

## **Supporting Statement For Paperwork Reduction Act Submissions**

### **Justification**

The U.S. Department of Agriculture's Foreign Agricultural Service (FAS) provides U.S. agricultural commodities to feed millions of hungry people in needy countries through direct donations and concessional programs. USDA food aid may be provided through four program authorities: Food for Progress, Section 416(b), the McGovern-Dole International Food for Education and Child Nutrition Program, and Public Law 480 (P.L. 480). This request addresses the Food for Progress and the McGovern-Dole International Food for Education and Child Nutrition programs.

The **Food for Progress (FFPr) program**, authorized by the Food for Progress Act of 1985, provides for the donation of or sale of U.S. commodities to developing countries and emerging democracies to support democracy and the expansion of private enterprise. To date, all food aid under this program has been by donation. The commodities donated through Food for Progress may be used for direct feeding programs, or they may be sold (or "monetized") in the recipient's country and the proceeds used to support agricultural, economic, or infrastructure development programs. Assistance is provided through foreign governments, private voluntary organizations, cooperatives, and/or intergovernmental organizations.

The **McGovern-Dole International Food for Education and Child Nutrition (McGovern-Dole) Program** is authorized by the Food, Conservation, and Energy Act of 2008. This program helps support education, child development, and food security for some of the world's poorest children. It provides donations of U.S. agricultural products and financial and technical assistance to international school feeding and nutrition projects. The McGovern-Dole program prioritizes programs in low-income, food-deficit countries that are committed to universal education.

**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.**

<b>Information Required for Collection</b>	<b>Explanation and Reason for Information Collection</b>	<b>Legal Requirement</b>
<i>Proposal: Introductory Statement, Plan of Operation, Initial Budget, SF-424</i>	Participants must submit to FAS a detailed program proposal, including a SF-424, an introductory statement, a budget proposal, and a plan of operation that explains how it will carry out the program. These submissions help determine a participant's eligibility for program participation.	7 CFR 1499.4 (Food for Progress)  7 CFR 1599.4 (McGovern Dole)
<i>Agreements and Program Operation Budget</i>	Once a program is approved, a participant must sign a legal agreement establishing the terms and conditions of their food donation program. Additionally, participants must submit a Program Operation Budget if they want FAS/CCC to bear commodity storage and distribution costs and/or administration, monitoring, and technical assistance costs.	7 CFR 1499.5 (Food for Progress)  7 CFR 1599.5 (McGovern-Dole)
<i>Amendments to Agreements</i>	When a participant needs to change the operational budget and/or the program design (for reasons unforeseen during the agreement negotiation), the participant and FAS must negotiate an amendment to the agreement. An amendment is necessary to ensure that FAS and the participant come to a legal agreement to ensure the program's successful completion.	7 CFR 1499.5 (Food for Progress)  7 CFR 1599.5 (McGovern-Dole)
<i>Ocean Transportation Documents: Freight Invitations; Charter Parties or Booking Notes; Freight Offers; Freight Forwarder Certifications</i>	Participants or their freight forwarders must submit documentation related to procurement of ocean transportation, including freight forwarder certifications, ocean freight invitations for bid, charter parties or booking notes, and spreadsheets of freight offers. If a participant uses the services of a freight forwarder, the participant must provide the name, contact information, and the freight forwarders certification to FAS. A participant must obtain advance approval from FAS for all invitations for bids for ocean	7 CFR 1499.7 (Food for Progress)  7 CFR 1599.7 (McGovern-Dole)

	<p>transportation. Any freight bid that the participant proposes to accept must be submitted to FAS. This information is needed to ensure commodity shipments are at the lowest cost possible to the government and that they comply with sections 901(b) and 901b of the Merchant Marine Act of 1936.</p>	
<p><i>Freight Payments and Supporting Documentation</i></p>	<p>When payments are not processed through an electronic payment system, the participant must submit several documents to FAS to ensure a minimum level of financial accountability in the ocean transportation of commodities and to ensure commodity shipments comply with sections 901(b) and 901b of the Merchant Marine Act, 1936. Required documents include: (1) a signed copy of the completed form CCC-512; (2) bill of loading; (3) FGIS Official Stowage Examination Certificate; (4) National Cargo Bureau certificate of loading; (5) FGIS Container Condition Inspection Certificate for containerized cargo; (6) signed U.S. Food Aid Booking Note or Charter Party; (7) signed notice of arrival at first discharge port for charter shipments; (8) request for reimbursement of freight; and (9) a document specifying the name of the entity to receive payment.</p>	<p>7 CFR 1499.6 (Food for Progress)</p> <p>7 CFR 1599.6 (McGovern-Dole)</p>
<p><i>Written Agreement Between a Participant and Sub recipients</i></p>	<p>A copy of the written agreement between the participant and sub recipient is required before the commodity, sales proceeds, or program income can be transferred. Agreement requires sub recipient to pay the participant for lost, damaged or misused commodities if the sub recipient is at fault.</p>	<p>7 CFR 1499.12 (Food for Progress)</p> <p>7 CFR 1599.12 (McGovern-Dole)</p>
<p><i>Documentation of Damaged or Lost Commodities</i></p>	<p>Participants must provide a copy of the discharge survey to FAS. If commodities with a value greater than \$1,000 are lost or damaged, FAS requires: (1) a written report explaining the circumstances of the loss or damage, (2) a certification by a public health official on commodity condition and exact quantity of damaged</p>	<p>7 CFR 1499.9 (Food for Progress)</p> <p>7 CFR 1599.9 (McGovern-Dole)</p>

	commodity that are disposed, and (3) a report of action taken to dispose of any commodities unfit for authorized use.	
<i>Claims for Damage to or Loss of Commodities</i>	For damages or losses greater than \$20,000, the participant must provide FAS with detailed information about the circumstances surrounding the damage/loss and the quantity and value of the damaged/lost commodities.	7 CFR 1499.10 (Food for Progress)  7 CFR 1599.10 (McGovern-Dole)
<i>Agreement Reporting Requirements: Semi-annual Financial and Logistics/Monitoring Reports</i>	FAS requires that participants submit logistics and monitoring reports and financial reports on a semi-annual basis. These reports are necessary to ensure that commodities are dispersed, funds are spent, and activities are conducted in full compliance with the agreement.	7 CFR 1499.13 (Food for Progress)  7 CFR 1599.13 (McGovern-Dole)  7 CFR 3019.52 (All)
<i>Annual A-133 Audit</i>	Participants are required to submit an annual A-133 audit until all commodities are completely distributed and/or all proceeds from the sale of commodities are fully dispersed. These audits are necessary to ensure the participant's financial accountability.	7 CFR 1499.13 (Food for Progress)  7 CFR 1599.13 (McGovern-Dole)  7 CFR 3019.26 (All)
<i>Compliance and Evaluation: Mid-term and Final Evaluation Reports; Program-Specific Audit</i>	FAS requires that all participants submit mid-term and final evaluation reports and a program-specific audit – all conducted by an independent third party. These evaluations and audits are financed by CCC administrative funds. This information collection is essential to ensure the accountability of food assistance programs.	7 CFR 1499.13 (Food for Progress)  7 CFR 1599.13 (McGovern-Dole)  7 CFR 3052.200
<i>Final Reimbursement Request</i>	When the program specified under an agreement is completed, a participant may submit a final reimbursement request for administrative funds spent under the agreement. However, the participant must return any funds advanced by CCC that have not been obligated. Additionally, any unspent monetization proceeds must be returned. This information is necessary to square accounts once programming is finished.	7 CFR 1499.6 (Food for Progress)  7 CFR 1599.6 (McGovern-Dole)
<i>Agreement Closeout: Equipment Disposition Information, Tax</i>	When an agreement is ready to be closed out, the participant must account for the disposition of capital equipment purchased	7 CFR 1499.15 (Food for Progress)

<i>Certification</i>	with program funds. Additionally, the participant must certify that it has no outstanding payroll taxes on employees in the program country. This documentation is necessary to comply with federal regulations for grant close out.	7 CFR 1599.15 (McGovern Dole) 7 CFR 3019.71 – 3019.73 (All)
<i>Maintenance of Records and Reports</i>	Financial records, logistics and monitoring reports, and all other records pertinent to an award shall be retained for a period of 3 years from the date of submission of the final expenditure report. These records must be kept for use in post-program evaluation and to ensure compliance.	7 CFR 1499.13 (Food for Progress) 7 CFR 1599.13 (McGovern-Dole) 7 CFR 3019.53 (All)

Note that there have been two additions to the food assistance program’s information collection since the 2007 information collection renewal. First, FAS now requires a mid-term and final evaluation as well as a program specific audit (financed by FAS). This collection is necessary to comply with the new 2009 regulations and to improve the monitoring and evaluation of food aid programs. The second change is that FAS now collects additional documentation at close out. Although this information was required in the past, the division had lacked the personnel to adequately address this information collection. Due to increased funding, FAS now has the staff to process agreement close outs and the related information collection.

**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.**

Information is collected from the participant to determine its ability to carry out a food aid program, to establish the terms under which commodities will be provided, to monitor the progress of commodity distribution (including how transportation is procured), to monitor the progress of expenditure of monetization funds, and to evaluate both the program’s success and the participant’s effectiveness in meeting the agreed upon goals. An explanation of how and for what purposes FAS uses specific collected information is detailed in the list below.

- **Proposal (Introductory Statement, Plan of Operation, Initial Budget, SF-424):** FAS uses this information to select applicants for participation in food assistance programs. It is critical to program oversight that FAS be acutely aware of a participant’s qualifications and programming objectives before selecting it to implement a food aid program.
- **Agreement and Operational Budget:** After a program is approved, the participant enters into an agreement with FAS establishing the terms under which the commodities will be provided. The agreement and budget documents are necessary to establish that commodities donated under these programs are used effectively and in a way that is deemed acceptable by the Federal Government. FAS uses the agreement as a guiding document governing program implementation.

- **Amendment(s)**: Agreements are sometimes amended to accommodate changes in the budget or program objectives. Again, a legal agreement is necessary to establish that commodities donated under these programs are used effectively and in a way that is deemed acceptable by the Federal government.
- **Ocean Transportation Documents**: The freight forwarders must submit to FAS documents related to transportation of the commodities, including freight invitations, charter parties or booking notes, freight offers, and freight forwarder certifications. FAS reviews these documents to ensure a fair tendering process and that the lowest cost vessels are approved for shipment. Additionally, FAS and the Maritime Administration use this documentation to ensure that cargo preference requirements are met.
- **Freight Payments and Supporting Documentation**: When not submitted electronically, participants must submit documentation to justify freight payments. FAS uses this information to ensure financial accountability in ocean transportation and to ensure that commodity shipments comply with sections 901(b) and 901b of the Merchant Marine Act, 1936. Some of these documents are also utilized by USDA's Kansas City Commodity Office and by the Maritime Administration.
- **Agreement between Participants and Sub recipients**: FAS reviews these documents to ensure that sub recipients are in compliance with the terms and conditions of the agreement between FAS and the participant. Additionally, the collection of these documents is essential to program accountability, given that sub recipient are not necessarily selected during the proposal solicitation process.
- **Documentation of Lost or Damage Commodities**: Discharge surveys and other damage/loss information are sent to USDA's Kansas City Commodity Office (KCCO) and are used to document cargo loss/damage and to establish liability. If claims cannot be resolved administratively within KCCO, the reports are then sent to the Office of the General Counsel and Department of Justice to be used in litigation.
- **Documents Supporting Claims on Damaged or Lost Commodities**: In the case of extensive losses or damages, FAS uses this documentation to support claims for compensation for missing commodities.
- **Reporting Requirements**: FAS requires that participants submit semi-annual financial and logistics/monitoring reports. These reports are essential to FAS's monitoring of active food aid agreements. FAS analysts review these documents to ensure the transparent flow of commodities and monetization proceeds from commodity receipt until final distribution or expenditure. Moreover, FAS uses these reports to ensure that commodities are dispersed, funds are spent, and activities are conducted in compliance with the signed agreement. This information is needed to satisfy statutory requirements, to assure that public resources are used properly, and to prevent fraud and abuse.
- **A-133 Audits**: FAS staff review these documents (submitted annually) to ensure that participants are in financial compliance with federal regulations governing entities receiving U.S. government assistance.

- **Compliance and Evaluation Documents:** Starting in FY 2010, FAS now requires mid-term and final evaluations as well as program-specific audits – conducted by an independent third party. This new requirement is an additional step to improve the monitoring and evaluation of food aid agreements and to further ensure program accountability.
- **Final Reimbursement Requests:** FAS uses this information to make final payments to participants and to deobligate unspent funds. This information is necessary to ensure that all accounts are squared when programming is complete.
- **Agreement Closeout:** Participants must submit a tax certification and equipment disposition in order to close an agreement. FAS uses this information to ensure that the agreement is in compliance with federal regulations for the close out of government grants.
- **Maintenance of Records and Reports:** The participant must maintain records for a period of 3 years from the date of submission of the final expenditure report. FAS has the authority to inspect these records in order to evaluate a participant’s compliance with the terms and conditions of an agreement. Additionally, FAS uses these records to evaluate whether a participant should be selected to implement future programming. Finally, USDA and Congress sometimes use these records to evaluate the effectiveness of food assistance programs.

**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.**

The vast majority of information collected from participants is submitted electronically. This is a significant change from several years ago, when information was collected almost entirely by U.S. mail and fax. The switch to electronic data collection has resulted in a significant reduction in both the required paperwork and in the time it takes participants to prepare and submit the information. Many of FAS’ documents are available for download on FAS’ Web site, including financial reports, logistics and monetization reports, and cash transaction forms. Additionally, the proposal process is now completely online, and all applications are submitted either by email or through an online system. Since online proposals and electronic reports are uniform in format, they save FAS staff time in reviewing reports and proposals.

Increasingly, freight forwarders are submitting documents electronically. FAS policy requests that freight forwarders put all freight tenders and vessel fixture information on FAS’ Web site, so that they are available to the public. At present, virtually all freight forwarder documents are either submitted electronically or posted on the website. Additionally, all documents for freight payments are currently submitted online under the McGovern-Dole program. With the advent of the Web-based Supply Chain Management (WBSCM) system at the end of 2010, all freight

invoicing, payments, and related documents for all food assistance programs will be submitted and processed online through this system.

Finally, FAS is developing a Food Aid Information System (FAIS), which will provide a seamless electronic system to allow participants to apply for programs, complete agreements, report on implementation, and receive cash disbursements through a single online system. Commodity suppliers and freight companies will also be able to submit offers, report on deliveries, and receive payment using FAIS. The system is expected to be fully operational by FY 2011. (Please note that the launch of FAIS has been significantly delayed since the last request for approval of information collection in 2007. This is due to a contracting issue beyond the control of FAS. However, a new contract is being executed presently, and the system is on track to launch in FY 2011.)

**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 2 above.**

FAS has made an effort to identify and eliminate duplication in information collection for food assistance programs. Some examples include:

- In a given fiscal year, freight forwarders that have already been approved as an agent for a country or private voluntary organization can send a simplified version of their certifications for each subsequent agent nomination.
- A-133 Audits: Even if a participant has multiple active food aid agreements, it is only necessary for the entity to submit one copy of its A-133 audit every year.
- Tax Certifications: Although FAS requires tax certification information on every active food assistance agreement, this information can all be submitted in the same document to avoid unnecessary effort and paperwork.

In some instances, it is necessary to collect similar information multiple times. For example, each agreement with a participant has particular objectives and requires individual reporting and compliance requirements. Hence, participants with multiple agreements must submit separate budgets, reports, etc., because each food aid program is inherently unique.

In the case of ocean transportation documentation, each freight tender is unique. The commodities, amounts, load and discharge ports, and countries of final destination can vary from one tender to the next, even if it is for the same participant. Therefore the freight forwarder needs to submit an invitation for bid for approval prior to each freight tender.

**5. If the collection of information impacts small business or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.**



- This information collection deals primarily with requirements imposed upon foreign governments and non-profit entities distributing humanitarian food aid overseas and therefore does not have a significant impact upon a substantial number of 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.**
- This information collection is necessary to satisfy statutory requirements and to assure that public resources are properly used under food assistance programs. These programs involve the delivery, use, and sale of agricultural commodities, and some information collection is necessary to establish a minimum level of accountability and to prevent fraud and abuse. Semi-annual reporting by participants permits the tracking and monitoring of commodities and monetization proceeds. Less frequent reporting would make it significantly more difficult to monitor and evaluate the effectiveness and compliance of participants' program implementation.
- Because FAS funds the transportation costs of food assistance programs, it is essential for freight forwarders to submit their documents to USDA for approval in order to ensure that transportation is procured in a fair manner and at the lowest cost possible to the federal government. Moreover, ship owners/brokers are required to submit documents to ensure that all the contractual obligations have been met prior to payment. Likewise, submission of discharge surveys is necessary in order to have a full accounting of the commodities shipped, including any losses or damages. Lessening any of these requirements could result in less accountability to the federal government in the freight procurement process.
- **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:* Freight documentation is provided on an as-needed basis, depending on the volume of commodities that need to be moved at any given time.
- *Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it:* Respondents always are given more than 30 days to prepare reports, proposals, and evaluations.
- *Requiring respondents to submit more than an original and two copies of any document:* This does not apply because the vast majority of participants now submit information collection documents electronically. However, when submitting hard copy documents, participants are only required to submit one original of the document.
- *Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years:* This does not apply, because participants are only required to keep records for 3 years after the date that the final expenditure report is submitted. (7 CFR 3019.53)

- *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 statistical surveys required by food aid information collections.
- *Requiring the use of a statistical data classification that has not been reviewed and approved by OMB:* There are no statistical surveys required by food aid information collections.
- *Including 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:* There is no assurance of confidentiality provided to respondents in food aid information collections.
- *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 confidential information is required by food aid information collections.

**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 C.F.R. 1320.8(d), soliciting comments on the information collection prior to submission to OMB.**

**(A) 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.**

A Federal Register notice was published on Monday, September 20, 2010, Vol. 75, No. 181, page 57251.

FAS received two comments in response to the published Federal Register notice. FAS notes that both respondents would like for international food assistance programs to cease immediately and for all food assistance to remain within in the United States. Because neither comment specifically addresses the information collection undertaken by FAS's food assistance program, FAS did not take action related to this comment.

**(B) 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.**

FAS contacted several private voluntary organizations and freight forwarders to obtain their estimates of the burden hours associated with preparing food aid information collections and maintaining records of those documents.

The following private voluntary organizations were contacted:

- International Relief and Development (contact: Vladan Ilic, 703-248-0161)
- TechnoServe (contact: Susan Bornstein, 202-719-1311)
- ACIDI/VOCA (contact: Alex Gebrehiwot, 202-469-6043)

The following freight forwarders were also contacted:

- Fettig & Donalty (contact: Mike Lagoon, 202-628-5700)
- BKA Logistics (contact: Mark Millard, 202-331-7395)

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

We do not provide payments or gifts to respondents other than for funding expenses directly related to food aid program implementation. These expenses could be associated with the transportation, storage, handling, and distribution of commodities and/or the administration and monitoring of programs.

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

There is no assurance of confidentiality provided to respondents in relation to this information collection. However, it is agency policy to keep confidential any information provided under this collection unless its release is required under a Freedom of Information Act request.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior or 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.**

There are no questions of a sensitive nature associated with this information collection.

**12. (A) Provide estimates of the hour burden of the collection of information. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Indicate the number of respondents, the frequency of response, annual hour burden, and an explanation of how the burden was estimated.**

Respondents can be divided into four general constituencies: private voluntary organizations (PVOs), freight forwarders, ship owners/brokers, and survey companies. There are 14 collection activities associated with this information collection. Chart A (attached) provides burden information for each information collection activity under food assistance programs. Estimates were obtained by using agency data and through consultation with food aid constituents, as explained in question number 8. Chart B (attached) provides a summary of the recordkeeping burden for each activity. Included below is more detailed information on the methodology and results of the burden hour calculation for each constituent group.

**Private Voluntary Organizations (PVOs) – (51 respondents)**

Total annual information collection responses from PVOs totaled 1,198, resulting in a total of 132,644 burden hours. The recordkeeping burden totaled 818.3 hours. Thus, the total burden for PVOs is 133,462.3 hours. (See rows 1-9 of Charts A and B for PVO burden hour calculations.)

*Methodology:* FAS records were used to calculate the number of PVO respondents (includes program applicants and current participants) and the number of annual responses per PVO for each required information collection. (Note: In any given year, a PVO may submit multiple proposals, may be selected to implement multiple programs, and may be implementing multiple programs awarded during different years. Therefore, the average number of proposals, agreements, reporting forms, etc. per unique respondent varies in the burden hour estimates included with this document.) Several PVOs were then surveyed to determine the estimated hours per response. This number was then multiplied by the number of total annual responses to calculate the total annual burden hours.

*NOTE:* The burden hour estimate for the proposal package (introductory statement, plan of operation, budget, and SF-424) increased significantly between this information collection renewal package and the 2007 renewal package. However, this is not due to an increase in the amount of information collected by FAS. Rather, FAS is confident that it has obtained a significantly more accurate estimate during this information collection renewal. The PVOs surveyed for this renewal (as described in the subsequent paragraph) provide a very good sampling of the food donation programs' participants and the information collected from them.

#### **Freight Forwarders – (6 respondents)**

Total annual information collection responses from freight forwarders totaled 1,354, resulting in a total of 6,415 burden hours. The recordkeeping burden totaled 677 hours. Thus, the total burden for freight forwarders is 7,092 hours. (See rows 10-13 of Charts A and B for freight forwarder burden hour calculations.)

*Methodology:* FAS records were used to calculate the number of freight forwarder respondents and the number of annual responses per freight forwarder for each required information collection. (Note that a freight forwarder may serve more than one PVO or country in a given year. The freight forwarder is required to submit a set of agent certification statements for each PVO or country that it represents, and thus the number of freight tenders each agent handles depends on how many PVOs/countries the agent represents and the type and amount of commodities that will be shipped.) Several freight forwarders were then surveyed to determine the estimated hours per response. This number was then multiplied by the number of total annual responses to calculate the total annual burden hours.

#### **Ship Owners/Brokers – (18 respondents)**

Total annual information collection responses from ship owner/brokers totaled 185, resulting in a total of 740 burden hours. The recordkeeping burden totaled 92.5 hours. Thus, the total burden for ship owner/brokers is 832.5 hours. (See row 14 of Charts A and B for freight forwarder burden hour calculations.)

*Methodology:* FAS records were used to calculate the number of ship owners/broker respondents and the number of annual responses per ship owners/broker for each required information collection. Several ship owners/brokers were then surveyed to determine the estimated hours per

response. This number was then multiplied by the number of total annual responses to calculate the total annual burden hours.

### **Survey Companies – (157 respondents)**

Total annual information collection responses from survey companies totaled 241, resulting in a total of 482 burden hours. The recordkeeping burden totaled 120.5 hours. Thus, the total burden for ship owners/brokers is 602.5 hours. (See row 14 of Charts A and B for freight forwarder burden hour calculations.)

*Methodology:* FAS records were used to calculate the number of survey company respondents and the number of annual responses per survey company for each required information collection. Several survey companies were then surveyed to determine the estimated hours per response. This number was then multiplied by the number of total annual responses to calculate the total annual burden hours.

### **Summary of Burden Hours**

Approximately 232 different respondents are impacted annually by this information collection. Total annual responses from all respondents totaled 2,978, resulting in a total of 140,281 burden hours. The recordkeeping burden totaled 1,708 hours. Thus, the total burden for all respondents submitting food aid information collection is 141,989 hours.

## **12. (B) Provide estimates of annualized cost to respondents for the hour burdens of collections of information, identifying and using appropriate wage rate categories.**

The average annual salary for a PVO employee is estimated to be about \$50,000. (PVOs are required to provide employee salaries as part of the budget submission for food assistance programs.) The average salary is thus equivalent to about \$25 per hour. The total annual burden for PVOs is 132,280.3 hours. Total annualized cost to PVOs is therefore \$3,307,007.50 (132,280.3 hours x \$25/hour).

The average annual salary for a freight forwarder and for a ship owner/broker employee is estimated at the GS-13/Step 5 level, or \$100,904. The average salary is thus equivalent to about \$48 per hour. The total annual burden for freight forwarders is 7,092 hours; so the total annualized cost to freight forwarders is \$340,416 (7,092 hours x \$48/hour). Additionally, the total annual burden for ship owners/brokers is about 832.5 hours. The total annualized cost to ship owners/brokers is thus estimated to be \$39,960 (832.5 hours x \$48/hour).

The average annual salary for a discharge survey company employee is estimated at the GS-9/Step 5 level, or \$58,511 – about \$28 per hour. (These salary estimates were obtained previously through discussions with a USDA transportation specialist from the Kansas City Commodity Office, who regularly deal with survey companies. Note that discharge surveys are performed at overseas ports, where the salaries are typically lower than what an equivalent worker earns in the United States.) The total annual burden for survey companies 361.5 hours. Total annualized cost to survey companies is therefore \$10,122 [361.5 hours x \$28/hour]. The total annualized cost to all respondents associated with food assistance information collection is \$3,697,505.

**13. Provide estimates of the total annual cost burden to respondents or record keepers resulting from the collection of information (do not include the cost of any hour burden shown in items 12 and 14).**

There is no additional cost to respondents or record keepers resulting from this information collection.

**14. Provide estimates of annualized cost to the Federal government. Provide a description of the method used to estimate cost and any other expense that would not have been incurred without this collection of information.**

We estimate that the annualized cost of this information collection to the Federal government is **\$2,177,396** – \$1,016,778 in labor costs and \$1,160,618 for the computer system development contract. This information is captured in Table 1 below. (Note that the FAIS contract was signed in 2009 for a period of 7 years, at a total cost of \$8,124,324. This works out to a yearly cost of \$1,160,618.) Additionally, Table 2 further breaks down the labor costs borne by the Federal Government. Table 2 uses the number of people, their grades, and the percent of time that they spend on information collection to calculate the total associated labor cost. (Note that salaries for all grade levels are assumed to be at the step 5 salary rate.)

<b>Table 1: Total Federal Government Costs</b>	
Labor (See Table 2)	\$1,016,778
Computer Systems	\$1,160,618
<b>Total:</b>	<b>\$2,177,396</b>

<i>Grade</i>	<i>Salary</i>	<i># People</i>	<i>Percent of Time</i>	<i>Total Cost</i>
GS-7	\$47,838	2	40%	\$38,270
GS-8	\$52,976	1	100%	\$52,794
GS-11	\$70,794	2	75%	\$106,191
GS-11	\$70,794	2	60%	\$84,952
GS-12	\$84,855	3	60%	\$152,739
GS-13	\$100,904	8	60%	\$484,339
GS-14	\$119,238	3	20%	\$71,543
GS-14	\$119,238	1	10%	\$11,924
GS-15	\$140,259	1	10%	\$14,026
			<b>Total:</b>	<b>\$1,016,778</b>

**15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-1.**

There is a program increase of +91,555 burden hours and 238 responses. The changes in this information collection since the 2007 renewal are attributed to the Evaluations and Audits process of the program. In order to comply with the new Food for Progress and McGovern-Dole regulations (published in 2009), the food assistance programs now require that grantees submit a mid-term and final evaluation as well as a program-specific audit. This additional information collection will improve the monitoring, evaluation, and accountability of food aid programs while ensuring that program objectives are effectively achieved.

**16. For collections of information whose results are planned to be published, outline plans for tabulation and publication.**

There are no plans to publish data from this information collection.

**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 not seeking approval to not display the expiration date for OMB approval of the information collection.

**18. Explain each exception to the certification statement identified in Item 19**

**“Certification for Paperwork Reduction Act.”**The agency is able to certify compliance with all provisions under Item 19 of OMB Form 83-I with the exception of (g)(vi). We are currently requesting approval and an OMB control number to display on attached forms.