



Stakeholder Announcement

USDA Continues to Accept Comments on Proposed Rule to Adjust Agricultural Quarantine Inspection (AQI) Program User Fees

WASHINGTON, June 24, 2014—The U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) announced today that it will continue to accept comments on the proposed rule to adjust Agricultural Quarantine Inspection (AQI) program user fees. The AQI program is jointly administered by APHIS and the Department of Homeland Security's (DHS) Customs and Border Protection (CBP) to keep foreign agricultural pests that could affect U.S. agriculture, trade and commerce out of the United States.

APHIS will continue to accept comments for an additional 30 days through July 24, 2014, and will soon publish a *Federal Register* notice regarding this change. This opportunity is provided in response to stakeholder requests to allow additional time for comments. Comments may be submitted electronically to the USDA docket on <http://www.regulations.gov>; use docket number Docket No. APHIS-2013-0021.

The AQI program is a critical component in USDA's efforts to protect U.S. agriculture and natural resources from invasive plant and animal pests and diseases. AQI user fees have not been updated to reflect the real cost of services in over a decade, and as a result, the program has been operating in a deficit, subsidized by taxpayers. Updating the AQI user fees will make sure inspection fees are aligned with the costs of delivering AQI services and are fairly and consistently applied. Continuing to operate in a deficit could impact the effectiveness of this critical program.

In 2010, APHIS engaged Grant Thornton, an international accounting firm, to conduct a comprehensive review of the AQI user fee schedule to determine what adjustments are needed to ensure that user fees cover the actual costs incurred by APHIS and CBP to deliver AQI services. The fee review included:

- determining the current cost of AQI activities and services,
- determining expected future costs for providing AQI activities and services,
- identifying potential changes to the current AQI user fee structure, and
- conducting an economic analysis of proposed fee changes.

In addition, the Government Accountability Office (GAO) conducted an audit in March 2013 that emphasized the need to update AQI user fees to accurately reflect the costs. The GAO audit found a gap of more than \$325 million between fee revenues and total program costs in fiscal year 2011, or 38 percent of AQI program costs. The audit can be found at: <http://www.gao.gov/products/GAO-13-268>.

APHIS is committed to conducting its fee setting activities in a transparent manner and will continue to share information with stakeholders throughout the process. APHIS has held multiple meetings with stakeholders about this proposed rule and will soon announce an additional meeting opportunity for stakeholders to discuss the rule. Informational materials from previous meetings, including Grant Thornton's comprehensive AQI user fee review, are available on the [APHIS Web site](#).

#