

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 an extension 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 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 NUPC allows product manufacturers and WIC State agencies to access a central repository of product information necessary to support State agency Electronic Benefits Transfer (EBT) implementations for the WIC Program. The system enables product information sharing for the State

agencies and participating manufacturers. System benefits include 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. Also, with an automated review of each product, the application compares individual food products against program regulations to ensure compliance with the WIC program's nutritional standards.

Approximately 1,000 manufacturers, 40 WIC State agency staff in 20 WIC State agencies, and 3 FNS employees may access the NUPC database during this three year reporting period. FNS expects the number of WIC State agencies and manufacturers may increase slightly when this reporting period ends.

- 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 NUPC database streamlines the handling of product information for State agencies, retailers, and manufacturers; allows for more consistent oversight of WIC approved food items; reduces the electronic processing needed by State agencies; standardizes the way retailers obtain WIC UPC information; and makes it easier for State agencies to begin using EBT processing by reducing the need to visit food retailer locations to gather UPC and other product information.

The NUPC database also allows manufacturers to submit product details to the central database for consideration by participating WIC State agencies when they approve products for use. The NUPC database application compares individual food items to Federal nutritional standards automatically. The

application then allows State agencies to manage their approvals of WIC items and UPC's in one central location.

This information is automated in a fill-able format accessed via the web. Therefore, this collection is in compliance with the E-Government Act 2002 and Government Paperwork Elimination Act (GPEA)

1998. The address to access the NUPC database is: <https://stars.fns.usda.gov/wicupc>

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 177 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 is a mandated need. Not meeting this need would violate The Child Nutrition and WIC Reauthorization Act of 2004, and The Healthy, Hunger- Free Kids Act of 2010, Public Law No: 111-296. The purpose of this data collection process is to reduce the current burden on both manufacturers and WIC State agencies. Allowing manufacturers to submit their food product data electronically for review and authorization eliminates mailing costs and decreases the amount of time it takes for WIC State agencies to receive the product for review and authorization.

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;**
 - **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 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 and manufactures were consulted throughout the planning phase of the NUPC database project. Several meetings were also conducted over the last year to demonstrate the system and to solicit input for future enhancements to the NUPC database. WIC State agencies and manufacturers will be included in future application design meetings as the database continues to evolve or if there is a need for modifications to the data collection format.

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.**

The total number of respondents for this collection is expected to be approximately 1,040 annually. The annualized burden is estimated to be 1,938 hours as shown in the table below.

The burden hour for each respondent type varies in the table below:

It is estimated that approximately 1,000 manufacturers will spend approximately 5.01 minutes per product entering an average of 7 products each year.

It is estimated that 20 WIC State agencies with two users each (40 users) will spend an average of 2.5 minutes per product entering an average of 800 products each year and will spend 2.5 minutes uploading/downloading products monthly (12 downloads per

respondent/year).

Type of Respondent	Description of activity	Number of Respondents	Number of responses annually per Respondent	Total annual responses (c x d)	Estimate of Burden Hours per response	Total Annual Burden Hours (e x f)
Manufacturers	Entering products in database	1,000.00	7.00	7,000.00	0.0835000	584.5000000
WIC State Agency Users	Entering products in database	40.00	800.00	32,000.00	0.0416600	1,333.1200000
	Monthly uploading and downloading products	40.00	12.00	480.00	0.0416600	19.9968000
Annualized burden		1,040.00	819.00	39,480.00		1,937.6168000

- **Provide estimates of annualized cost to respondents for the hour burdens for collections of information.**

Estimates of annualized costs to the respondents are based on an hourly wage rate for the following two respondent categories: WIC State Agency User and Manufacturers. National median wage estimates are used and the source for the wage data is the Bureau of Labor Statistics, May 2011 National Industry-Specific Occupational Employment and Wage Estimates, Median Hourly Wages. The estimated total annualized hourly cost to all respondents is \$47,985.82.

Description of the Collection Activity	Number of Respondents	Estimated Total Annual Burden per Respondent (Hours)	Estimated Average Income per Hour	Estimated Cost to Respondents
Manufacturers	1000	0.5845	\$26.19	\$15,308.05
WIC State Agency Users	40	33.82792	\$24.15	\$32,677.77
3 Year Annualized Cost	1040			\$47,985.82

- 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.**

No other cost burden to respondents or record keepers is required for this data collection.

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, software or other services in order to submit data into NUPC.

- 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 estimated annualized cost to the Federal government is approximately \$20,162.36. This estimate is based on the following:

Annual server maintenance and enhancements:	\$ 20,000.00
3 Federal employees (GS-07 \$18.04/hour)	\$ <u>162.36</u>
Subtotal:	\$ 20,162.36

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

This is an extension of a currently approved data collection. There are no changes or adjustments reported in Items 13 or 14 of the OMB form 83-i

- 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 any information 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.