

operations results in estimated total annual maintenance costs to producers of \$157 million.

USDA expects that intermediaries such as handlers, processors, and wholesalers will face higher costs per enterprise to maintain country of origin information compared to costs faced by producers. Much of the added cost is attributed to the larger average size of these enterprises compared to the average producer enterprise. In addition, these intermediaries will need to track products both coming into and going out of their businesses.

With the exception of livestock processing and slaughtering establishments, USDA estimates the maintenance burden hours for country of origin recordkeeping to be 52 hours per year per establishment. For this part of the supply chain, the recordkeeping activities are on-going and are estimated to require an additional hour a week. USDA expects, however, that livestock processing and slaughtering enterprises will experience a more intensive recordkeeping burden. These enterprises disassemble carcasses into many individual cuts, each of which must maintain its country of origin identity. In addition, businesses that produce ground beef, lamb, and pork may commingle product from multiple origins, requiring careful tracking and recordkeeping to substantiate the country of origin information provided to retailers. Maintenance of the recordkeeping system at these establishments is estimated to total 1,040 hours per establishment, or 20 hours per week.

Maintenance activities will include inputting, tracking, and storing country of origin information for each covered commodity. Since this is mostly an administrative task, USDA estimates the cost using the BLS wage rate for administrative support occupations (\$12.80 per hour with an additional 25.4 percent added to cover overhead costs for a total of \$16.05 per hour). This occupation category includes stock and inventory clerks and record clerks. Coupled with the assumed hours per establishment, the resulting total annual maintenance costs to handlers, processors, and wholesalers and other intermediaries are estimated at approximately \$83 million.

Retailers will need to supply country of origin information for each covered commodity sold at each store. Therefore, additional recordkeeping maintenance costs are believed to impact each establishment. Because tracking of the covered commodities will be done daily, USDA believes that an additional hour of recordkeeping

activities for country of origin information will be incurred daily at each retail establishment. This results in an estimated 365 additional hours per year per establishment. Using the BLS wage rate for administrative support occupations (\$12.80 per hour with an additional 25.4 percent added to cover overhead costs for a total of \$16.05 per hour) results in total estimated annual maintenance costs to retailers of \$218 million.

The total maintenance recordkeeping costs for all enterprises are thus estimated at approximately \$458 million.

The total first-year recordkeeping burden is calculated by summing the initial and maintenance costs. The total recordkeeping costs are estimated for producers at approximately \$235 million; for handlers, processors, and wholesalers at approximately \$123 million; and for retailers at approximately \$224 million. USDA estimates the total recordkeeping cost for all participants in the supply chain for covered commodities at \$582 million for the first year, with subsequent maintenance costs of \$458 million per year.

The recordkeeping burden estimated for the voluntary country of origin guidelines (67 FR 63367) was \$2 billion for the first year. There are several reasons that the estimated recordkeeping burden for this proposed rule is substantially lower. First, the estimated number of affected entities is fewer due to the use of less aggregated data to estimate the numbers of impacted firms and establishments. Second, the estimated wage rates are lower to reflect more accurately the types of work skills expected to be needed to implement and maintain the records needed for this proposed rule. Third, the estimated number of labor hours is reduced overall as a result of reassessing expected hours needed to carry out recordkeeping tasks associated with this proposed rule.

Annual Reporting and Recordkeeping Burden for the First Year (Initial): Public reporting burden for this initial recordkeeping set up is estimated to average 4.7 hours per year per individual recordkeeper.

Estimated Number of Firms Recordkeepers: 1,338,649.

Estimated Total Annual Burden: 6,224,671 hours.

Annual Reporting and Recordkeeping Burden (Maintenance): Public reporting burden for this recordkeeping storage and maintenance is estimated to average 24.2 hours per year per individual recordkeeper.

Estimated Number of Establishments Recordkeepers: 1,376,634.

Estimated Total Annual Burden: 33,294,392 hours.

AMS is committed to implementation of the Government Paperwork Elimination Act (GPEA) to provide the public with the option to submit or transact business electronically to the extent practicable. This new information collection has no forms and is only for recordkeeping purposes. Therefore, the provisions of an electronic submission alternative is not required by GPEA.

AMS is soliciting comments from all interested parties concerning these recordkeeping requirements. Comments are specifically invited on: (1) Whether the recordkeeping is necessary for the proper operation of this program, including whether the information would have practical utility; (2) the accuracy of USDA's estimate of the burden of the recordkeeping requirements, including the validity of the methodology and assumptions used; (3) ways to enhance the quality, utility, and clarity of the records to be maintained; and (4) ways to minimize the burden of the recordkeeping on those who are to maintain and/or make the records available, including the use of appropriate automated, electronic, mechanical, or other technological recordkeeping techniques or other forms of information technology. Comments concerning the recordkeeping requirements contained in this proposed rule should reference the date and page number of this issue of the **Federal Register** and should be sent to Country of Origin Labeling Program, Room 2092-S; Agricultural Marketing Service (AMS), USDA; STOP 0249; 1400 Independence Avenue, SW.; Washington, DC 20250-0249, or by facsimile to 202/720-3499, or by e-mail to cool@usda.gov.

Comments sent to the above location should also be sent to the Desk Officer for Agriculture, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, 725 17th Street, NW., Room 725, Washington, DC 20503. All responses to this action will be summarized and included in the request for OMB approval. All comments will become a matter of public record.

References

1. Wimberley, R.C., *et al.* Food from Our Changing World: The Globalization of Food and How Americans Feel About It. February 2003, <http://sasw.chass.ncsu.edu/global-food/foodglobal.html>.