

**U.S. Department of Agriculture
Farm Service Agency
Supporting Statement
OMB Control No. 0560-0560-0258**

Purpose: CCC is requesting OMB approval on an extension of a currently approved information collection request.

1. Circumstances making collection of information necessary

The information collection is needed in the evaluation of freight bids in connection with the procurement of commodities for donation overseas. This information is submitted by ocean carriers, or their agents, and collected by the Kansas City Commodity Office (KCCO). The Kansas City Commodity Office (KCCO) issues a public invitation soliciting bids for the sale of commodities and requests ocean carrier provide indications of available freight rates to KCCO using the Freight Bid Entry System (FBES). Use of the FBES enhances bidding opportunities for potential vendors while allowing CCC to efficiently acquire commodities.

7 CFR part 1496, Procurement of Processed Agricultural Commodities for Donation Under Title II, Pub. L. 480. The Kansas City Commodity Office (KCCO), within the Farm Service Agency, U.S. Department of Agriculture, procures agricultural commodities on behalf of CCC for donation overseas under various food aid authorities. These authorities include Title II of the Agricultural Trade Development and Assistance Act of 1954 (Pub. L. 480), which is administered by the U.S. Agency for International Development (USAID), and the Food for Progress and the McGovern-Dole International Food for Education and Child Nutrition Programs, which are administered by the Foreign Agricultural Service within USDA.

2. How, by whom, and for what purpose is information used:

The United States donates agricultural commodities overseas to meet famine or other relief requirements, to combat malnutrition, and sells or donates commodities to promote economic development.

To accommodate these donations, CCC issues invitations to purchase agricultural commodities and services, such as transportation, for use in international programs. Ocean transportation contracting is done by the Cooperating Sponsors or Private Volunteer Organizations (PVO's) (grantee organizations or foreign governments receiving the commodities) or the United States Agency for International Development (USAID) in the case of some Title II, P.L. 480 shipments. KCCO evaluates commodity bids together with the freight rate indications to identify the combination which most likely results in the lowest-landed cost, i.e., the lowest combined cost of commodities and freight to destination.

Vendors bid for ocean freight by making offers using FBES to place bids electronically.

Vendors can access FBES on-line to see the date/time the system shows for receipt of bid, bid modification, or bid cancellation. At bid opening date/time, the bids submitted are evaluated in the FBES. KCCO then awards commodity bids on the basis of lowest landed cost by a comparison with offered freight rates and notifies the Cooperating Sponsor or PVO of the bid accepted. Awarded contracts are posted on the website.

3. Use of information technology:

The respondents submit the required information electronically through the Freight Bid Entry system (FBES).

Also, the Web-Based Supply Chain System (WBSCM) is a new procurement system under development to eliminate the need for FBES.

4. Efforts to identify duplication:

To the best of our knowledge, similar information is not collected by any other government office. These collections are necessary to support the procurement of agricultural commodities for donation. The information required is available only from participants, and is not accessible by KCCO unless provided by participants from their private records.

5. Methods to minimize burden on small business or entities:

Since the information requested is readily available from participants' records, these collections do not impose a special burden on small businesses or entities.

6. Consequences if information collection were less frequent:

Information collection is required to procure and transport agricultural commodities. Without this information, KCCO could not meet program needs.

7. Special circumstances:

1. Requiring respondents to report information to the agency more often than quarterly; **Submitted monthly, but more often when a special invitation is needed.**
2. requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; **The information collected is a result of the respondents program participation to an invitation for freight offers. Competitive offers are usually due within seven to ten days after issuance of the invitation.**
3. requiring respondents to submit more than an original and two copies of any document; **No**
4. requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three

- years; **No**
5. in connection with a statistical survey that is not designated to produce valid and reliable results that can be generalized to the universe of study; **No**
 6. requiring the use of statistical data classification that has not been reviewed and approved by OMB; **No**
 7. 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; **No**
 8. 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**

8. Federal Register Notice, summarization of comments and consultation with persons outside the agency:

The 60-day comment period regarding this information collection was published in the Federal Register on March 29, 2010. No comments were received.

KCCO made efforts to consult with persons outside the agency to obtain their comments:

Potomac Marine One Wales Alley Alexandria, VA. Keith Powell 703-519-7200	Potomac Marine One Wales Alley Alexandria, VA. Michael Wardian 703-519-7200	Potomac Shipping International LLC. 10600 Arrow Head Drive Fairfax, VA. Fred Haden 703-591-9771 Ext: 104
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9. Explain any decision to provide any payment or gift to respondents:

Respondents will not receive any payment or gift.

10. Confidentiality provided to respondents:

Confidential business related information is collected. Some users provide us with their cell phone number, which is used when business related problems arise after normal business hours. All data collected is handled according to KCCO procedures in accordance with the Privacy Act and the Freedom of Information Act.

11. Questions of a sensitive nature:

CCC is not asking questions of a sensitive nature.

12. Estimates of Burden:

See attached FSA-85-1. The total reporting burden is 24 hours. The estimated cost to the public is \$720.00 (24 x \$30.00) (hourly rate of the steamship lines employee who enters the required information).

13. Total annual cost burden to respondents or record keepers:

There are no capital/start up costs associated with this information collection.

14. Estimates of annualized cost to the federal government:

The estimated annual cost to the Federal government is: \$225,000.

This figure consists of: Production Operations \$155,000 and Support Staff \$70,000.

15. Reasons for changes in burden:

There are no changes in this collection of information since the OMB approval.

16. Tabulation, analysis, and publication plans:

Order and Purchase Award information are available on the internet. USAID or the grantee organization, or its shipping agent, are notified of the vessel freight rate used in determining the commodity contract award.

17. Reasons display of expiration date of OMB approval is inappropriate:

The agency is seeking approval to not display the OMB expiration date associated with this information collection because FSA/KCCO needs to reprogram FBES to include the expiration date which changes every three years.

18. Exceptions to 83-1 certification statement:

The Agency is able to certify compliance with all provisions under Item 19 of OMB Form 83-1.

19. How is this information collection related to the Customer Service Center?

Will this information be part of their one stop shopping?

This information collection is not related to the USDA Customer Service Center. Our customers are steamship lines and/or their respective agents. Our customers have direct contact with KCCO.