

Implementing the Pesticide Registration Improvement Act - Fiscal Year 2016

Thirteenth Annual Report



March 1, 2017

Pesticide Registration Service Fees

Paying Fees

Each of the 189 fee categories under PRIA 3 has a specific fee and a decision review time frame. The EPA's tracking system assigns a decision number to each action or item that requires a decision and consequently counts "decisions" rather than applications. Guidance describing the type of application covered by each fee category is available on the [Fee Determination Decision Tree](#) for inexperienced applicants, a [PRIA 3 fee table](#) for experienced applicants, and a [PDF table](#) that can be printed and used as a hardcopy reference.

The agency encourages registration applicants to pay their fees by credit card or wire transfer using the Department of Treasury Department's Pay.gov system or by wire transfer using ACH Credit Gateway or Fedwire. As of June 1, 2015, Treasury no longer accepted credit card payments above \$25,000, and any payments above this amount had to be made by electronic funds transfer (ACH). PayPal and Dwolla were added as payment options in May, 2015 but have a maximum payment amount of only \$10,000. Moreover, Treasury mandated the closure of EPA lockboxes by the end of FY'15 which eliminated check payments for both PRIA and Maintenance fees.

Fiscal Year	Payments Received through Pay.gov or Electronic Wire	Decisions Involving Pay.gov Receipts	% of Payments Rec'd through Pay.gov
2011	\$6,478,627	1,165	68%
2012	\$7,715,690	1,158	73%
2013	\$8,145,942	1,535	77%
2014	\$9,061,406	1,605	76%
2015	\$11,230,283	1,622	81%
2016	\$20,446,379	2,051	99%

Under Section 33(b)(2)(D), the fee is due upon submission of the application. Section 33(b)(2)(F) directs the agency to reject any application submitted without the required registration service fee. If certification of payment is not received within 14 days, the agency will reject the application and invoice the registrant for 25% of the appropriate fee.

Fiscal Year	Applications Rejected for Non-payment
2011	17
2012	0
2013	0
2014	0
2015	0
2016	0

Funds Management

Section 33(c) of PRIA established the Pesticide Registration Fund. Congress established this fund in the Treasury of the United States to carry out the provisions of PRIA. All registration service fees received by the EPA are deposited into this fund, and expenditures from the fund can cover costs associated with review and decision-making for applications for which registration service fees have been paid. Since October 2007, fees have been deposited into an account maintained by the U.S. Bank in St. Louis, Missouri, which informs the agency when a payment is received. However, the Department of Treasury terminated the bank's contract as of the end of FY' 15. Starting in FY' 16, 99% of fee payments came directly to the agency electronically via Pay.gov, ACH Credit Gateway and Fedwire. For the occasional check that the agency received, it was processed in-house by the Washington Financial Management Center in the Office of the Chief Financial Officer (OCFO).

The PRIA decision review time period begins 21 days after both the application and the appropriate payment have been received (or after a fee waiver has been granted).

Fee Collections and Expenditures¹

During FY' 16, the agency received \$20,522,000 in new registration service fees, and after subtracting \$1,380,274 in refunds for overpayments and withdrawals, the net receipts were \$19,141,726 as of September 30, 2016. The agency spent approximately \$13,705,000 in FY' 16 from the Pesticide Registration Fund. The table below provides a summary of the expenditures over a six-year period.

Under Section 33(c), interest earned and added to the PRIA Registration Fund is available to the agency for spending. Interest in FY' 16 totaled \$15,003.86.

¹ Resources reflect actual allocations from the agency. A balance is carried forward to fund personnel and contractor support for applications with multi-year time frames and for which some or most of the work is performed in the next fiscal year.

**The EPA's FY 2011 through FY 2016 Expenditures from
the Pesticide Registration Fund**

Expenditures (in thousands) by Fiscal Year (FY)						
For	2011	2012	2013	2014	2015	2016
Payroll	\$7,595.2	\$7,353.8	\$2,787.6	\$9,879.6	\$9,816.5	\$8,432.1
Contracts	\$4,561.6	\$2,950.3	\$3,992.0	\$3,044.6	\$3,197.3	\$2,470.6
Worker Protection	\$2,000.0	\$2,000.0	\$2,000.0	\$2,000.0	\$2,000.0	\$2,000.0
Other Expenses	\$168.8	\$1,055.3	\$997.1	\$1,251.8	\$641.3	\$802.3
Total	\$14,325.6	\$13,359.4	\$9,776.7	\$16,176.0	\$15,655.1	\$13,705.0

Approximately 90% of the Pesticide Program’s active contracts or work assignments were performance-based, per FIFRA Section 33(k)(2)(A)(vii). Performance-based contracts tend to be contracts with routine and predictable work assignments. Areas covered by these contracts include information management, review and characterization of hazard and exposure data and risk assessments. In addition to the PRIA Pesticide Registration Fund, the registration program spent about \$34.2 million from appropriated funds.

PRIA 3 mandated programs totaled \$2,000,000 in FY’ 16. These mandated programs included worker protection (\$1,000,000), partnership grants (\$500,000), and the Pesticide Safety Education Program (\$500,000). The percentage of expenditures going to the mandated programs was 14.6% in FY’ 16, which was slightly greater than in FY’ 15 (12.8%). The agency also continued to invest in upgrading its information management systems to track compliance with the PRIA review time frames, to meet reporting requirements, and to implement PRIA 3 requirements. “Other Expenses” went primarily to pay for *Federal Register* printing costs associated with PRIA registrations.

Waivers of and Exemptions from Registration Service Fees

PRIA Section 33(b)(7) authorizes the agency to reduce or exempt the registration service fee for certain situations. The maximum fee reduction for small businesses with less than \$10,000,000 per year in global gross pesticide sales is 75% of the fee. A portion of all fees (25%) is non-refundable. A 50% reduction in the fee may be granted for a small business with less than \$60,000,000 in annual global gross pesticide sales. Section 33(b)(7) also provides an exemption from a registration service fee for applications from Federal or State agencies and for applications solely associated with a tolerance petition submitted in connection with the Inter-Regional Project Number 4 (IR-4) that is in the public interest.

In FY’ 16, the agency granted 256 fee waivers and exemptions, denied 0, and 7 were withdrawn as shown in the following table.

FY 2016 Fee Waiver or Exemption Requests

Waiver Type	Received	Granted	Denied	Withdrawn
75% Small Business	190	183	0	7
50% Small Business	29	29	0	0
IR-4	36	36	0	0
Minor Use	0	0	0	0
Federal/State	8	8	0	0
Total	263	256	0	7

The average number of days required to grant a fee waiver in FY' 16 was slightly more than in FY' 15 (26 versus 24 days). There were no denied waivers in FY' 16.

The total fees waived and exempted in FY' 16 was \$7,384,000 -- \$363,000 more than in FY' 15. When compared to FY' 15, there was an increase in FY' 16 IR-4 waiver amounts (\$982,000) but a small decrease in Small Business waiver amounts (\$114,000) as well as a decrease in Federal/State waiver amounts (\$505,000). IR-4 exemptions accounted for the majority (73%) of the amount waived or exempted. The amount exempted is based on the full fee for the fee category of the application. We do not consider further whether the application may have qualified for a discretionary refund or fee reduction under Section 33(b)(8)(C) when data previously reviewed for another application was considered. Some of the IR-4 associated applications involved establishing tolerances based on information previously reviewed for another crop.

Amount in Fee Waivers and Exemptions by Fiscal Year of Receipt and Type (in thousands)

Fiscal Year/Type	Small Business	IR-4	Federal/State Agencies	Minor Use Waiver or Exemptions	Total
FY' 11	\$970.5	\$8,329	\$629.5		\$9,929
FY' 12	\$1,007	\$6,637	\$76		\$7,720
FY' 13	\$1,605	\$3,895	\$43		\$5,543
FY' 14	\$1,304	\$7,611	\$56		\$8,971
FY' 15	\$1,743	\$4,417	\$861		\$7,021
FY' 16	\$1,629	\$5,399	\$356		\$7,384

Fee Reductions

Section 33(b)(8)(C) authorizes the EPA to issue discretionary refunds, including instances where the agency had completed portions of the review of an application before March 2004. For fees required for pending new active ingredients and for applications pending prior to March 2004 where the registrant offered to pay the registration service fee voluntarily, the agency applied this refund provision as a credit toward the registration application service fee. In FY' 16, no voluntary payments were received.

Under Section 33(b)(8)(C), the agency has discretionary authority to issue a partial refund (up to 75%) of the registration service fee on the basis that, in reviewing the application, the agency has considered data submitted in support of another pesticide registration application. Some discretionary refunds are routine and are applied at the time of submission. Guidance on these refunds is available on the PRIA 3 Web page. The agency made discretionary refunds of \$261,985 in FY'16. In addition, we granted \$406,367 in fee reductions during FY'16 for secondary new product and amendment applications.