

2016 SUPPORTING STATEMENT
For
REPORTING AND RECORD KEEPING REQUIREMENTS UNDER
REGULATIONS (OTHER THAN RULES OF PRACTICE) UNDER THE
PERISHABLE AGRICULTURAL COMMODITIES ACT, 1930.

OMB NO. 0581-0031

TERMS OF CLEARANCE: The Agency must display the expiration date on all forms.

The Agency requests approval not to display the expiration date for OMB approval of the information collection. The presence of an expiration date may confuse PACA licensees, whose license expiration date is shown on the forms along with a PACA license number. The licensees may mistake the OMB expiration date with the date that their license is due to expire, resulting in a failure to submit their renewal for license in a timely manner.

A. JUSTIFICATION

1. EXPLAIN THE CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY. IDENTIFY ANY LEGAL OR ADMINISTRATIVE REQUIREMENTS THAT NECESSITATE THE COLLECTION.

The Perishable Agricultural Commodities Act (PACA) (7 U.S.C. 499a-499t) and PACA Regulations (7 CFR Part 46) require nearly all persons who operate as commission merchants, dealers, and brokers buying or selling fruits and/or vegetables in interstate or foreign commerce to be licensed. The PACA requires that all parties fulfill their contractual obligations, and provides a forum for resolving contract disputes. Those who engage in practices prohibited by the PACA may have their licenses suspended or revoked. The license is effective for three (3) years for retailers and grocery wholesalers, unless withdrawn by USDA for valid reasons [7 CFR 46.9 (a)-(h)], and must be renewed on a triennial basis. A final rule was published in the *Federal Register* on August 24, 2010, Vol. 75, No. 163, pages 51917-51919, which eliminated the multi-year license option for other licensees. The license for all other licensees will then be effective for one year, unless withdrawn by USDA for valid reasons [7 CFR 46.9 (a)-(h)] and must be renewed on an annual basis. Also, licensees must report changes in principals, stockholders, home addresses, and business locations to allow for proper notification in the event of a dispute. Sections 3 and 4 of the PACA and Sections 46.3 through 46.13 of the Regulations establish the requirement for licensing and the type of information that must be reported. The Division also asks that each licensee provide a business email address in the event that the licensee wishes to receive license or other PACA program information electronically. Section 9 of the PACA and Sections 46.14 through 46.32 of the Regulations define the type of business records that licensees must maintain. Businesses also provide federal tax identification numbers per USDA's National Finance Center (NFC) which handles all financial transactions for the PACA Division. NFC is required by the Internal Revenue Service to report refunds to businesses as taxable income. USDA had previously considered the possibility of requiring licensees to provide a standard numerical business identifier, such as the DUNS Number (Dun and Bradstreet's Data Universal Numbering System). However, this requirement for this identifier has been delayed indefinitely.

2. INDICATE HOW, BY WHOM, HOW FREQUENTLY, AND FOR WHAT PURPOSE THE INFORMATION IS TO BE USED FOR REVISIONS, EXTENSIONS, AND REINSTATEMENTS OF A CURRENTLY APPROVED COLLECTION. INDICATE THE ACTUAL USE THE AGENCY HAS MADE OF THE INFORMATION RECEIVED FROM THE CURRENT COLLECTION.

A Notice to Trade was posted September 16, 2015, indicating the program name change from Fruit and Vegetable (FV) Program to Specialty Crops (SC) Program. This publication can be found at:

<https://www.ams.usda.gov/content/usda-fruit-and-vegetable-program-changes-name-specialty-crops-program>. In this submission the form identifiers have been updated to reflect the new program name change.

The information gathered on the following forms and business records is required by the PACA and the PACA Regulations. The information is used to adjudicate reparation and administrative complaints filed against licensees to determine the imposition of sanctions on firms and responsibly connected individuals who have engaged in unfair trading practices. If this information was unavailable, it would be impossible to identify and regulate individuals or firms that are restricted due to sanctions imposed because of reparation or administrative actions.

- a) **SC-211 Application for License:** Any person operating a business as a commission merchant, dealer, or broker must maintain a valid and effective license. A person wishing to obtain a PACA license must complete and submit to USDA an Application for License under the PACA. License application forms are available on the PACA website at <http://www.ams.usda.gov/PACA>. Information collected on this form includes the name(s) under which business is conducted, address, phone number, location and number of branches, type of business, whether the fruits and/or vegetables handled are fresh or frozen, type of ownership, full legal names of all owners including home addresses, date when first became subject to the Act, and whether the applicant or its principals were involved in bankruptcy, previous PACA violations, or felony convictions.
- b) **Form SC-231-1 PACA License Renewal Notice** for non-retailers and non-grocery wholesalers is sent to the licensee on an annual basis about 30 days prior to the anniversary date of its license. The front side of the form will show the current license information and is also a bill to show total fees that are due. The reverse side of the form provides space for the licensee to report changes to its business operations.
- c) **Form SC-231-1A PACA License Reinstatement Notice** for non-retailers and non-grocery wholesalers is sent to the licensee after the expiration of its license on the anniversary date. The front side of the form will show the current license information and is also a bill to show total fees that are due, which includes a reinstatement fee. The reverse side of the form provides space for the licensee to report changes to its business operations.

- d) **Form SC-231-2 PACA License Renewal Notice for Grocery Wholesalers and Retailers** is sent to the licensee on a triennial basis about 30 days prior to the anniversary date of its license. The front side of the form will show the current license information. No renewal fees are due from these licensees. The reverse side of the form provides space for the licensee to report changes to its business operations.
 - e) **Form SC-231-2A PACA License Reinstatement Notice for Grocery Wholesalers and Retailers** is sent to the licensee after the expiration of its license on the anniversary date. The front side of the form will show the current license information and is also a bill to show the reinstatement fee which is due. The reverse side of the form provides space for the licensee to report changes to its business operations.
 - f) **SC-231** is a PACA License Certificate which is issued to each licensee. There is no collection burden for this form. The front side shows the current license information. The reverse side notifies the licensee of requirements for notifying the USDA of changes to their license and provides a list of codes used on the certificate.
 - g) **46.13 Letters to Notify USDA of Changes** refers to letters from respondents notifying USDA of changes in address, ownership, trade name, number of branches/affiliates, mergers, type of business, or bankruptcy. This information is necessary and required to keep license information accurate.
 - h) **46.4 Limited Liability Company Articles of Organization and Operating Agreement** is required by Limited Liability Companies when submitting an Application for License. The respondents are not required to create articles/operating agreements. We require that that existing document based on good business practices be submitted.
 - i) **46.20 Lot Numbers** are required to be assigned by a licensee to each shipment of produce to be sold on consignment for the account of another person or firm, or to a purchased shipment in dispute between the parties to assist in proving damages.
 - j) **46.46(c)(2) Waiver of Rights to Trust Protection:** A person or firm who is entitled to protection of its trust rights under the PACA may waive their rights by preparing the waiver in writing. No waivers have ever been used or received.
 - k) **46.2(aa)(11) & 46.46(e)(1) Maintain Copy of Written Agreement Reflecting Different Times for Payment:** Parties who elect to use different times of payment than those set forth in the PACA Regulations must reduce their agreement to writing before entering into the transaction, and maintain a copy of the agreement in their records. No request for this option has ever been made.
 - l) **46.18 Record of Produce Received:** Market receivers are required to keep a record of all produce received.
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 respondents have had the option of submitting licensing information to the PACA Division by phone, which we have found can reduce the amount of time needed by a respondent to physically complete an application, and it also limits the amount of incomplete application forms.

License application forms are available on the PACA website at <http://www.ams.usda.gov/PACA>. The online application is in “fillable printable” (.pdf) format so applicants may type the required information directly onto the form before printing, signing, and mailing or faxing the form to the branch. The PACA Division is working towards furthering its availability of online forms.

The forms in this information collection are part of the AMS Integrated eGovernment Report. AMS is committed to complying with the E-Government Act, which requires Government agencies in general to provide the public the option of submitting information or transacting business electronically to the maximum extent possible

4. DESCRIBE EFFORTS TO IDENTIFY DUPLICATION. SHOW SPECIFICALLY WHY ANY SIMILAR INFORMATION ALREADY AVAILABLE CANNOT BE USED OR MODIFIED FOR USE FOR THE PURPOSE(S) DESCRIBED IN ITEM 2 ABOVE.

Since it is unavailable from any other source, license information must be kept up-to-date. Persons responsibly connected with a firm that violates the PACA are restrained from obtaining new licenses and restricted to certain degrees from employment by other licensees. Also, sanctions for some violations depend upon a firm’s prior record of trading under the PACA. Without the ability to collect and maintain license information, the Division would have no other effective means of administering the law.

5. IF THE COLLECTION OF INFORMATION HAS A SIGNIFICANT IMPACT ON A SUBSTANTIAL NUMBER OF SMALL BUSINESSES OR OTHER SMALL ENTITIES (ITEM 15 OF THE PAPERWORK REDUCTION ACT SUBMISSION FORM), DESCRIBE THE METHODS USED TO MINIMIZE BURDEN.

The PACA regulates a broad spectrum of business entities, from individuals to multi-layered corporations that operate as dealers, commission merchants, and brokers in the produce industry. The information required, however, is standard for all entities and limited to specific information needed to administer the law. Thus, the information collection and reporting burden is relatively small. Requiring the same reporting requirements for all dealers, commission merchants, and brokers will not disadvantage any dealer, commission merchant, or broker that is smaller than industry average. The Small Business Administration defines, in 13 CFR part 121, small agricultural producers as those having annual receipts of no more than \$750,000 and small agricultural service firms as those having annual receipts of no more than \$7 million. Under

these definitions, all of the companies that would be affected are considered small businesses. We have estimated the number of respondents for this collection is 10 and we estimate that all of them are considered small businesses. However, no difference in burden exists between small and large businesses. The minimum information necessary for an inspection request is the same regardless of business size. Although the information collection involves both small and large entities, we consider the information collected to be a minimal burden upon respondents. We have estimated the number of respondents for this collection is 13,543 and we estimate that 6, 054, or 45% are considered 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.

Persons responsibly connected with a firm that violates the PACA are restrained from obtaining new licenses and restricted to certain degrees from employment by other licensees. If this information collection was unavailable or conducted less frequently, it would be impossible to effectively identify, notify and regulate individuals or firms that are restricted due to sanctions imposed because of reparation or administrative actions.

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 3 YEARS;**

PACA licensees are required to maintain records for four (4) years, which fully and correctly disclose the true ownership and management of the business. These records are required to identify all persons responsibly connected with a licensee during a period of violation in order to notify them of a USDA disciplinary action filed against the licensee.

- **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 1320.6

- 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 CFR 1320.8(d), 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. SPECIFICALLY ADDRESS COMMENTS RECEIVED ON COST AND HOUR BURDEN.**

The notice was published in the *Federal Register* on May 2, 2016, Vol. 81, No. 84, pages 23217-23218. No comments were received.

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 RECORD KEEPING, DISCLOSURE, OR REPORTING FORMAT (IF ANY), AND ON THE DATA ELEMENTS TO BE RECORDED, DISCLOSED, OR REPORTED.

CONSULTATION WITH REPRESENTATIVES OF THOSE FROM WHOM INFORMATION IS TO BE OBTAINED OR THOSE WHO MUST COMPILE RECORDS SHOULD OCCUR AT LEAST ONCE EVERY 3 YEARS -- EVEN IF THE COLLECTION OF INFORMATION ACTIVITY IS THE SAME AS IN PRIOR PERIODS. THERE MAY BE CIRCUMSTANCES THAT MAY

PRECLUDE CONSULTATION IN A SPECIFIC SITUATION. THESE CIRCUMSTANCES SHOULD BE EXPLAINED.

PACA administrators hold periodic discussions with industry associations, such as the government relations committee of the United Fresh Produce Association, Washington, D.C.; the Produce Marketing Association, Newark, Delaware; Western Growers, Newport Beach, California; Food Marketing Institute, Arlington, Virginia; and other individuals and firms regulated under the Act. The record keeping requirements of the PACA have never raised great controversy in the industry. Changes in the regulations have been and will continue to be implemented through notice and comment rulemaking to reflect current industry practices and technological advances.

9. EXPLAIN ANY DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS, OTHER THAN REMUNERATION OF CONTRACTORS OR GRANTEES.

No payments or gifts are provided to respondents.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS AND THE BASIS FOR THE ASSURANCE IN STATUTE, REGULATION, OR AGENCY POLICY.

Each licensee is guaranteed confidentiality in that information will not be released if it is privileged under the Privacy Act of 1974. In accordance with the requirements of the Privacy Act of 1974, as amended, 5 U.S.C. 552a, AMS published in the November 7, 2006, *Federal Register* (Vol. 71, No. 215, pages 65067-65068), a notice that it had updated a system of records that is maintained for the purpose of enforcing the PACA, which AMS administers.

Records are maintained in the system on a file server and in file folders in a secure room. A backup of the entire database system is done nightly and saved as an encrypted Oracle file on the server. A copy of the entire Oracle database file is transferred to a secured offsite location, which is also backed up nightly.

Records are retrieved electronically only by Branch personnel using pre-defined database search fields. Various methods of computer security limit access to records in the database. Paper records are segregated in file cabinets that are kept in physically secured rooms.

Records are maintained and destroyed in accordance with retention schedule number NN 165-106 approved by the 89th Congress, first session on April 1, 1965. In addition, electronic records are maintained in accordance with National Archives & Records Administration retention schedule number N1-136-05-1 approved in September 2006. Paper records are maintained in accordance with the AMS Specialty Crops Program File/Disposition Plan Unique Record Schedule NC1 136-80-1.

11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE, SUCH AS SEXUAL BEHAVIOR AND 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).

The reporting and recordkeeping requirements of the PACA and Regulations do not require disclosure of sensitive information.

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. UNLESS DIRECTED TO DO SO, AGENCIES SHOULD NOT CONDUCT SPECIAL SURVEYS TO OBTAIN INFORMATION ON WHICH TO BASE HOUR BURDEN ESTIMATES. CONSULTATION WITH A SAMPLE (FEWER THAN 10) OF POTENTIAL RESPONDENTS IS DESIRABLE. IF THE HOUR BURDEN ON RESPONDENTS IS EXPECTED TO VARY WIDELY BECAUSE OF DIFFERENCE IN ACTIVITY, SIZE, OR COMPLEXITY, SHOW THE RANGE OF ESTIMATED HOUR BURDEN AND EXPLAIN THE REASONS FOR THE VARIANCE. GENERALLY, ESTIMATES SHOULD NOT INCLUDE BURDEN HOURS FOR CUSTOMARY AND USUAL BUSINESS PRACTICES.**

This renewal submission reflects 13,543 respondents for 28,433 responses and 87,406 burden hours

- **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 83.1.**

. See AMS-71 spreadsheet for separate breakdown of burden.

- **PROVIDE ESTIMATES OF ANNUALIZED COST TO RESPONDENTS FOR THE HOUR BURDENS FOR COLLECTIONS OF INFORMATION, IDENTIFYING AND USING APPROPRIATE WAGE RATE CATEGORIES. THE COST OF CONTRACTING OUT OR PAYING OUTSIDE PARTIES FOR INFORMATION COLLECTION ACTIVITIES SHOULD NOT BE INCLUDED HERE. INSTEAD, THIS COST SHOULD BE INCLUDED IN ITEM 14.**

The hourly wages as quoted in the table below, were obtained from the U.S. Department of Labor, Bureau of Labor Statistics News Release, "Occupational Employment and Wages, May

2015,” published March 30, 2016, (USDL 16-0661). This publication can be found at the following website:

<http://www.bls.gov/news.release/pdf/ocwage.pdf>.

Form No. or Record (Reg. Section)	No. of Respondents or Recordkeepers	Hours per Response	Hourly Wage Rate	Annual Hour Burden	Estimated Annual Cost to Respondents	Wage Rate Category
FV-211	1171	0.25	\$27.01	292.75	\$7907.17	White Collar
FV-231-1, FV-231-1A, FV-231-2, FV-231-2A	13543	0.05	\$27.01	677.15	\$18,289.82	White Collar
46.13	900	0.05	\$27.01	45.00	\$1,215.45	White Collar
46.4	2968	0.083	\$27.01	246.34	\$6,653.64	White Collar
46.20	683	8.25	\$42.87	5634.75	241,561.73	Sales Reps. Wholesale
46.46(c)(2)	100	0.25	\$40.82	25.00	\$1,020.50	Executive Pay
46.2(aa) (11), 46.46(e)(1)	2343	20	\$18.64	46860.00	\$873,470.40	Administrative
46.18	<u>6725</u>	5	\$18.64	<u>33625.00</u>	<u>\$626,770.00</u>	Administrative
Totals	28,433			87405.99	\$1,77.688.71	

13. PROVIDE AN ESTIMATE 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 ESTIMATE 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. THE ESTIMATES SHOULD TAKE INTO ACCOUNT COSTS ASSOCIATED WITH GENERATING, MAINTAINING, AND DISCLOSING OR PROVIDING THE INFORMATION. INCLUDE DESCRIPTIONS OF METHODS USED TO ESTIMATE MAJOR COST FACTORS INCLUDING SYSTEM AND TECHNOLOGY ACQUISITION, EXPECTED USEFUL LIFE OF CAPITAL EQUIPMENT, THE DISCOUNT RATE(S), AND THE TIME PERIOD OVER WHICH COSTS WILL BE INCURRED. CAPITAL AND START-UP COSTS INCLUDE, AMONG OTHER ITEMS, PREPARATIONS FOR COLLECTING INFORMATION SUCH AS PURCHASING COMPUTERS AND SOFTWARE; MONITORING,**

SAMPLING, DRILLING AND TESTING EQUIPMENT AND RECORD STORAGE FACILITIES.

- **IF COST ESTIMATES ARE EXPECTED TO VARY WIDELY, AGENCIES SHOULD PRESENT RANGES OF COST BURDENS AND EXPLAIN THE REASONS FOR THE VARIANCE. THE COST OF PURCHASING OR CONTRACTING OUT INFORMATION COLLECTION SERVICES SHOULD BE A PART OF THIS COST BURDEN ESTIMATE. IN DEVELOPING COST BURDEN ESTIMATES, AGENCIES MAY CONSULT WITH A SAMPLE OF RESPONDENTS (FEWER THAN 10), UTILIZE THE 60-DAY PRE-OMB SUBMISSION PUBLIC COMMENT PROCESS AND USE EXISTING ECONOMIC OR REGULATORY IMPACT ANALYSIS ASSOCIATED WITH THE RULEMAKING CONTAINING THE INFORMATION COLLECTION, AS APPROPRIATE.**

- **GENERALLY, ESTIMATES SHOULD NOT INCLUDE PURCHASES OF EQUIPMENT OR SERVICES, OR PORTIONS THEREOF, MADE: (1) PRIOR TO OCTOBER 1, 1995, (2) TO ACHIEVE REGULATORY COMPLIANCE WITH REQUIREMENTS NOT ASSOCIATED WITH THE INFORMATION COLLECTION, (3) FOR REASONS OTHER THAN TO PROVIDE INFORMATION OR KEEPING RECORDS FOR THE GOVERNMENT, OR (4) AS PART OF CUSTOMARY AND USUAL BUSINESS OR PRIVATE PRACTICES.**

No capital startup or maintenance costs are associated with this information collection activity.

- 14. PROVIDE ESTIMATES OF ANNUALIZED COST TO THE FEDERAL GOVERNMENT. ALSO, PROVIDE A DESCRIPTION OF THE METHOD USED TO ESTIMATE COST, WHICH SHOULD INCLUDE QUANTIFICATION OF HOURS, OPERATION EXPENSES (SUCH AS EQUIPMENT, OVERHEAD, PRINTING, AND SUPPORT STAFF), AND ANY OTHER EXPENSE THAT WOULD NOT HAVE BEEN INCURRED WITHOUT THIS COLLECTION OF INFORMATION. AGENCIES ALSO MAY AGGREGATE COST ESTIMATES FROM ITEMS 12, 13, AND 14 IN A SINGLE TABLE.**

The PACA is funded through license fees. All expenses, including legal support in reparation and disciplinary proceedings (effective October 1992), are reimbursed through license and complaint filing fees. The annual budget for PACA now stands at approximately \$10,438,000

Estimated Annual Cost to Federal Government of Operating the PACA Program – FY 2016

	\$6,483,000
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Salaries and Benefits	
Unemployment Compensation	\$2,000
Travel	\$215,000
Transportation of Things	\$20,000
Rent, Communications and Utilities	\$363,000
Printing/Reproductive Services	\$25,000
Contractual Services	\$3,245,000
Supplies/Materials	\$35,000
Equipment	\$50,000
Total	10,438,000

15. EXPLAIN THE REASON FOR ANY PROGRAM CHANGES OR ADJUSTMENTS REPORTED IN ITEMS 13 OR 14 OF THE OMB FORM 83-1.

There is an overall adjustment decrease of -48.77 (Rounded to 49) due to a number of companies that have either consolidated, merged or completely gone out of business which is how we account for the decrease in the number of respondents.

Form No. or Record (Reg. Section)	Reason	Previous Burden	New Burden	Difference	Type of Change
SC-211	Dec. Respondents	332.75	292.75	-40.00	Adj
SC-231-1, SC-231-1A, SC-231-2, SC-231-2A	Dec. Respondents	727.00	677.15	-49.85	Adj
46.4	Inc.. Respondents.	205.26	246.34	+41.08	Adj
Totals		1265.01	1216.24	-48.77	

P = Program Change

A = Adjustment

16. FOR COLLECTIONS OF INFORMATION WHOSE RESULTS ARE PLANNED TO BE PUBLISHED, OUTLINE PLANS FOR TABULATION AND PUBLICATION. ADDRESS ANY COMPLEX ANALYTICAL TECHNIQUES THAT WILL BE USED. PROVIDE THE TIME SCHEDULE FOR THE ENTIRE PROJECT, INCLUDING BEGINNING AND ENDING DATES OF THE COLLECTION OF INFORMATION, COMPLETION OF REPORT, PUBLICATION DATES, AND OTHER ACTIONS.

The reporting and record keeping requirements of the PACA and Regulations are not intended for statistical use, but are used solely in administering the law.

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.

The Agency requests approval not to display the expiration date for OMB approval of the information collection. The presence of an expiration date may confuse PACA licensees, whose license expiration date is shown on the forms along with a PACA license number. The licensees may mistake the OMB expiration date with the date that their license is due to expire, resulting in a failure to submit their renewal for license in a timely manner. Inadvertent use of a form with an expired date poses an opportunity for those looking for a means of disruption to challenge paying for services rendered, the validity of collection of information, or legal requirement imposed by regulations or statutes.

18. EXPLAIN EACH EXCEPTION TO THE CERTIFICATION STATEMENT IDENTIFIED IN ITEM 19, "CERTIFICATION FOR PAPERWORK REDUCTION ACT SUBMISSIONS," OF OMB FORM 83-1.

There are no exceptions to the certification statement identified in item 19.