

Implementing the Pesticide Registration Improvement Act - Fiscal Year 2012

Ninth Annual Report



March 1, 2013

Pesticide Registration Service Fees

Paying Fees

Each of the 140 fee categories or types of application under PRIA 2 has a specific fee and a decision 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 2 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%

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

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 later of date of payment or application receipt triggers the start of the PRIA decision review period, or time frame. 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 Expenditures

During FY 2012, the agency received \$16.6 million in new registration service fees, and after subtracting \$1.0 million in refunds for overpayments and withdrawals, the net receipts were \$15.6 million as of September 30, 2012. A balance of \$4.7 million was carried forward from FY 2011, including recoveries of prior year unpaid obligations. From this total of \$20.3 million, the agency spent approximately \$13.3 million, carrying the remaining balance of \$7.0 million forward to FY 2013. 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.

Under Section 33(c), interest earned and added to the PRIA Registration Fund is available to the agency for spending. Interest in FY 2012 totaled \$1,244.40.

The EPA's FY 004 through FY 2012 Expenditures from the Pesticide Registration Fund

For	Expenditures (in thousands) by Fiscal Year (FY)							
	2005	2006	2007	2008	2009	2010	2011	2012
Payroll	\$7,898.2	\$5,819.8	\$7,111.6	\$7,556.4	\$9,401.6	\$9,401.3	\$7,595.2	\$7,353.8
Contracts	\$2,228.8	\$4,013.1	\$6,979.5	\$7,168.1	\$6,733.3	\$6,485.7	\$4,561.6	\$2,950.3
Worker Protection	\$750.1	\$750.0	\$750.0	\$2,250.0	\$2,250.0	\$2,000.0	\$2,000.0	\$2,000.0
Other Expenses	\$274.3	\$221.6	\$302.7	\$205.8	\$140.6	\$309.9	\$168.8	\$1,055.3
Total	\$11,151.4	\$10,804.5	\$15,143.8	\$17,180.3	\$18,525.5	\$18,196.9	\$14,325.6	\$13,359.4

Payroll expenditures were comparatively constant at \$7.4 million in FY 2012 compared to \$7.6 million in FY 2011. Expenditures on contracts decreased to approximately \$2.9 million in FY 2012, compared to almost \$4.6 million in FY 2011. The balance between payroll and contract expenditures remained relatively constant from 2011 to 2012 (with payroll at 55% of expenditures in FY 2012 and 53% in FY 2011, and contracts went down sharply to 22% in FY 2012 from 32% in FY 2011). Approximately 80% of the Pesticide Program's active contracts or work assignments were performance-based, the same as reported for FY 2011 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.

With spending on Partnership Grants reduced by the PRIA 2 statute, spending on mandated programs totaled \$2.0 million in FY 2012. These mandated programs included worker protection (\$1.0 million), partnership grants (\$0.5 million), and the Pesticide Safety Education Program (\$0.5 million). The percentage of expenditures going to these mandated programs was 15% in FY 2012, up from 14% in FY 2011. 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 2 requirements. Other funds 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 2012, the agency granted 301 fee waivers and exemptions and denied 3 of the 307 fee waiver or exemption requests received as shown in the following table.

FY 2012 Fee Waiver or Exemption Requests

Waiver Type	Received	Granted	Denied	Withdrawn
75% Small Business	201	196	2	3
50% Small Business	64	63	1	0
IR-4	32	32	0	0
Minor Use	0	0	0	0
Federal State	10	10	0	0
Total	307	301	3	3

The average number of days required to grant a fee waiver in FY 2012 was approximately the same as in FY 2011 (25 versus 27 days). The average time to deny a waiver in FY 2012 (30 days) was less than in FY 2011 (36 days).

The total fees waived and exempted in FY 2012 was \$7.7 million, \$2.2 million less than in FY 2011 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) because 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 the table below is compared with a similar table in the FY 2009 report, the amount waived or exempted for some past fiscal years 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 2004	\$3,699	\$2,745	-----		\$6,444
FY 2005	\$3,006	\$5,460	\$15		\$8,481
FY 2006	\$1,497	\$4,226	\$40	\$4	\$5,767
FY 2007	\$2,162.5	\$8,342	\$924		\$11,429
FY 2008	\$1,286	\$6,908	\$28		\$8,222
FY 2009	\$936	\$5,376	\$471	\$209	\$6,992
FY 2010	\$1,393	\$2,639	\$413		\$4,445
FY 2011	\$970.5	\$8,329	\$629.5		\$9,929
FY 2012	\$1,007	\$6,637	\$76		\$7,720

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 has 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 2012, no voluntary payments were received.

Under Section 33(b)(8)(C) of FIFRA, 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 Web page](#). \$723,348 in discretionary refunds was made in FY 2012. In addition, we granted \$566,586 in reductions in FY 2012 in fees for secondary new product and amendment applications.