,083	\$45	\$1,983,735

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

There are no additional costs associated with this information collection.

**14. Provide estimates of the annualized cost to the federal government.**

Respondents to this ICR do not provide the required information to ATF. As a result, this ICR does not involve a direct cost to the federal government.

However, ATF does conduct periodic compliance inspections of licensee/permittee operations, which includes inspecting records the licensee/permittee is required to collect and retain on their premises. As a result, a portion of these inspections can be attributed as an indirect cost of to the government from this information collection.

ATF estimates that approximately 0.1667 hours of inspection time per distribution would be spent ascertaining that the licensee/permittee collected the information required by this ICR. ATF estimates an average of 78 distributions per licensee annually. Based on ATF internal database records, there are approximately 9,164 licensees/permittees and ATF inspects approximately 8 percent of them in a given year, resulting in 733 compliance inspections ( $733 = 9,164 * 0.08$ ). At 0.1667 hours of inspection time per distribution, the total annual hourly burden to the government would be 123,902 hours (78 distributions \* 0.1667 hours per distribution = 13 hours inspecting per licensee \* 733 licensees inspected = 123,902 hours).

ATF estimates that an inspecting IOI would be a GS-13, step 5 at an hourly rate of \$64.06.<sup>2</sup> Based on research performed by the Congressional Budget Office (CBO), federal benefits (federal load rate) for an IOI would be 1.66 (1.66 federal load rate =  $1.42 * 0.17$ ). Applying the federal load rate of 1.66 to the hourly rate results in loaded hourly wage rate of \$106.34 (\$64.06 hourly wage for a GS-13, Step 5 \* 1.66).

<sup>1</sup> The mean hourly wage for Explosives Workers, Ordinance Handling Experts, and Blasters (47-5032) is \$31.54 (see <https://www.bls.gov/oes/current/oes475032.htm>). To account for fringe benefits such as insurance, ATF estimated a private sector load rate by calculating private sector benefits from the Bureau of Labor Statistics (Database for Employee Compensation, <https://data.bls.gov/cgi-bin/srgate>) and determined that the overall private sector benefits are 41.8 percent in addition to an hourly wage, or a load rate of 1.418. This brings the \$31.54 wage to a loaded wage rate of \$44.72, rounded to \$45.

<sup>2</sup> [https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2024/DCB\\_h.pdf](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2024/DCB_h.pdf)

Therefore, the estimated annual federal cost to perform compliance inspections attributed to this ICR is \$13,175,739 (\$106.34 loaded hourly wage rate \* 123,902 hours inspecting).

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

The adjustments associated with this collection include a decrease in the total respondents and responses to this collection from 46,500 in 2021, to 3,391 currently. In addition, the total burden hours for this collection increased from 23,250 hours in 2021 to 44,083 hours in 2024, due to a change in methodology for determining hourly burdens. And ATF also calculated the monetized cost of the hourly burden in this renewal, which is had not included before, and which is \$1,983,735.

**16. For information collections whose results will be published, outline plans for tabulations and publication.**

The results of this collection 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.**

This information collection does not involve a form or other collection instrument upon which ATF could display the expiration date. Distributors collect the information in the form of lists, sometimes emailed, photocopies or scans, and notes. As a result, ATF is not able to display an expiration date.

**18. Explain each exception to the certification statement.**

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

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS.**

This information collection does not employ statistical methods.