

2012 SUPPORTING STATEMENT

National Universal Product Code (NUPC) Database

OMB # 0584-0552

Terms of Clearance: The Agency will display the OMB expiration date on all data collection instruments associated with this package.

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 is a revision of a currently approved data collection. “The Child Nutrition and WIC Reauthorization Act of 2004, Public Law No: 108- 265”, which was signed into law in June 2004, originally directed the Secretary to “establish a National Universal Product Code (NUPC) database for use by all State agencies”. In response to this mandate, the U.S. Department of Agriculture (USDA) Food and Nutrition Service developed a National Universal Product Code (NUPC) database which serves as a national electronic repository of Women, Infant, and Children (WIC) eligible foods which had been authorized or approved by FNS and/or WIC State agencies. In December, 2010, Congress reaffirmed their original edict with passage of “The Healthy, Hunger-Free Kids Act of 2010, Public Law No: 111-296”, which provided funding and directed the Secretary to “establish a National Universal Product Code (NUPC) database for use by all State agencies”.

- 2. Indicate how, by whom, how frequently, 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.**

The original PRA submission for the NUPC database assumed WIC State agencies and food manufacturers would be responsible for entering items into the database via a web based user interface comprised of several electronic forms (screens) which would be completed manually. Input from State agencies, and observations of user behavior, led FNS to conclude this data collection

approach was not viable. FNS has therefore revised the concept of operations for the NUPC database and is currently evaluating contractor proposals to modify the database structure and populate it with information about WIC authorized foods. This PRA submission assumes WIC State agencies will only provide an electronic copy of their Authorized Product List (APL) and a contractor will then obtain any missing information for subsequent entry of item information into the database.

When the NUPC database modifications are completed later in 2012, the NUPC database will allow WIC State agencies to access a central repository of product information necessary to support State agency Electronic Benefits Transfer (EBT) for the WIC Program. The system will enable the sharing of product information between State agencies. System benefits include a more efficient review of potential candidate food items by State agencies, reduced duplication in product entry, and standardized output reporting in electronic formats suitable for incorporation into stakeholder automated systems. In addition, the product information housed in the database will be reviewed against program regulations to ensure all authorized products comply with WIC nutrition regulations and standards before the information is entered into the database and made available to WIC State agencies.

Approximately 50 WIC State agency staff in 17 WIC State agencies, and 3 FNS employees, are expected to use the NUPC database over the Paperwork Reduction Act reporting period. WIC Authorized Vendors (grocers) will receive output from the NUPC database but will not incur a data collection burden as a result. Food manufacturers and WIC Authorized Vendors may also provide product information, on a voluntary basis, to the contractor responsible for populating the NUPC database. While food manufacturers and WIC Authorized Vendors are not presently providing

input, FNS expects that no more than 45 food manufacturers and 120 WIC Authorized Vendors may wish to provide product information over the reporting period.

At the end of this three year period, FNS expects the number of WIC State agencies using the system will increase slowly.

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.

FNS is committed to complying with the E-Government Act, 2002 to promote the use of technology.

As such, FNS modified the NUPC database concept of operations to better meet the needs of WIC State agencies. During the initial database design phase, FNS relied upon State agencies and food manufacturers to manually enter data for each food item which would eventually be used to populate the NUPC database. This process was later found to be labor intensive and caused numerous inconsistencies in the data. FNS therefore revised the concept of operations with passage of “The Healthy, Hunger- Free Kids Act of 2010, Public Law No: 111-296”. Rather than relying on State agencies and food manufacturers to populate the database, FNS is procuring the services of a contractor who will serve as the single point of entry for all data entering the NUPC database. This contractor will also assume responsibility for screening WIC authorized food items against Federal nutritional requirements.

FNS is currently evaluating contractor proposals to modify or rebuild the NUPC database and we hope to make an award by mid April. While the new database will most probably have a similar look and feel, I will not have any prototypes, descriptions, or screen shots until June 2012 (possibly

later 2012). In the meanwhile, we have provided screenshots of the current database included with this ICR package and are willing to submit final screenshot before the new system is deployed.

After planned modifications are complete later this year, the NUPC database will automate and streamline the handling of product information for State agencies; allow for more consistent and complete oversight of WIC approved food items; reduce the manual processing currently undertaken by State agencies to maintain their authorized products lists; standardize the way WIC Authorized Vendors obtain WIC UPC information in an electronic format; and make it easier for State agencies to implement EBT processing systems by reducing the need to visit food retailer locations to gather Universal Product Code (UPC) and other product information.

Under the revised concept of operations, WIC State agencies will be required to submit an electronic copy of their APL file which the contractor will use to identify newly authorized WIC foods. The contractor will then attempt to obtain any missing information from a variety of sources, to include voluntary participation on the part of food manufacturers and WIC Authorized Vendors, for subsequent entry into the database. Other WIC State agencies will then have electronic access to this information as they approve individual food products. All products nominated for inclusion in the NUPC database will be screened against Federal nutritional standards to ensure that the product meets WIC program requirements. The NUPC database application will also allow State agencies to manage their approved WIC items, associated UPC's, and their APL in one central location using an internet based interface.

The product information which is stored in the NUPC database is accessible via the internet or through a web services interface which allows for the transfer of information between computers. In

the future, the NUPC database will also provide the capability to transfer electronic files between WIC State agencies and their authorized Vendors.

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

There is no similar data collection available. Every effort has been made to avoid duplication. FNS has reviewed USDA reporting requirements, state administrative agency reporting requirements, and special studies by other government and private agencies.

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

FNS has determined that the requirements for this information collection do not adversely impact small businesses or other small entities. Information being requested has been held to the minimum required for the intended use and small business participation is strictly voluntary. In addition, small businesses and small WIC State agencies involved in this data collection effort delivered the same program benefits and perform the same function as any other business or State agency. Thus, they maintain the same kinds of information on file. FNS estimates that seventeen percent of our respondents are small entities, approximately 28 respondents.

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 collection is mandated by Congress. Not conducting this data collection would violate “The Healthy, Hunger- Free Kids Act of 2010, Public Law No: 111-296”. Further, the purpose of this data collection is to reduce the current burden WIC State agencies.

The NUPC database business rules also require that each product must pass a screening process before the product can be entered into the database. This validation helps to reduce the number of non-eligible products being submitted for review and decreases the amount of time WIC State agencies must spend reviewing and approving products.

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;**

WIC State agencies operating WIC EBT systems will be required to submit their Authorized Product List (APL) whenever changes are made to the list, as opposed to a quarterly submission. This requirement is necessary to ensure that the information contained in the NUPC database, and that information provided to WIC Authorized Vendors, is current at all times.

- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **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;**
- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- **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**
- **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.**

There are no other special circumstances. The collection of information is conducted in a manner consistent with the guidelines in 5 CFR 1320.5.

- 8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, 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 for the “National Universal Product Code (UPC) Database” was published on September 26, 2011 and was available for public comment for a period of 60 days. The Federal Register citation is: Volume 76, Number 186, page 59379 – 59381. FNS did not receive any 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 form, and on the data elements to be recorded, disclosed, or reported.

WIC State agencies were consulted throughout the planning phase of the NUPC database project. Several meetings were conducted over the last year to demonstrate the system and to solicit input for future enhancements to the NUPC database. WIC State agencies will also be included in future application design meetings as the database is modified.

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

No payment or gift is being provided to respondents.

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

The NUPC database does not provide any assurance of confidentiality. Personal information is not collected.

- 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, such as sexual behavior and attitudes, religious beliefs, or other matters that are commonly considered private.

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. If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.**

Estimated Number of Respondents (March 2012 to March 2015):

FNS estimates that there are 182 (17 State Agencies + 165 Business-for-Profit) potential respondents during the reporting period. This includes 17 State, Local or Tribal agencies: 10 WIC State agencies currently operating EBT systems, 3 WIC State agencies currently implementing WIC EBT systems, and 4 WIC State agencies which have requested funds for EBT implementation projects. The pool of potential respondents is also expected to include approximately 165 Business-for-Profit: 45 food manufacturers and 120 WIC Authorized Vendors may provide information for inclusion in the NUPC database on a voluntary basis during the reporting period.

Estimated Number of Responses per Respondent:

The WIC State agencies which are currently operating or implementing EBT systems will be asked to provide an electronic copy of their APL in the format specified in the ANSI standard X.9.93-2:2008 whenever the contents of the APL changes. FNS estimates that 17 WIC State agencies will modify their respective APL's no more than 3 times per week which, when multiplied by 52 weeks per year, is equivalent to a maximum of 156 responses per year per WIC State agency.

Approximately 165 Business-for-Profit respondents (45 food manufacturers and 120 WIC authorized vendors) are expected to voluntarily forward information for inclusion in the NUPC database 7 times per year on average for an estimated total of 1,155 responses annually.

Estimated Total Annual Responses:

FNS estimates there will be no more than 3,807 responses per year.

17 SA's * 3 submissions/week * 52 weeks/year = 2,652 estimated primary responses

165 Business-for-Profit respondents * 7 responses per year = 1,155 estimated other responses

2,652 SA responses + 1,155 Business-for-Profit responses = 3,807 est. total responses per year

Estimated Time per Response:

The estimated time per response for primary respondents is 648.153 seconds (10.8 minutes or 0.180 hours). The estimated time per response for other respondents is 272 seconds (4.5333 minutes or 0.075555 hours).

For WIC State Agencies (primary respondents), the estimated time per response of 648.153 seconds (10.8 minutes) is comprised of the following three components: 92.307 seconds (1.538 minutes) which represents a one-time expenditure of 4 hours per State agency per year to develop or maintain a software application for use in transmitting the APL to FNS (amortized over 156 responses per year); 2 seconds (0.03333 minutes) per response to transmit each APL file electronically; and 553.846 seconds (9.2243 minutes) which represents a recurring expenditure of 24 hours per State agency per year to correct or

troubleshoot failed APL transmissions (amortized over 156 responses per year). Note that WIC State agencies operating WIC EBT systems must create an APL for use by retailers. WIC State agencies must create an APL by virtue of the fact that they are operating an EBT system. This is not a requirement or prerequisite for accessing the NUPC database. The time required to create, modify, or maintain the WIC State agency APL was therefore not included in this burden hour estimate.

For Business-for-Profit respondents, (Food Manufacturers and WIC Authorized vendors providing information on a voluntary basis), the estimated time per response of 272 seconds (4.5333 minutes) is comprised of the following three components: 180 seconds (3 minutes) to locate the information; 90 seconds (1.5 minutes) to prepare an email containing the desired information; and 2 seconds (0.3333 minutes) to transmit the information electronically.

Estimated Total Annual Burden on all Respondents: 33,758.4 minutes (564.62 hours).

- **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories.**

Estimates of annualized costs to the respondents are based on National median wage estimates and the source for the wage data is the Bureau of Labor Statistics, May 2010 National Industry-Specific Occupational Employment Wage Estimates, Median Hourly Wages.

For WIC State agencies (primary respondents), the time required for a WIC State Agency Nutritionist to transmit an APL from the WIC State agency to the NUPC database is estimated to be 2 seconds per transmission. The median hourly wage rate for a nutritionist is \$22.64 per hour. FNS estimates that there will be a total of 2652 transmissions per year. The total annual cost to WIC State agencies which is attributable to transmitting APL's is estimated to be \$33.36 ($= 2 \text{ seconds} / 60 \text{ seconds per minute} / 60 \text{ minutes per hour} * \$22.64 \text{ per hour} * 2652 \text{ transmissions} = \33.36).

For Food Manufacturers (other voluntary respondent), the time required for a Registered Dietician to locate the information, prepare an email, and transmit the information to the NUPC database contractor is estimated to be 272 seconds. The median hourly wage rate for a Registered Dietician is \$25.60 per hour. FNS estimates that there will be a total of 315 transmissions per year. The total annual cost to Food Manufacturers contributing information to the NUPC database on a voluntary basis is estimated to be \$609.28 ($= 272 \text{ seconds} / 60 \text{ seconds per minute} / 60 \text{ minutes per hour} * \$25.60 \text{ per hour} * 315 \text{ transmissions} = \609.28).

For WIC Authorized Vendors (other voluntary respondent), the time required for a Grocery Store Manager to locate the information, prepare an email, and transmit the information to the

NUPC database contractor is estimated to be 272 seconds. The median hourly wage rate for a Grocery Store Manager is \$27.04 per hour. FNS estimates that there will be a total of 840 transmissions per year. The total annual cost to WIC Authorized Vendors contributing information to the NUPC database on a voluntary basis is estimated to be \$1,716.14 (= 272 seconds / 60 seconds per minute / 60 minutes per hour * \$27.04 per hour * 840 transmissions = \$1,716.14).

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). The cost estimates 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 services component.**

Although other costs are necessary, FNS does not anticipate any capital costs as a result of this collection.

Food Manufacturers and WIC Authorized Vendors are not expected to incur any start up costs or ongoing operational and maintenance costs.

Respondents will not be required to keep any record information since the information will be stored in the NUPC database and respondents will not need to procure any equipment or other services in order to submit data for the NUPC database on a recurring basis.

Estimates of annualized costs for startup, operations, and maintenance are based on an hourly wage rate for a WIC State agency System Application Developer and a WIC State Agency Network/Computer Administrator. National median wage estimates are used and the source for the wage data is the Bureau of Labor Statistics, May 2010 National Industry-Specific Occupational Employment Wage Estimates, Median Hourly Wages.

The annualized start-up costs consist of 4 hours per State agency to develop a software application for use in automating the transmission of the APL from the WIC State agency to FNS. It is estimated that the application will have a useful life of five years. The median hourly wage rate for a WIC State agency System Application Developer is \$39.96 per hour.

The total annualized startup cost is therefore estimated to be \$543.46 ($= 4 \text{ hours} * 17 \text{ WIC State agencies} * \$39.96 \text{ per hour} / 5 \text{ years useful life} = \543.46)

Ongoing operational and maintenance costs consist of the time required to correct or troubleshoot failed APL transmissions which is estimated to be 24 hours per year per WIC State agency. The median hourly wage rate for a WIC State agency Network/Computer Administrator is \$32.60 per hour.

The total annual cost for ongoing operational and maintenance costs is therefore estimated to be \$13,300.80 ($= 24 \text{ hours per year} * 17 \text{ WIC State agencies} * \$32.60 \text{ per hour} = \$13,300.80$)

Food Manufacturers and WIC Authorized Vendors are not expected to incur any start up costs or ongoing operational and maintenance costs.

14. Provide estimates of annualized cost to the Federal government. Also, 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.

“The Healthy, Hunger- Free Kids Act of 2010, Public Law No: 111-296”, provides \$1,000,000 per year for the creation, operation, and maintenance of the NUPC database.

FNS estimates that modifications required to expand the NUPC database will cost \$502,559 in the first year of this reporting period.

FNS expects to incur an additional \$90,000 in one-time costs for hosting services, setup fees, and other direct costs, in the first year of this reporting period.

FNS estimates that contractor services for purposes of populating the database will cost \$197,307 in the first year of this reporting period and \$173,327 in both the second and the third year.

FNS estimates that Maintenance and Operations costs will be \$315,743 per year.

FNS expects to incur an additional \$123,289 in costs for development and operation of a file transfer capability in the first year of the reporting period and then \$113,328 in the second and third year of the reporting period.

Description	Cost in Year 1	Cost in Year 2	Cost in Year 3
Software Development	\$502,559	0	0
One-time startup costs and fees	\$90,000	0	0
Data Services (populate database)	\$197,307	\$173,327	\$173,327
Maintenance and Operation	\$315,743	\$315,743	\$315,743
File Transfer	\$123,289	\$113,328	\$113,328
Total	\$1,228,898	\$602,398	\$602,398

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

This is a revision of a currently approved data collection. FNS has modified the NUPC database concept of operations to better meet the needs of WIC State agencies. During the initial database design phase, FNS relied upon State agencies and food manufacturers to enter several data elements for each food item which would eventually be used to populate the NUPC database. This process was later found to be labor intensive and caused numerous inconsistencies in the data. FNS revised the concept of operations with passage of “The Healthy, Hunger- Free Kids Act of 2010, Public Law No: 111-296”. In the future, FNS intends to hire a contractor to serve as the single point of entry for all data entering the NUPC database rather than relying on State agencies and food manufacturers to populate the database. This contractor will also assume responsibility for screening WIC authorized food items against Federal nutritional requirements.

FNS also intends to expand the number of data elements captured for each food item housed in the NUPC database. At present, the NUPC database contains identifying information for individual food items (UPC, product name, manufacturer name, package type, package size, food category, food subcategory, and photographs of the package). In the future, the database will also include nutrition facts, ingredients, allergy information, and special handling characteristics.

As a result of program changes, the revised concept of operations is expected to reduce the annual reporting and recordkeeping hour burden by 1,373 hours (from 1,938 hours to 565 hours per year). The previous PRA submission for the NUPC database assumed WIC State agencies and food manufacturers would be responsible for entering items into the database via a web based user interface comprised of several electronic forms (screens) which would be completed manually. This submission assumes State agencies will only provide an electronic copy of their APL and a contractor will then obtain any missing information and enter items into the database. Food

Manufacturers and WIC Vendors wishing to contribute information on a voluntary basis may provide a high resolution photograph or a product data sheet electronically. A contractor will then obtain any missing information and enter item's information into the database.

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

There are no plans to tabulate or publish anything in connection with 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.

FNS will display the expiration date for OMB's information collection approval on the NUPC database home page.

18. Explain each exception to the certification statement identified in Item 19 "Certification for Paperwork Reduction Act."

FNS is not requesting any exceptions to the certification statement.

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

This information collection is not related to the Customer Service Center.