

SUPPORTING STATEMENT - PART A

Exchange Retail Sales Transaction Data (Customer Satisfactory Survey)

A. JUSTIFICATION

1. Need for the Information Collection

Title 10 U.S.C. § 2481, “Defense Commissary and Exchange Systems: Existence and Purpose,” requires that the Secretary of Defense operate a world-wide system of exchange stores that is intended to enhance the quality of life of members of the uniformed services, retired members and dependents of such members. The Army and Air Force Exchange Service (Exchange) is a Non-Appropriated Fund (NAF) instrumentality of the United States of America. Army Regulation 215-8/Air Force Instruction 34-211(I) charges the Army and Air Force Exchange Service with the dual and enduring mission of providing quality merchandise and services to its customers at competitively low prices and of generating earnings which provide a dividend to support family, morale, welfare and recreation (FMWR) programs.

This information collection is the basis enhancing the patron’s shopping experience, as well as, supporting the efficiency and effectiveness of the Exchange’s marketing programs. The voluntary Customer Satisfactory Survey (CSS) is a valuable tool, which gathers patrons’ feedback on the Exchange’s services and performance. Patrons are determined by regulations and include: uniformed service members, retired members, dependents of such members, and others as required.

This collection is authorized by the following: 10 U.S.C §2481, Defense Commissary and Exchange Systems: Existence and Purpose; Title 10 U.S.C. §3013, Secretary of the Army; Army Regulation 215-8/Air Force Joint Instruction 34-211(I), Army and Air force Exchange Service Operations. The CSS system provides a medium required by Executive Order 12862 to survey customers and make information, services and complaint systems easily accessible. The CSS system also furthers on the DOD’s information management goals, which implements Section 5123 of the Clinger-Cohen Act of 1996. The goal is to continually improve the efficiency and effectiveness of agency operations through the use of information technology by providing services that satisfy customer information needs.

2. Use of the Information

Information is provided to the Exchange as aggregated data and is used to create a holistic illustration of the Exchange patrons’ view of their shopping experiences. The Exchange utilizes the above data to improve the quality of goods and services provided and address complaints. The Exchange uses surveys to assess the effectiveness of our program to provide goods and services to authorized patrons.

The Exchange marketing division utilizes the information to enhance our services. Assessing aggregate patron satisfaction with the delivery of the Exchange benefits and determining the appropriate service availability improves the Exchange customers' current and future needs and wants. This survey aids the Exchange management in determining needs of customers and actions required to settle customer complaints. Improvement of the efficiency and effectiveness of the Exchange's marketing programs is another benefit.

In the event negative responses are received and depending on the circumstances it may require involvement of other Exchange personnel/management to address issues. In some instances, where further action is deemed necessary to improve the poor service, it may require involvement of the General Manager or Senior Management.

3. Use of Information Technology

Collected information is immediately utilized by Exchange parties with a "need to know" for the purposes outlined in number 2 of this supporting statement. Information is transferred to the Exchange Customer Information System where it is easily viewed and extracted as needed for addressing complaints and effectiveness of Exchange performance.

100% of responses are collected by electronic means. The use of technology enhances the ability of the Exchange to collect data accurately, timely, and to keep the information confidential. A patron only needs to submit a survey one time in order to provide their feedback to the Exchange. In the event of a complaint, or actionable comments, there is no requirement for the patron to have to revisit the incident or to determine the aspects of the technology in order to provide their information. The system is also readily available for disclosure to the patron or their designee upon request pursuant to the Privacy Act of 1974, as amended, *Title 5 U.S.C. §552a*.

4. Non-Duplication

This specific information is not available from other sources as it is collected only at the time of service or complaint/comment.

5. Burden on Small Business

The collection of information does not have an impact on small businesses or other entities.

6. Less Frequent Collection

Information is collected from members of the public on a voluntary basis. The collection is triggered solely by the customer's desire to communicate with the Exchange, i.e. "as needed" or "on occasion". Less frequent collection is not possible.

7. Paperwork Reduction Act Guidelines

No special circumstances exist that require collection to be conducted in a manner inconsistent with the guidelines delineated in Title 5 CFR 1320.5(d)(2).

8. Consultation and Public Comments

a. A notice of the proposed collection was published in the Federal Register on December 31, 2014, 79 FR 78841. No public comments were received. A notice of submission for OMB Review was published in the Federal Register on November 17, 2015, 80 FR 71785.

b. Significant input and information was received from the Exchange Marketing directorate in relation to the continued use and burden relative to collection of information for this system of records. It was determined the information is only maintained in one database and used accordingly as outlined in section 2 of this statement.

9. Gifts or Payment

No gifts or payments are awarded to the respondents.

10. Confidentiality

Personal data information is securely collected, stored and managed in accordance with the Exchange System of Records Notice (SORN) AAFES 0207.02, entitled "Exchange Retail Sales Transaction Data." (Draft copy enclosed) Records collected are maintained for a period of 3 years and then destroyed by the proper means from the secured electronic system.

The information is protected under the Privacy Act of 1974, as amended. Access to information collected is restricted to authorized Exchange personnel only, who have been screened, cleared for access, and have a role-based position which places them in an arrangement which requires servicing, reviewing or updating the record. Physical entry is restricted by the use of locks, guards, and passwords or other administrative procedures.

Disclosure of respondent information is made upon submission of the patron's original, notarized, written request for documents either disclosed to themselves or to a third party representative. Other disclosures may be made to law enforcement authorities for investigatory purposes or through the routine uses disclosures as authorized by statute. A draft copy of the altered SORN is provided.

The Exchange notifies respondents that the Agency Disclosure Notice (ADN), the Privacy Act Statement (PAS), and basic Instructions must be read prior to completion of the survey. A link entitled "Click here" is provided to view the ADN statement.

The enclosed Privacy Impact Assessment (PIA) was completed by the Exchange in July 2013 in reference to this electronic collection of information. This PIA is in association with the Exchange APMS Portfolio located in the DoD Information System Register (DITPR) Number

15979 (DA 301757) referencing SORN 1609.03 “Catalog”.(located at: <http://ciog6.army.mil/Portals/1/PIA/2013/EXIE-TMG.pdf>) A revised PIA is attached. SORN 1609.03 is pending consolidation with SORN 0207.02 and when approved will be deleted.

11. Sensitive Questions

Customers are asked to rate the service provided. The questions are general in nature and specific to the service received. No sensitive information is required.

12. Respondent Burden, and its Labor Costs

a. Estimation of Respondent Burden

The Exchange initially reported a fifteen minute average burden per response in our notice for public comment. However, after review of the survey data and consultations with the marketing directorate, we have determined a more accurate amount of time to complete the survey is three (3) minutes. The reduction of time resulted primarily through the transition from paper to electronic data entry. The burden associated with this collection has been corrected as follows. It is estimated approximately 595,968 members of the public per year submit responses via the CSS system. Information is submitted at the customer’s request. The total Annual Respondent Burden hours is calculated as follows: 595,968 Respondents x 3 minutes = 1,787,904 minutes or approximately 29,799 hours.

- Number of Annual Respondents = 595,968
- Number of Responses per Respondent = 1
- Number of Annual Responses = 595,968
- Response Time = 3 minutes
- Information Frequency = on occasion
- Total Respondent Burden Hours = 29,798

b. Labor Cost of Respondent Burden

The below labor cost to the respondent is based upon the current (2009) Department of Labor Federal Minimum Wage of \$7.25 per hour and estimated to be around \$214,549.

- 595,968 = Number of Annual Responses.
- .05 Hour (3 minutes) = Time to complete the survey.
- \$7.25 = Current Federal Minimum Wage
- \$0.36 = Average Cost per Response.
- 595,968 x 0.36 = \$214,549 = Annual Burden Cost

13. Respondent Costs Other Than Burden Hour Costs

There are no capital or start-up costs associated with this collection.

14. Cost to the Federal Government

Costs associated with the required recordkeeping, reporting activities and analyzing collected information was maintained from multiple contacts with the Exchange Marketing Business Intelligence and Marketing directorates. It is estimated that the Exchange spends less than \$20,000 annually for professional fees and approximately \$1200 a year in subscription fees to use the survey. CSS information output is automated with less than one hour of time per month to review the aggregated data. Exchange manpower can be estimated at an average of \$40.89 per hour. (NAF Wage Schedule – 152 Dallas, TX Effective 04 Jan 2014).

Maintenance to this system includes an average salary of IT System Support Team, the burden cost to the Exchange, and the overhead to maintain data in a secured database.

- Time Used for Analyzing Data: 1 hour per month
- Annual Burden Hours to Analyze Data: 12
- Average Hourly Rate of Exchange Associates who analyze data: \$40.89
- Estimated Annual Hourly Manpower Cost for Analysis: $\$40.89 \times 12 = \490.68
- Annual Professional Fees: \$20,000.00
- Maintenance of IT Secured System: \$4,000.00
- Annual Subscription: \$1,200.00

Burden Cost:

- Analyze: $12 \text{ (Burden Hours)} \times 40.89 \text{ (Hourly Rate)} \times 1 \text{ (Time)} = \490.68

Annual Cost to the Federal Government: \$491

$\$491 \text{ (Total Burden Cost)} + \$20,000 \text{ (Professional Fees)} + \$4,000 \text{ (Maintenance)} + \$1,200 \text{ (Subscription)} = \$25,690.$

15. Reasons for Change in Burden

This is an existing collection which is in use without an OMB control number.

16. Publication of Results

There are no plans to publish the results of this collection.

17. Non-Display of OMB Expiration Date

There is no request for approval to omit the display of the expiration date of the OMB approval on the instrument.

18. Exceptions to “Certification for Paperwork reduction Submissions”

No exceptions.