

**SUPPORTING STATEMENT - PART A:
INFORMATION COLLECTION REQUEST (ICR) JUSTIFICATION**

OMB Control Number 0584-NEW

Study of Third-Party Processor Services, Fees, and Business Practices

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PART A: Information Collection Request (ICR) Justification

A1. 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 new information collection request. The Supplemental Nutrition Assistance Program (SNAP) offers food assistance for over 20 million low-income households.¹ At the Federal level, the U.S. Department of Agriculture's Food and Nutrition Service (FNS) oversees SNAP. FNS is responsible for authorizing and managing over 260,000 SNAP retailers. SNAP retailers such as supermarkets and super stores, grocery stores, convenience stores, specialty stores, and farmers' markets are authorized to redeem SNAP benefits.² States or counties are responsible for day-to-day administration of SNAP which includes processing client applications and issuing food benefits. SNAP food benefits are issued to eligible low-income households through Electronic Benefits Transfer (EBT) cards. Households access their benefits by conducting transactions at SNAP-authorized retailers by swiping their EBT cards in a point-of-sale (POS) device and entering their Personal Identification Number (PIN) to pay for their SNAP-eligible food items. Funds for each authorized transaction are deducted from the households' EBT SNAP account and transferred electronically from a Federal account to the retailer's account within two business days. EBT is used in all 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam. Each SNAP State agency has a contract with an EBT contractor for processing EBT transactions, issuing EBT cards to SNAP households, and furnishing POS equipment to a subset of retailers. A SNAP transaction is carried from the POS device at the store terminal through a retailer-contracted third-party processor's

¹ U.S. Department of Agriculture, Food and Nutrition Service. (2017, August 4). *Supplemental Nutrition Assistance Program*. Retrieved from <http://www.fns.usda.gov/sites/default/files/pd/34SNAPmonthly.pdf>

² <https://www.fns.usda.gov/snap-retailer-data>

(TPP) network to the State's EBT host processor. The State's EBT host processor locates the client's account, records the purchase or refund, updates the account balance, approves (or denies) the transaction, and generates the response, which is returned via the TPP to the retailer's POS device within seconds.

Section 4011 of the Agricultural Act of 2014 (P.L. 113-79; "2014 Farm Bill" Appendix B) ended the provision of EBT equipment and services free of charge to retailers participating in SNAP.³ Retailers that previously received EBT equipment and payment processing services free of charge are now required to procure equipment and services independently.⁴ Since the passage of the Agricultural Act of 2014, the number of vendors offering EBT equipment and services to SNAP retailers has grown dramatically, but little is known about their business practices, including the services offered, pricing structure, and contractual agreements.

Over the past few years, some TPPs/ISOs have misrepresented themselves as USDA endorsed, charged retailers fees, or promised retailers SNAP authorization even though they do not have the authority to guarantee eligibility. Numerous retailer complaints have resulted in FNS sending letters to several companies demanding they immediately cease and desist from representing themselves as affiliated with FNS and attempting to fraudulently induce retailers to provide any SNAP-related data. False statements and fraudulent actions regarding SNAP are

³ "SEC. 4011. TECHNOLOGY MODERNIZATION FOR RETAIL FOOD STORES. (a) MOBILE TECHNOLOGIES. — Section 7(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)) (as amended by section 4030(e)) is amended by adding at the end the following: "(14) MOBILE TECHNOLOGIES. "(A) IN GENERAL. Subject to subparagraph (B), the Secretary shall approve retail food stores to redeem benefits through electronic means other than wired point of sale devices for electronic benefit transfer transactions, if the retail food stores— "(i) establish recipient protections regarding privacy, ease of use, access, and support similar to the protections provided for transactions made in retail food stores; "(ii) bear the costs of obtaining, installing, and maintaining mobile technologies, including mechanisms needed to process EBT cards and transaction fees...." Agricultural Act of 2014. (2015, December 10). Retrieved from <https://www.agriculture.senate.gov/imo/media/doc/Agricultural%20Act%20of%202014.pdf>

⁴ Some SNAP retailers are exempt from the 2014 Farm Bill mandate and continue to qualify for free EBT equipment and services until further notice. These retailers include Farmers' Markets (FM), Direct-Marketing Farmers (DM), Military Commissaries (MC), Nonprofit Food-Buying Cooperatives (BC), Group Living Arrangements (GL), Drug and Alcohol Treatment Centers (AD), Shelters for Battered Women and Children (BW), Communal Dining Facilities (CD), Homeless Meal Providers (HP), Meal Delivery Services (MD), and Senior Citizens Centers (SC).

punishable under Federal law. Specifically, 18 U.S.C. §1001(a)(2) provides that anyone who makes any materially false, fictitious, or fraudulent statement or representation concerning any matter shall be fined and/or imprisoned for up to 5 years. The Food and Nutrition Act at 7 U.S.C. §2021 and §2024, provides for additional penalties. The deceptive and fraudulent business practices by these entities are detrimental to the integrity of the SNAP.

These changes in the program requirements and related integrity concerns provide the impetus for this study.

A2. PURPOSE AND USE OF THE INFORMATION

Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate how the agency has actually used the information received from the current collection.

The goal of the *Study of Third-Party Processor Services, Fees, and Business Practices* is to understand the business practices of TPPs and independent sales organizations (ISOs) that provide EBT processing services and equipment (business-for-profit) to SNAP-authorized retailers to: (1) describe the contractual agreements between SNAP retailers and ISOs and with TPPs and (2) assess the SNAP retailers' level of satisfaction with the ISOs and TPPs. The study results will provide FNS with the information needed to inform future FNS policies regarding requirements for vendors providing EBT equipment and services to authorized retailers and TPP services-related guidance for retailers. Specifically, the purposes of the study are to: (1) assess retailers' satisfaction with EBT products and services needed to participate in the SNAP, and (2) develop a set of best practices to inform FNS's guidance for retailers on what to consider when selecting, contracting with, and working with EBT vendors (TPPs and ISOs). Appendix A details the research questions by study objectives.

The study will collect information from two business groups of respondents: (1) SNAP-authorized retailers and (2) SNAP vendors, TPPs, and ISOs that sell EBT services or equipment to the SNAP-authorized retailers. A survey instrument, offered in English (Appendix I) and Spanish (Appendix J), will be used two weeks after approval is received from the Office of Management and Budget (OMB)⁵ to collect information from SNAP retailers regarding their business relations with EBT vendors as well as their satisfaction with the equipment and services acquired. An EBT Vendor Interview Guide, offered in English only (Appendix L) will be used

⁵ The research team is limited to nine contacts with interview and survey respondents. The nine contacts were used to pretest the data collection instruments. Interviews with more than nine members of the public require the Office of Management and Budget's (OMB) approval.

two weeks after OMB approval to collect information from EBT vendors, such as TPPs and ISOs, about their business practices with SNAP retailers, products and services available, including costs for retailers seeking to acquire EBT products and services.

In May 2017, the researchers conducted a pretest of the data collection instruments with subject matter experts (SMEs) from the researcher's internal project team and external SNAP retailers and EBT vendors. The pretest consisted of cognitive interviews that were intended to focus on the following areas:

- Burden: Approximately how much time did it take the respondent to complete the survey?
- Comprehension: Does the respondent understand the question being asked?
- Retrieval: Can the respondent recall or retrieve pertinent information needed for the answer or do they need to do further research in order to answer the questions?
- Judgement: Is the respondent motivated to fully respond to the questions?
- Response: Can the respondent provide the answer in the format requested?
- Branch Logic: Does the order and/or skip pattern of the questions flow properly?

Nine individuals from the public were involved in pretesting the data collection instruments. Seven SNAP retailers pretested the SNAP Retailer Survey and two ISOs pretested the EBT Vendor Interview Guide. The researchers conducted a question-by-question analysis of the data collection instruments based on the results of the pretest. The pretest results were used to improve the quality and accuracy of the data collection instruments. See Appendix D for a memorandum of the pretest data collection tools and results of the pretest analysis.

A3. USE OF INFORMATION TECHNOLOGY AND BURDEN REDUCTION

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 of 2002 to promote the use of technology to reduce burden. In this study, the collection of information involves two instruments: the SNAP Retailer Survey and the EBT Vendor Interview Guide.

The first instrument is the SNAP Retailer Survey. This is a web-based survey administered online in English and Spanish. See Appendix C for screenshots of the SNAP Retailer Survey. No paper version of the survey will be offered to respondents. The SNAP Retailer Survey utilizes a paperless data collection process that automates the response process, incorporating skip patterns seamlessly so users can complete the survey with the lowest possible burden.

Once OMB approval is obtained, the research team will work with FNS to recruit active SNAP retailers using the FNS Store Tracking and Redemption System (STARS). STARS is approved under OMB Control Number 0584-0008, Expiration Date 1/31/2021. A sample of SNAP retailers will be randomly selected from STARS to complete the SNAP Retailer Survey.

Two weeks after OMB approval, the research team will send the SNAP Retailer Survey package via priority mail to randomly selected SNAP retailers. The package will include an invitation to the study (Appendix F) and instructions on how to access the survey using two online modes: (1) an online survey accessed through an URL or (2) an online survey optimized for mobile phones and accessed via customized Quick Response (QR) code. FNS will not reimburse respondents for cell phone usage.

Potential respondents will receive the SNAP Retailer Survey package three weeks after OMB clearance. The SNAP Retailer Invitation Letter (Appendix F) includes a web link that accesses the survey in English⁶ and Spanish⁷ and a unique four-digit identification number to complete the survey online, using a computer or smartphone. Retailers will be informed that they may use a telephone interactive voice response (IVR) system to complete the survey. These methods reduce the burden among responders by permitting simple selection of responses with minimal keyboard entry and electronic submission of responses. In addition, retailers may access and complete the survey from any telephone via IVR by using the telephone key pad for item response selection. Five weeks after OMB approval, the researcher will send a second SNAP Retailer Invitation Letter (Appendix G) to sampled retailers who did not respond within 10 business days of the initial mailing.

Our research team will program the survey for online administration using a secure, hosted, 508-compliant application designed to work across multiple desktop and mobile browsers and operating systems. With individualized log-in credentials, the system will track completions and develop a nonresponse follow-up list. The system allows participants to complete a survey from the point of their last entry if they are interrupted or lose Internet connection while completing the survey. This is done without the use of cookies and simply requires participants to reenter their log-in credentials. This feature is especially important given that retailers who are completing the survey during business hours may be interrupted by customers or deliveries.

The researchers expect to receive 80% of the survey responses electronically at the following web links: <https://survey.vovici.com/se/325F8C65409E9B7C> for the English language

⁶ English Survey: <https://survey.vovici.com/se/325F8C65201583B5> and unique ID P6D3

⁷ Spanish Survey: <https://survey.vovici.com/se/325F8C6513AAA2A3> and unique ID P6D3

survey and <https://survey.vovici.com/se/325F8C6513AAA2A3> for the Spanish Language survey.

The researchers will follow up by telephone, nine weeks after OMB approval, with the remaining 20% of retailers who do not respond to the second mailer. A copy of the telephone script is available in Appendix H. The telephone follow-up will be used to schedule the administration of the survey using a CATI (computer-assisted telephone interviewing) system. The CATI system will send out reminders to staff to initiate the interview by telephone. The software system will keep track of call attempts (maximum of five) for each sampling unit. It allows for an extra layer of sample management tasks, such as scheduling follow-up attempts, scheduling interviews at times convenient to the respondent, and capturing data efficiently.

The second instrument is the EBT Vendor Interview Guide (Appendix L). We will use the guide when interviewing EBT equipment vendors to capture information on pricing, contracts, and relationships with other vendors. The research team will initiate the interviews two weeks after OMB approval. The researchers will conduct the EBT vendor interviews via telephone and will record each interview, with permission from the respondent. The recorded interviews will be transcribed after the data collection period concludes.

A4. EFFORTS TO IDENTIFY DUPLICATION

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 Question 2.

Since the passage of the Agricultural Act of 2014, the number of vendors offering EBT equipment and payment processing services to retailers participating in SNAP has grown, but little is known about these vendors. There are no data similar to that proposed for collection in this study. Every effort has been made to avoid duplication. The data requirements for the study have been carefully reviewed to determine whether the needed information is already available. Researchers performed a web search and a review of FNS's report finder, <https://www.fns.usda.gov/report-finder>. No formal studies have been conducted on vendors supporting EBT equipment or payment processing. Additionally, there has not been a study to assess SNAP retailers' satisfaction with EBT equipment or payment processing.

The current SNAP retailer survey is designed to include a nationally representative sample of SNAP retailers. Thus, combining the SNAP retailer survey data with the in-depth EBT vendor interview data will provide valuable information for developing future policies regarding requirements for vendors providing EBT equipment and services to SNAP-authorized retailers. Most importantly, the information obtained can aid FNS in developing guidance for retailers on factors to consider in selecting, contracting, and working with EBT vendors (TPPs and ISOs).

A5. IMPACTS ON SMALL BUSINESSES OR OTHER SMALL ENTITIES

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

Out of a universe of 248,000 SNAP retailers, we consider about 84,000 to be small businesses. These stores have annual revenues less than one million dollars and are not associated with a chain. The results of this study will reduce the burden small retailers face in making decisions about participating in SNAP. The study results will provide recommendations to guide SNAP small business retailers on factors to consider when selecting, contracting with, and working with EBT vendors (TPPs and ISOs). The data collection activity will include a sample of 500 small businesses. The researchers have included the following strategies to minimize data collection burden from small businesses: (1) limited the survey time to 20 minutes or less; (2) survey questions designed to make recalling information easier; and (3) use of various electronic paperless modes for survey administration [online survey accessed through URL, online survey optimized for mobile phones (FNS will not reimburse respondents for phone usage) and accessed via customized QR code, or IVR]. These methods significantly reduce the burden of completion compared to completing a paper survey and returning it by mail.

A6. CONSEQUENCES OF COLLECTING THE INFORMATION LESS FREQUENTLY

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 one-time data collection effort. The researchers will collect information from SNAP retailers and vendors once. If this data collection effort is not conducted, FNS will not learn about the services, fees, and business practices of EBT vendors. This means FNS may not be able to ensure integrity of the EBT process or provide SNAP retailers, especially small

business retailers that lack the staff and expertise to do this on their own, with information that will make the process of selecting, contracting with, and working with EBT vendors (TPPs and ISOs) more efficient and less arduous.

A7. Special Circumstances Relating to the Guidelines of 5 CFR 1320.5

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.**

This information collection fully complies with 5CFR 1320.5.

A8. COMMENTS TO THE FEDERAL REGISTER NOTICE AND EFFORTS FOR CONSULTATION

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.

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.

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 years. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

The 60-day notice to solicit public comments was published in the *Federal Register* on May 19, 2017 (Vol. 82, No. 96, pages 22966-22969).⁸ The public comment period ended on July 18, 2017. FNS received no public comments pertaining to the TPP study.⁹

A small group of subject matter experts (SMEs) assisted in providing information useful for defining the sampling strata for the SNAP retailer survey, identifying the availability of background data, developing the data collection instruments, and creating the outreach strategy. These experts were either a former retail store owner or EBT equipment and processing vendor:

Bruce Butler, Vice President, Retail Optimization Group
Email: info@rogconsulting.net
Phone: 877-372-1437

Richard Ficorilli, Senior Consultant, Retail Optimization Group
Email: info@rogconsulting.net
Phone: 877-372-1437

⁸ <https://www.federalregister.gov/documents/2017/05/19/2017-10112/agency-information-collection-proposed-collection-comments-request-study-of-third-party-processor>

⁹ The notice received one public comments regarding the new identification system for feeder cattle. The comment was omitted from the ICR package as it was unrelated to the TPP project.

Lenny Smith, Former Senior Vice President, Fidelity Information Systems (FIS)
Phone: 407-925-4397

The following individual reviewed Part A and Part B of this OMB Clearance Package and all associated attachments:

Evan Schulz, Mathematical Statistician, Department of Agriculture, National
Agricultural Statistics Service
Email: evan.schulz@nass.usda.gov
Phone: 202-690-8640

A9. EXPLAIN ANY DECISIONS TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS

No payment or gift will be provided to respondents.

A10. ASSURANCES OF CONFIDENTIALITY PROVIDED TO RESPONDENTS

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

Participants in this study will be subject to safeguards as provided by the Privacy Act of 1974 (5 USC 552a), which requires the safeguarding of individuals against invasion of privacy. The Privacy Act also provides for the privacy of records maintained by a Federal agency according to either the individual's name or some other identifier.

Participants will be notified that the information they provide will not be published in a form that identifies them. No identifying information will be attached to any reports. Identifying information will not be included in the public use dataset. The researchers will strip all documents of personally identifiable information (PII) before publishing or transmitting any public-use files. Names and phone numbers, or any other unique identifier, will not be linked to

the data. The researchers will analyze the data in aggregate form without identifying individual participants.

Storage Controls: The contractor stores data files on the corporate private cloud-based system, Egnyte. The system uses a 256-bit AES encryption protocol for all methods of transmitting files and while at rest, such that no meaningful data can be hacked or intercepted. Egnyte's desktop applications used to sync information also utilize the same encryption methods for transferring data using SSL. Egnyte administrators do not have access to the contractor's files.

More information about Egnyte's security policy can be found at <https://www.egnyte.com/file-server/security-privacy.html>.

Authentication & Authorization Controls: The contractor manages permissions to Egnyte folders containing sensitive information to specific individuals on an as-needed basis. All user accounts require a unique username and password to access the file system. The contractor follows a least-privileged access model where users have access only to the folders and files deemed necessary to fulfil their task. Access is approved by the project director. We separate groups and users based on their need to access sensitive data or de-identified/anonymized information.

Retention Policies: Purging of any data containing PII will occur once yearly and at the end of the contract, or as directed by the client. Each data file/collection will have a defined retention policy.

Privacy Policies: The contractor will ensure the privacy and security of electronic data during the data collection and processing period following the system of record notice (SORN) titled USDA/FNS-8 USDA/FNS Studies and Reports (Federal Register Volume 56, No. 80, Page

19078, April 25, 1991). The study respondents are SNAP retailers, TPPs, and ISOs who will provide information required by the data collection instruments. The SNAP retailer survey or the EBT vendor interview does not require the disclosure of sensitive data or any information that could identify or be linked to individual recipients of SNAP benefits. The survey will not collect the names or personal identifiers of the survey respondents. In addition, the STARS is covered under SORN USDA/FNS 9 (Federal Register Volume 75, No. 247 Page 81205, December 27, 2010).

Instructions for the survey will inform respondents that the contractor, Manhattan Strategy Group (MSG), will keep private their identities and information to the maximum extent allowable by law, and the researchers will not attribute specific information provided to individual respondents. All trained research team members have signed a Data Confidentiality Agreement (Appendix E).

A11. JUSTIFICATION FOR ANY QUESTIONS OF A SENSITIVE NATURE

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.

The survey does not include questions of a sensitive nature.

A12. ESTIMATES OF THE HOUR BURDEN OF THE COLLECTION OF INFORMATION

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.

A. 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.

Potential respondents will total 1,808 SNAP retailers and up to 67 TPPs and ISOs, including 9 pretest respondents. Study participation for the SNAP retailers will involve completing a one-time web-based survey (or optional telephone interview) and for the TPPs and ISOs, a one-time in-depth interview.

The completed SNAP retailer survey response burden is estimated at 15 minutes (.25 hour) per respondent. This burden includes the time needed to review and respond to the questionnaire in English (Appendix I) or Spanish (Appendix J).

Each EBT vendor interview with a TPP or an ISO is estimated to take a total of 1 hour and 30 minutes (1.5 hours). This burden includes the time needed to review and walk through the EBT Vendor Interview Guide (Appendix L).

The total annual burden for this collection of information is estimated at 579 hours (480.1 hours for respondents and 98.6 for nonrespondents). Table 1 below details the estimated burden for each type of respondent. Half of the estimated number of nonrespondents (approximately 300) are expected to receive a replacement sample.

Table 1: Estimated Total Annual Burden by Respondent Type

DATA COLLECTION INSTRUMENT				RESPONDENTS					NON-RESPONDENTS					Grand Total Annual Burden Estimates (Hours)	
Respondent Description	Type of Data Collection	Appendix Reference	Sample Size	Estimated Number of Respondents	Frequency of Response (Annually)	Total Annual Responses	Average Hours per Response	Subtotal Estimated Annual Burden (Hours)	Estimated Number of Non-Respondents	Frequency of Responses	Total Annual Non-Responses	Average Time per Response (Hours)	Sub-Total Annual Burden Estimates (Hours)		
SNAP Retailer Survey															
SNAP Retailer	Survey Invitation Letter	F	1500	640	1	640	0.05	32	860	1	860	0.05	43	75.0	
	Survey Invitation Letter 2nd Contact	G	860	360	1	360	0.05	18	500	1	500	0.05	25	43.0	
	Survey Invitation Phone Script 3rd Contact	H	500	200	1	200	0.05	10	300	1	300	0.05	15	25.0	
	Replacement Sample Invitation Letter	F	300	NA	NA	NA	NA	NA	NA	300	1	300	0.05	15	15.0
	Online survey, IVR, or telephone interview	C, I, J	1500	1200	1	1200	0.25	300	NA	NA	NA	NA	NA	NA	300.0
	Pretest	D	8	7	1	7	1.0	7	7	1	1	1	0.1	0.1	7.1
Subtotal SNAP Retailers Survey			1808	1207	1	1207	NA	367	601	1	601	NA	98.1	465.1	
EBT Vendor (TPPs and ISOs) Interview															

DATA COLLECTION INSTRUMENT				RESPONDENTS					NON-RESPONDENTS					Grand Total Annual Burden Estimates (Hours)
Respondent Description	Type of Data Collection	Appendix Reference	Sample Size	Estimated Number of Respondents	Frequency of Response (Annually)	Total Annual Responses	Average Hours per Response	Subtotal Estimated Annual Burden (Hours)	Estimated Number of Non-Respondents	Frequency of Responses	Total Annual Non-Responses	Average Time per Response (Hours)	Sub-Total Annual Burden Estimates (Hours)	
EBT Vendor (TPPs and ISOs)	Interview Invitation Letter	K	65	55	1	55	0.5	27.5	10	1	10	0.05	0	28.0
	In-Depth Telephone Interview	L	65	55	1	55	1.5	82.5	NA	NA	NA	NA	NA	82.5
	Pretest	D	2	2	1	2	1.55	3.1	0	1	0	0.05	0	3.1
Subtotal EBT Vendor Interview			67	57	1	57	NA	113.1	10	1	10	NA	2.5	113.6
GRAND TOTAL			1875	1264	1	1264	NA	480.1	611	1	611	NA	98.6	579

B. Provide Estimates of Annualized Cost to Respondents for the Hour Burdens for Collections of Information, Identifying and Using Appropriate Wage Rate Categories

The total annualized cost to respondents (including nonrespondents) for this ICR is \$13,554.57. Table 2 shows the estimation of respondent cost. For the retailers and the vendors, the estimate of the respondent cost is based on the burden estimates and wage rates from the U.S. Department of Labor, Bureau of Labor Statistics (bls.gov), May 2016 National Wage Statistics. The Occupational Groups and the hourly mean wages are shown below:

- **Retail Store Manager.** The estimate respondent cost uses the Occupational Group 41-1011 First-Line Supervisors of Retail Sales Workers.¹⁰ The group directly supervises and coordinates the activities of retail sales workers in an establishment or department. Duties may include management functions, such as purchasing, budgeting, accounting, and personnel work, in addition to supervisory duties. The hourly mean wage for this function is \$21.11.
- **EBT Sales Manager.** The estimate respondent cost is based on the Occupational Group 41-4012 Sales Representatives, Wholesale, and Manufacturing, except Technical and Scientific Products.¹¹ This group sells goods from wholesales or manufacturer to businesses and individuals. This work requires substantial knowledge of items sold. The hourly mean wage for this function is estimated at \$32.89.

¹⁰ <https://www.bls.gov/oes/current/oes411011.htm>

¹¹ <https://www.bls.gov/oes/current/oes414012.htm>

Table 2: Estimated Annual Cost of Time Burden

Respondents	Respondents	Data Collection Instrument	Sample Size	Hourly Wage Rate	Total Annual Burden (Hours)	Total Annual Burden (Cost)	
SNAP Retailer Survey							
Business for Profit	SNAP Retailer	Survey Invitation Letter	1500	\$21.11	75	\$1,583.25	
		Survey Invitation Letter 2nd Contact	860	\$21.11	43	\$907.73	
		Survey Invitation Phone Script 3rd Contact	500	\$21.11	25	\$527.75	
		Replacement Sample Invitation Letter	NA	\$21.11	15	\$316.65	
		Online survey, IVR, or telephone interview	1500	\$21.11	300	\$6,333.00	
		Pretest	8	\$21.11	7.1	\$149.88	
	Subtotal SNAP Retailers Survey		NA	NA	465.1	\$9,818.26	
	EBT Vendor (TPPs and ISOs) Interview						
	EBT Vendor (TPPs & ISOs)	Interview Invitation Letter	65	\$32.89	28	\$920.92	
		In-Depth Telephone Interview	65	\$32.89	82.5	\$2,713.43	
		Pretest	2	\$32.89	3.1	\$101.96	
	Subtotal EBT Vendors Interview		NA	NA	104.5	\$3,437.01	
GRAND TOTAL			0	NA	579	\$13,255.27	

A13. ESTIMATES OF OTHER TOTAL ANNUAL COST BURDEN

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 questions 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.

There are no capital and start-up, operation, maintenance, and purchase costs associated with this information collection.

A14. PROVIDE ESTIMATES OF ANNUALIZED COST TO THE FEDERAL GOVERNMENT

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.

The total cost to the Federal government across the life of the project is \$734,638.14 or an annualized cost of \$367,319.07.

The total cost to the Federal Government for all data collection activities by the contractor is \$668,502.14 over 28 months or an annualized cost of \$334,251.07. These costs include study design, preparation of the OMB clearance submission, survey instrument development, study participants' recruitment, and all aspects of data collection, analysis, and reporting.

The cost of the FNS employee, the Social Science Research Analyst/Federal Project Officer involved in project oversight with the study, is estimated at GS-13, step 10, at \$59.05/per hour according to the 2017 general schedule salary table for the Washington, D.C., area.¹² The estimated time that will be spent on the project by the FNS Social Science Research Analyst is

¹² https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2017/DCB_h.pdf

10 hours per week for 28 months (1,120 hours) to manage the data collection, costing the Federal government \$66,136 or an annualized cost of \$33,068.

Table 3: Total Cost to Federal Government

Item	Total Cost	Annualized Cost
Contractor Contract	\$668,502.14	\$334,251.07
Federal Project Officer	\$66,136.00	\$33,068.00
<i>Total cost to the Federal Government</i>	<i>\$734,638.14</i>	<i>\$367,319.07</i>

A15. EXPLANATION OF PROGRAM CHANGES OR ADJUSTMENTS

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

This is a new information collection which will add 570 burden hours and 1875 responses to the FNS OMB inventory.

A16. PLANS FOR TABULATION, AND PUBLICATION AND PROJECT TIME SCHEDULE

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

To address each of the study’s objectives and specific research questions, the researchers will analyze the data collected using a mixed methods approach. The study will combine data from EBT vendor interviews and the SNAP retailer survey. The analysis will combine descriptive statistics, subgroup analyses, and content and thematic analyses. To inform the development of the final report (Task 6), the researchers will integrate and summarize outcomes from qualitative and quantitative analyses in thematic matrices to address each research question.

The SNAP retailer survey questions will provide mostly categorical responses, and the

descriptive analysis and subgroup analysis will inform our understanding of: (1) SNAP retailers' level of satisfaction with ISOs and TPPs and (2) the range of variation in SNAP retailers' satisfaction with ISOs and TPPs by group characteristics.

- **Descriptive Statistics.** Once we prepare the data for analysis, the researchers will run descriptive statistics on each survey item (e.g., mean, range, mode) and group results in a series of tables by: (1) research question and (2) conceptual framework component (i.e., products and functionality, customer/support service, cost/price, contractual agreement, operations, and satisfaction) at the aggregate and subgroup levels (e.g., large urban retailer) to identify patterns in the data (e.g., commonalities and differences between the level of satisfaction of urban and rural retailers with their ISOs).
- **Subgroup Analysis.** To test whether any observed differences between subgroups are statistically significant, researchers will conduct subgroup analyses of the survey data using statistical software to assess SNAP retailer satisfaction with their ISOs (Objective 5) and TPPs (Objective 6). MSG will draw on a range of techniques, as appropriate given the variable type and sampling distribution, to test differences in the satisfaction levels between two subgroups (e.g., t-test, Wilcoxon-Mann-Whitney test, ANOVA, chi-square), including the Kruskal-Wallis test to gauge differences in satisfaction levels across multiple groups (e.g., large, medium, and small retailers). Additionally, we may explore the effect of the interaction between retailer size and location on the satisfaction level (e.g., how small retailers in rural areas differ from large retailers in urban areas in their satisfaction of TPPs and ISOs).

The contractor will use the EBT vendor interviews to triangulate researcher notes, interview summaries, audio recordings, and other collected materials during the data synthesis process to ensure that the most comprehensive data are available for analysis.

- ***Content and Thematic Analysis.*** The researchers will systematically analyze the transcripts of all EBT vendor interviews to describe TPP/ISO characteristics, describe the working relationship between TPPs and ISOs and between ISOs and SNAP retailers, describe ISO operational standards, and identify TPP support service best practices. The research team will categorize the vendors reported in the SNAP Retailer Survey to understand the relationships between TPPs, ISOs and SNAP retailers. We do not know for certain what these categories will be, but we hypothesize that they may include banking institutions, food/ market retailer specialized vendors, among others. The survey responses will provide a representative picture of the prevalence of the different types of ISOs, using the categorization developed from information gleaned from the ISO/TPP interviews. The combination of the two data sources will further enable us to provide the prevalence of different types of ISOs and TPPs as well as how different types of vendors affect retailer choice options and satisfaction.

Once the contractor has prepared the transcripts, researchers will conduct both content and thematic analyses that adhere to widely accepted qualitative methodological practices (e.g., Miles & Huberman, 1994) and use NVivo qualitative data analysis software. We will use NVivo to auto-code responses to each interview question (i.e., structural code). We will run word frequency queries to identify preliminary themes in the data at the subgroup level (e.g., TPPs, large retailers, small rural retailers). The qualitative analysts will consult with the project director, project manager, and SMEs to develop a coding scheme to guide the analyses, which will include both descriptive (e.g., occurrence/non-occurrence of specific risk management measures, retailer type) and inferential (e.g., level of satisfaction with TPP contractual terms) codes that are aligned with the research questions and conceptual framework. The coding scheme will also build on preliminary themes identified by the

content analysis, but will allow for in NVivo (or open) codes so that data-driven or emergent themes can be captured by the analysis.

The contractor's codebook will include detailed descriptions of each code, specify coding inclusion and exclusion criteria, and provide examples of appropriate applications of each code. To ensure reliable use of the coding scheme prior to data analysis, the contractor will train two members of the analysis team on the codebook. Each will separately code the same interview transcript until inter-rater reliability (IRR) exceeds 0.9 using Cohen's kappa coefficient as our statistical measure. In addition, we will routinely conduct IRR testing on randomly selected subsets of the data using NVivo's coding comparison query functionality to verify ongoing coding accuracy and consistency. The coders will discuss and resolve any coding errors or discrepancies that arise from the query. Additionally, the team members will discuss, agree to, and add NVivo codes that either team member proposes to the codebook prior to their use. The contractor will review previously coded data to validate any new codes that are applied. As needed, the researchers will revise the codebook to reflect IRR testing outcomes to ensure that code descriptions and inclusion/exclusion criteria are clearly worded and sufficiently detailed. In the case of substantial coder drift ($\text{kappa} < 0.75$), entire interviews or the entire dataset may be recoded. The researchers will run coding frequencies and use NVivo's framework matrices feature to identify themes (e.g., satisfaction with purchase options) and patterns (e.g., commonalities and dissimilarities between urban and rural retailers) for: (1) each research question, (2) each conceptual framework component (i.e., products and functionality, customer/support service, cost/price, contractual agreement, operations, and satisfaction), and (3) each subgroup (e.g., large rural retailers).

The researchers will prepare a report that describes the study's data collection process and findings. The report will also include discussions of lessons learned, next steps, and recommendations for further action. The final report will contain: (1) an executive summary of the major findings; (2) a table of contents and glossary of terms; (3) an introduction and background; (4) delineation of study issues, objectives, and research questions; (5) discussion of the methodology employed; (6) a presentation of major findings; (7) discussion of the study limitations; (8) recommendations for best practices to inform FNS's guidance for retailers on what to consider when selecting, contracting with, and working with TPPs and/or ISOs; (9) study conclusions; and (10) technical appendices necessary to fully document all analytic procedures used, including the data collection instruments.

The researchers will cluster the findings and summarize them under thematic headings, tabulating the data to allow identification of prominent themes and offer structured ways of dealing with the data in each theme. The contractor will submit the draft final report to FNS for review and comment and revise as necessary, including a summary of the changes made in reference to these comments. We will provide a final briefing to FNS at its office in Alexandria, Virginia. The researchers will present the study objectives, research questions, methodology, findings, and key recommendations.

shows the data collection activities associated with the information collection request and the timeline to publish the results of information collected in this ICR. Since task 1-3 are contractual timelines for FNS deliverables, the chart below begins with task 4.

Table 4: TPP Project Timeline

#	Task	Deliverables	Start Date	Delivery Date
4	Data Collection	Web-Survey Implementation (one week after approval)	Immediately after OMB approval	2 weeks after OMB approval
		Receive updated contact list from FNS	Immediately after OMB approval	1 week after OMB approval
		Prepare and Send 1 st Invitation Letters (two weeks after approval)	1 week after OMB approval	2 weeks after OMB approval
		4.1 – Weekly Updates (conduct surveys/interviews)	3 weeks after OMB approval	13 weeks after OMB approval
		Prepare and Send 2 nd Invitation Letters	4 weeks after OMB approval	5 weeks after OMB approval
		Conduct Telephone Follow-Ups (Survey)	7 weeks after OMB approval	9 weeks after OMB approval
5	Data Analysis	5.1 – Draft Analytical Tables/Graphs	14 weeks after OMB approval	18 weeks after OMB approval
		5.2 – Revised Analytical Tables/Graphs	24 weeks after OMB approval	29 weeks after OMB approval
6	Prepare Reports on Study Results	6.1 – Draft Report Outline	16 weeks after OMB approval	18 weeks after OMB approval
		6.2 – Final Report Outline	20 weeks after OMB approval	23 weeks after OMB approval
		6.3 – Draft Final Report	25 weeks after OMB approval	29 weeks after OMB approval
		6.4 – Revised Final Report	31 weeks after OMB approval	35 weeks after OMB approval
		6.5 – Final Report	37 weeks after OMB approval	41 weeks after OMB approval
7	Brief FNS on Study Results	7.1 – Draft Briefing Materials (ppt)	34 weeks after OMB approval	36 weeks after OMB approval
		7.2 – Final Briefing Materials (ppt)	36 weeks after OMB approval	37 weeks after OMB approval
		7.3 – FNS Briefing (25 hard copies)	38 weeks after OMB approval	38 weeks after OMB approval
8	Data Files and Documentation	8.1 – Draft Restricted Used Data Files, Codebooks, and Documentation	25 weeks after OMB approval	32 weeks after OMB approval
		8.2 – Final Restricted Used Data Files, Codebooks, and Documentation	37 weeks after OMB approval	42 weeks after OMB approval

A17. DISPLAYING THE OMB APPROVAL EXPIRATION DATE

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 OMB number and the expiration date will be displayed on every form/instrument.

A18. EXCEPTIONS TO THE CERTIFICATION STATEMENT IDENTIFIED IN ITEM 19

Explain each exception to the certification statement identified in Item 19 of the OMB 83-I "Certification for Paperwork Reduction Act."

There are no exceptions to the certification statement.