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April 6, 1999

FSIS Docket Clerk
Docket No. 98-052P
Food Safety and Inspection Service
United States Department of Agriculture
Room 102, Cotton Annex Building
300 12th Street, S.W.
Washington, D.C. 20250-3700

98-052P
98-052P-22
Alice L. Johnson

Re: Docket No. 98-052P; Fee Increase for Inspection Services

Dear Sir or Madam:

These comments are submitted on behalf of the National Turkey Federation (NTF) in response to the Food Safety and Inspection Service's (FSIS) March 4, 1999, Notice entitled "Fee Increase for Inspection Services." NTF represents more than 95 percent of the U.S. turkey industry, including processors, growers, breeders, hatchery owners, and allied industry. It is the only national trade association representing the turkey industry exclusively.

For several years now, the agency has requested fee increases for inspection services on an annual basis. In doing so, the process of obtaining fee increases has become, in all practical terms, automatic. Although interested parties are afforded an opportunity to comment on the proposed increases, the agency has provided little justification for them, other than noting that the higher rates are necessary because of increases in inflation and locality pay raises. To that extent, interested parties have been prevented from submitting meaningful comments to the proposed increases.

In the instant proposal, FSIS asserts that it has performed an analysis of its projected costs for 1999 and has identified increases in costs that the agency will incur in providing various inspection services. Although the agency does not provide any details of its cost analysis, it does note that the increased costs are attributable to an average national and locality pay raise for Federal employees of 3.1% and projected increased travel and overhead costs of 1.9% resulting from inflation. If these numbers are correct, one would expect, if anything, a proposed fee increase of no more than 5 percent. However, the agency has proposed a fee increase of approximately 9 percent for providing both voluntary inspection, identification, and certification services and overtime/holiday services. The agency should explain this discrepancy before proceeding any further.



NTF also encourages the agency to address more global inspection issues before requesting any fee increase for inspection services. Over the last year, issues such as inspection resource allocation have become more important as additional establishments have come under HACCP and the Federal budget has tightened. The agency is already reviewing a new inspection model for slaughter establishments and is evaluating possible redeployment of inspection personnel to the distribution channels. Improvements in inspector utilization can also be made in processing establishments. Rather than focus on whether inspection fees should be increased, the agency should concentrate on maximizing the efficient use of agency's limited inspection resources. This, in turn, could resolve many of the underlying issues in the instant proposal, including whether overtime/holiday inspection is even warranted.

In conclusion, NTF submits that the agency should reconsider the proposed fee increases after addressing more global inspection issues, including inspection resource allocation. After these issues are addressed, the agency should provide a detailed explanation for its proposed fee increases in order to provide interested parties a meaningful opportunity to comment.

Sincerely,

A handwritten signature in cursive script that reads "Alice L. Johnson, DVM". The signature is written in black ink and is positioned above the typed name.

Alice L. Johnson, DVM
Vice-President, Scientific and Regulatory Affairs