

Implementing the Pesticide Registration Improvement Act - Fiscal Year 2013

Tenth Annual Report



March 1, 2014

Maintenance Fees

Reregistration and Expedited Processing Fund

Under FIFRA section 4(i)(5)(C), Maintenance Fees, EPA is authorized to collect an aggregate amount of \$27.8 million for each of fiscal years 2013 through 2017 to support certain activities. Maintenance fees are a yearly product registration renewal fee. In FY'13, the agency collected \$27.015 million. Included in this amount is \$710.0 thousand (supporting 4.9 work years) to carry out new inert ingredient reviews under section 4(k)(3) and \$3.132 million to process fast track amendments and new products under FIFRA section 3(c)(3)(B).

The Pesticide Registration Improvement Extension Act of 2012, PRIA 3, created a new set-aside which allows the agency to set-aside up to \$800 thousand annually for enhancements of information technology systems for improvements in review of pesticide applications. Included in these IT improvements over the course of the PRIA 3 statutory timeframe are 1) enhancing the information systems capabilities to improve the tracking of pesticide registration decisions; 2) implementing a system for tracking conditional registrations; 3) enhancing the capability to review labels submitted with registration actions electronically; 4) enhancing the database for information regarding endangered species assessments for Registration Review; and 5) acquiring and implementing the capability to electronically assess and evaluate Confidential Statements of Formula submitted with registration actions.

The EPA has begun the implementation of these by prioritizing the work over the course of the PRIA 3 timeframe and in accordance with OPP's strategic planning initiatives. During FY'13, efforts focused on developing the initial capabilities for improvements to the tracking ability of the IT systems for registration actions (including conditional registrations), enhancing the ability to review pesticide labels electronically, and enhancing the Endangered Species Knowledge Data Base.

During FY'13, the agency expended roughly \$182.8 thousand from the IT set-aside.

The Agency's obligations charged against the Reregistration and Expedited Processing Fund to offset the cost of the reregistration and registration review programs and other authorized pesticide programs were \$22.37 million and 112.3 work years. The Fund has two types of receipts: fee collections and interest earned on investments. Of the \$22.37 million in FY'13 receipts, more than 99.98% were fee collections.

Appropriated funds are also used in addition to Reregistration and Expedited Processing Fund dollars. In FY'13, the Enacted Operating Plan included approximately \$33.2 million in appropriated funds for reregistration and registration review program activities. These funds supported 199.1 work years and \$636.0 thousand in contract support, which included data reviews, systems maintenance and enhancements, and other expenses. The unobligated balance from appropriations at the end of FY'13 was zero.

The table below provides a summary of the expenditures over a five year period.

The EPA's FY'09 through FY'13 Expenditures from the FIFRA Reregistration and Registration Review Fund

Expenditures (in thousands) by Fiscal Year (FY)					
For	2009	2010	2011	2012	2013
Payroll	20,313.7	19,822.0	18,855.0	16,829.4	15,963.4
Contracts	3,789.5	3,303.8	1,837.4	2,068.0	549.6
IT Set-Aside	0.0	0.0	0.0	0.0	182.7
Other Expenses	1,521.2	2,097.8	1,561.8	1,434.8	358.0
Total	\$25,624.4	\$25,223.6	\$22,254.2	\$20,332.2	\$17,053.7

Impact of Maintenance Fees on Small Businesses

Section 33(k)(4)(B) requires the EPA to report on the number of small businesses paying maintenance fees that have 10 or fewer employees and annual average gross global revenues not exceeding \$2.0 million.

Companies with ≤ \$2.0 M in avg annual gross global revenues and ≤ 10 employees

# of companies	# of products per company	Average annual gross global revenues	Average # of employees
149	1	\$0.485 M	2.9
40	2	\$0.567 M	2.7
27	3	\$0.569 M	2.4
9	4	\$0.569 M	2.8
6	5	\$0.688 M	3.5

Section 4(i)(1)(F) provides for a 25% reduction in the maintenance fee for the first product of any small business with:

- (a) ≤ 500 employees,
- (b) ≤ \$10.0 M in average annual gross global revenues, and
- (c) ≤ 5 registered products.

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In FY'13 the EPA granted this 25% reduction in maintenance fees on the first product for:

- 226 small businesses with 1 registered product,
- 70 small businesses with 2 registered products,
- 42 small businesses with 3 registered products,
- 19 small businesses with 4 registered products,
- 9 small businesses with 5 registered products.

All of the small businesses, that submitted data indicating not more than 10 employees and not more than \$2.0 million in average gross global revenues, received the 25% fee reduction on their first product.

Some small businesses, that submitted data indicating more than 10 employees (but fewer than 500) and more than \$2.0 million in revenues (but less than \$10.0 million), also received the 25% fee reduction.

The total amount of maintenance fees foregone in FY'13 by the granting of this 25% reduction on the first product's fee is \$327,204.