

Implementing the Pesticide Registration Improvement Act - Fiscal Year 2018

Fifteenth Annual Report



Pesticide Registration Service Fees

Paying Fees

Each of the 189 fee categories under PRIA 3 has a specific fee and a decision review timeframe. 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 accepts credit card payments above \$25,000, and any payments above this amount had to be made by electronic funds transfer (ACH). 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 | Number of Payments Pay.gov or Electronic Wire Receipts | % of Payments Rec'd through Pay.gov or Electronic Wire |
|-------------|--|--|--|
| 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% |
| 2017 | \$19,426,789 | 2,118 | 99% |
| 2018 | \$17,404,791 | 1,983 | 99% |

Under FIFRA 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 |
|-------------|---------------------------------------|
| 2013 | 0 |
| 2014 | 0 |
| 2015 | 0 |
| 2016 | 0 |
| 2017 | 0 |
| 2018 | 0 |

Funds Management

In FIFRA Section 33(c), 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. In FY'18, 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'18, the agency received \$17,413,681 in new registration service fees, and after subtracting \$600,775 in refunds for overpayments and withdrawals, the net receipts were \$16,812,906 as of September 30, 2018. The agency expended \$14,741,707 in FY'18 from the Pesticide Registration Fund. The table below provides a summary of the expenditures over a six-year period. The agency's payroll obligations charged against the Pesticide Registration Fund to offset the cost of the reregistration and registration review programs and other authorized pesticide programs were approximately \$8,558,678 (supporting 56.9 work years).

Under Section 33(c), interest earned and added to the PRIA Registration Fund is available to the agency for spending. Interest in FY'18 totaled \$217,488.50.

| The EPA's FY 2013 through FY 2018 Expenditures from the Pesticide Registration Fund | | | | | | |
|--|--|-------------|-------------|-------------|-------------|-------------|
| For | Expenditures (in thousands) by Fiscal Year (FY) | | | | | |
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Payroll | \$2,787.6 | \$9,879.6 | \$9,816.5 | \$8,432.1 | \$8,838.7 | \$8,558.7 |
| Contracts | \$3,992.0 | \$3,044.6 | \$3,197.3 | \$2,470.6 | \$3,203.5 | \$3,317.1 |
| PRIA Mandated Programs | \$2,000.0 | \$2,000.0 | \$2,000.0 | \$2,000.0 | \$2,000.0 | \$2,000.0 |
| Other Expenses | \$997.1 | \$1,251.8 | \$641.3 | \$802.3 | \$1,416.4 | \$865.9 |
| Total | \$9,776.7 | \$16,176.0 | \$15,655.1 | \$13,705.0 | \$15,458.6 | \$14,741.7 |

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.

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. In addition to the PRIA Pesticide Registration Fund, the registration program spent approximately \$11,581,100 from appropriated funds. These funds supported 70.0 work years.

PRIA 3 mandated programs totaled \$2,000,000 in FY'18. 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 13.6% in FY'18, which was slightly more than in FY'17. 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.

Waivers of and Exemptions from Registration Service Fees

FIFRA 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. FIFRA 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) and that is in the public interest.

In FY'18, 279 fee waivers and exemptions were granted by EPA, 0 were denied, and 7 were withdrawn by the applicants, as shown in the following table.

FY 2018 Fee Waiver or Exemption Requests

| Waiver Type | Received | Granted | Denied | Withdrawn |
|---------------------------|----------|---------|--------|-----------|
| 75% Small Business | 183 | 178 | 0 | 5 |
| 50% Small Business | 57 | 56 | 0 | 1 |
| IR-4 | 41 | 40 | 0 | 1 |
| Minor Use | 0 | 0 | 0 | 0 |
| Federal/State | 5 | 5 | 0 | 0 |
| Total | 286 | 279 | 0 | 7 |

The average number of days required to grant a fee waiver in FY'18 was less than in FY'17 (31 versus 32 days). No waivers were denied in FY'18.

The total fees waived and exempted in FY'18 was \$9,053,000 - \$1,842,000 more than in FY'17. When compared to FY'17, there was an increase in FY'18 in IR-4 waiver amounts (\$1,378,000), in Small Business waiver amounts (\$393,000) and in Federal/State waiver amounts (\$71,000). IR-4 exemptions accounted for the majority (77%) of the amount waived or exempted. The amount exempted is based on the full fee for the fee category of the application. The EPA does not consider whether the application may have qualified for a discretionary refund or fee

reduction under FIFRA Section 33(b)(8)(C) when data previously reviewed for another application were 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'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 |
| FY'17 | \$1,608 | \$5,578 | \$25 | | \$7,211 |
| FY'18 | \$2,001 | \$6,956 | \$96 | | \$9,053 |

Fee Reductions

Section 33(b)(8)(C) of FIFRA authorizes the EPA to issue discretionary refunds if it is determined that a refund is justified. 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 \$298,395 in FY'18. In addition, the EPA granted \$287,245 in fee reductions during FY'18 for secondary new product and amendment applications.