

Implementing the Pesticide Registration Improvement Act - Fiscal Year 2013

Tenth Annual Report



March 1, 2014

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. 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 Treasury Department’s pay.gov system. 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.

Fiscal Year	Payments Received through Pay.gov	Decisions Involving Pay.gov Receipts	% of Payments Rec’d through Pay.gov
2009	\$5,804,462	1,150	65%
2010	\$8,425,487	1,113	69%
2011	\$6,478,627	1,165	68%
2012	\$7,715,690	1,158	73%
2013	\$8,145,942	1,535	77%

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
2008	9
2009	2
2010	5
2011	17
2012	0
2013	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 in 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. 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). On

average, the EPA has been informed of the receipt of a payment within 7 days of receipt by the bank, consistent with past fiscal years.

Fee Collections and Expenditures¹

During FY'13, the agency received \$15.979 million in new registration service fees, and after subtracting \$776,870 in refunds for overpayments and withdrawals, the net receipts were \$15.202 million as of September 30, 2013. The agency spent approximately \$9.777 million in FY'13. The table below provides a summary of the expenditures over a five 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'13 totaled \$1,904.

The EPA's FY 2009 through FY 2013 Expenditures from the Pesticide Registration Fund

For	Expenditures (in thousands) by Fiscal Year (FY)				
	2009	2010	2011	2012	2013
Payroll	\$9,401.6	\$9,401.3	\$7,595.2	\$7,353.8	2,787.6
Contracts	\$6,733.3	\$6,485.7	\$4,561.6	\$2,950.3	3,992.0
Worker Protection	\$2,250.0	\$2,000.0	\$2,000.0	\$2,000.0	2,000.0
Other Expenses	\$140.6	\$309.9	\$168.8	\$1,055.3	997.1
Total	\$18,525.5	\$18,196.9	\$14,325.6	\$13,359.4	9,776.7

Payroll expenditures decreased notably, \$2.8 million in FY'13 compared to \$7.4 million in FY'12. Expenditures on contracts increased to approximately \$4.0 million in FY'13, compared to almost \$3.0 million in FY'12. The balance between payroll and contract expenditures varied considerably from FY'12 to FY'13 (with payroll at 28% of expenditures in FY'13 and 55% in FY'12, and contracts went up sharply to 41% in FY'13 from 22% in FY'12). Approximately 80% of the Pesticide Program's active contracts or work assignments were performance-based, the same as reported for FY'12 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, for instance, information management, records management, and as appropriate, review and characterization of hazard and exposure data and risk assessment. In addition to funds from the PRIA Pesticide Registration Fund, the registration program spent about \$34.0 million from appropriated funds. PRIA 3 mandated programs totaled \$2.0 million in FY'13. These mandated programs included worker protection (\$1.0 million), partnership grants (\$0.5 million), and the Pesticide Safety Education Program (\$0.5 million). The

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.

percentage of expenditures going to the mandated programs was 20% in FY’13, up from 15% in FY’12. 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

Section 33(b)(7) of PRIA authorizes the agency to reduce or exempt the registration service fee for specified situations. The maximum fee reduction for small businesses with less than \$10 million 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 million 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’13, the agency granted 306 fee waivers and exemptions, denied 1, and four were withdrawn as shown in the following table.

FY 2013 Fee Waiver or Exemption Requests				
Waiver Type	Received	Granted	Denied	Withdrawn
75% Small Business	199	196	1	2
50% Small Business	83	81	0	2
IR-4	26	26	0	0
Minor Use	0	0	0	0
Federal State	3	3	0	0
Total	311	306	1	4

The average number of days required to grant a fee waiver in FY’13 was approximately the same as in FY’12 (26 versus 25 days). The average time to deny a waiver in FY’13 (25 days) was less than in FY’12 (30 days).

The total fees waived and exempted in FY’13 was \$5.5 million, \$2.2 million less than in FY’12 again due to a significant reduction in IR-4 waiver amounts. IR-4 exemptions accounted for the majority 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.

If you compare the table below with a similar table in the FY’09 report, you will see that the amount waived or exempted for some past fiscal years has changed because after we reviewed some applications in depth, we determined that the application belonged to a different PRIA fee

category.

Amount in Fee Waivers and Exemptions by Fiscal Year of Receipt and Type (in \$1,000)

Fiscal Year/Type	Small Business	IR-4	Federal/State Agencies	Minor Use Waiver or Exemptions	Total
FY'04	\$3,699	\$2,745	-----		\$6,444
FY'05	\$3,006	\$5,460	\$15		\$8,481
FY'06	\$1,497	\$4,226	\$40	\$4	\$5,767
FY'07	\$2,162.5	\$8,342	\$924		\$11,429
FY'08	\$1,286	\$6,908	\$28		\$8,222
FY'09	\$936	\$5,376	\$471	\$209	\$6,992
FY'10	\$1,393	\$2,639	\$413		\$4,445
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

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'13, 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 \$108,268 in FY'13. In addition, we granted \$554,284 in fee reductions during FY'13 for secondary new product and amendment applications.