

Implementing the Pesticide Registration Improvement Act - Fiscal Year 2018

Fifteenth Annual Report



Maintenance Fees

Reregistration and Expedited Processing Fund

Under FIFRA section 4(i)(1)(C) as amended, Maintenance Fees, EPA is authorized to collect an aggregate amount of \$27,800,000 for each of fiscal years 2013 through 2017 to support certain activities. This authority was extended through fiscal year 2018 by continuing resolution and the FY'18 omnibus spending bill. Maintenance fees are a yearly product registration renewal fee. Since the per product maintenance fee is a “fitted value” based on estimates of the number of products for which the fee will be paid each year, aggregate amounts collected may be less than or greater than the authorized \$27,800,000 in any particular year. In FY'18, the agency collected \$28,432,000. From this amount collected, \$693,080 (supporting 4.3 work years) was spent to carry out new inert ingredient reviews under FIFRA section 4(k)(3), and \$2,670,466 (supporting 18.5 work years) was spent 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 of up to \$800,000 annually for enhancements of information technology (IT) systems to improve the Agency's review of pesticide applications. Included in these IT enhancements 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 continued work on the IT projects specified in PRIA 3. During FY'18, efforts focused on continued development of the Office of Pesticide Programs (OPP)' e-Label (OPPEL), an electronic label that will allow submission of label data elements and corresponding use index information in a structured, standardized format, and on the electronic Confidential Statement of Formula (eCSF). This work included development of OPPEL and eCSF builder applications within the Pesticide Submission Portal (PSP) environment.

During FY'18, the agency expended roughly \$350,000 from the IT set-aside towards these activities.

In addition, EPA continued developing additional functionality within the PSP, the electronic system for pesticide applications that was first made available in September 2015. The PSP allows EPA to accept pesticide applications electronically, a move that will help modernize the pesticide registration process, increase operational efficiencies and reduce paper waste.

In FY'18, EPA expanded the functionality of the portal to include:

- Adding Consortium Submissions
- Pet Spot-On Enhancement – Ability to provide an electronic avenue to submit corresponding sales & incident data as they relate to Pet Spot-On products

The agency's payroll 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 approximately \$12,889,417 (supporting 89.9 work years). The Fund has two types of receipts: fee collections and interest earned on investments. Interest earned in FY'18 totaled \$502,981.35.

Appropriated funds are also used in addition to Reregistration and Expedited Processing Fund dollars. In FY'18, the Enacted Operating Plan spent approximately \$18,564,900 in appropriated funds for reregistration and registration review program activities. These funds supported 86.6 work years.

Per FIFRA section 33(k)(2)(A)(vii), performance-based contracts tend to be contracts with routine mission support/fixed price task orders or work assignments. Areas covered by these contracts include information management, the review and characterization of hazard and exposure data which provides for the development of risk assessments throughout OPP.

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

The EPA's FY'13 through FY'18 Expenditures from the FIFRA Reregistration and Registration Review Fund

For	Expenditures (in thousands) by Fiscal Year (FY)					
	2013	2014	2015	2016	2017	2018
Payroll	\$15,963.4	\$17,853.5	\$13,041.3	\$10,890.9	\$12,029.1	\$12,889.4
Contracts	\$549.6	\$3,429.3	\$4,508.4	\$2,096.8	\$1,651.9	\$2,513.5
IT Set-Aside	\$182.7	\$242.0	\$0.0	\$0.0	\$0.0	\$350
Other Expenses	\$358.0	\$2,365.7	\$2,646.3	\$1,206.1	\$1,697.3	\$1,302.6
Total	\$17,053.7	\$23,890.5	\$20,196.0	\$14,193.8	\$15,378.3	\$17,055.5

Impact of Maintenance Fees on Small Businesses

Section 33(k)(4)(B) of FIFRA requires the EPA to report on the number of small businesses paying maintenance fees that have 10 or fewer employees and annual global gross revenues not exceeding \$2,000,000.

Companies with \leq \$2,000,000 in annual global gross revenues and \leq 10 employees

# of companies	# of products per company	Annual global gross revenues (in thousands)	Average # of employees
125	1	\$509 K	2.7
26	2	\$646 K	2.0
22	3	\$640 K	2.9
11	4	\$666 K	2.4
2	5	\$453 K	2.5

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

- (a) \leq 500 employees,
- (b) \leq \$10,000,000 in average annual global gross revenues, and
- (c) \leq 5 registered products.

In FY'18 the EPA granted this 25% reduction in maintenance fees on the first product for:

- 204 small businesses with 1 registered product,
- 49 small businesses with 2 registered products,
- 35 small businesses with 3 registered products,
- 16 small businesses with 4 registered products,
- 10 small businesses with 5 registered products.

All the small businesses that submitted data indicating not more than 10 employees and not more than \$2,000,000 in average global gross 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 \$2,000,000 million in revenues (but less than \$10,000,000) also received the 25% fee reduction. The total amount of maintenance fees foregone in FY'18 by the granting of this 25% reduction on the first product's fee is \$275,692.