



# Stakeholder Announcement

## **USDA Proposes Adjustments to Agricultural Quarantine Inspection (AQI) Program User Fees**

The United States Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) is announcing proposed changes to the fees it charges to recoup the costs of conducting agricultural quarantine inspections (AQI) at U.S. ports of entry. The adjustments APHIS proposes, the first changes to AQI user fees in nearly a decade, will ensure that the AQI program will have the financial stability it needs to continue the critical work of keeping U.S. agriculture safe and productive.

Agriculture, our country's largest industry and employer, accounts for more than \$1 trillion in annual economic activity. As volumes of international trade and travel both increase, so do the risks that foreign animal and plant pests and diseases can enter and establish themselves in the United States.

AQI activities include inspections conducted by the Department of Homeland Security's (DHS) U.S. Customs and Border Protection (CBP) of conveyances, cargo and passenger baggage entering the country as well as APHIS' analytical and scientific work to track pests overseas, focus inspections at ports of entry, and develop the import regulations that protect U.S. animal and plant health from foreign pests. The fees should fully fund the actual costs of running the AQI program and be borne by those using the services. However, revenue from fees charged has been insufficient to cover all costs and compelled DHS to use appropriated funds that should be available for other important homeland security functions and initiatives.

APHIS is concurrently proposing to adjust the hourly rates charged when APHIS employees perform work associated with AQI activities on Sundays, holidays or other after-hours periods so APHIS can recover the true cost of providing the services. The overtime rates would be raised commensurate with the anticipated cost of providing AQI services through 2018. This proposed rule includes clarifying regulations so that AQI inspections performed by DHS can be billed in accordance with DHS overtime regulations. This proposed rule will also be available for a 60 day comment period. This is the first proposed change to overtime rates since 2002.

The proposed AQI fee structure ensures that no one party pays more than the costs of the services they incur. Because the proposal aligns fees with actual program costs, some fees will be lowered under the proposed structure. APHIS is proposing to lower fees for international air passengers from \$5 to \$4 per passenger and fees for railroad cars from \$7.75 to \$2 per railroad car. The current fees for these services generate more revenue than needed to cover their costs. APHIS also proposes to raise user fees for inspections of commercial aircraft from \$70.75 to \$225, commercial maritime cargo vessels from \$496 to \$825, commercial trucks with a transponder (a sticker that contains an electronic chip that transmits information about the vehicle's user fee payment status) from \$105 to \$320 a year, and commercial trucks without a

transponder from \$5.25 to \$8 per crossing. In each of these cases, current fees do not generate sufficient revenue to cover the costs of the services. APHIS is also proposing to add a \$2 fee per sea passenger to recover costs associated with inspecting cruise vessels and passenger baggage, and to add a \$375 fee to recover the costs of APHIS services for monitoring the application of or providing treatments to imported cargo to minimize pest risks.

APHIS worked with an independent accounting firm to review the AQI fee structure and carefully considered a number of alternatives for revising the user fees. Much of the additional revenue from fees will cover the costs of ongoing CBP inspection activities that are now supported through taxpayer funds. This user fee rate update will allow us to recover the costs from those that benefit from the services associated with importing goods into the country, while minimizing impacts to U.S. employment and the economy.

This is the first major adjustment to AQI fees in nearly 10 years. Other than minor adjustments for inflation from FY 2000-FY 2010, the fee rates have not changed even though the program has hired several hundred additional inspectors and incurred other costs to meet the increasing need caused by a large increase in arriving international passenger and cargo traffic.

Having adequate revenues means that the AQI program will have the financial stability it needs to continue the critical work of keeping U.S. agriculture safe and productive. The proposal will be available for a 60-day comment period and APHIS will consider all comments as it works to finalize the changes to the fees.

- [Questions and Answers](#)
- [Docket No. APHIS-2009-0047](#)
- [Docket No. APHIS-2013-0021](#)