

December 10, 1999

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FSIS Docket Clerk  
Docket No. **99-045P**  
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

**99-045P-3**  
Alice L. Johnson

Re: Docket No. **99-045P**; Fee Increase for Meat and Poultry 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) November 10, 1999, Proposed Rule entitled "Fee Increase for Meat and Poultry 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 the Federal Fiscal Year (**FY**) 2000 **and** has identified increases in costs that the agency will incur in providing various inspection services. Although the agency provides no details of its cost analysis, it does note that the increased costs are attributable to the increased cost of inspection, the national and locality pay raise for Federal employees (proposed **4.8%** effective January 2000), increased laboratory costs, and applicable travel and operating costs. Accordingly, FSIS **has** proposed a **2.38%** base time fee increase for providing meat and poultry voluntary inspection, identification, and services; a **7.93%** increase in the rate for providing meat and poultry inspection holiday and overtime inspection services; and a staggering **15.02%** increase for laboratory services per hour per program employee. Again, no cost analysis was provided for review **and** comment. However, FSIS's rational that the large increase in laboratory services is due to a decrease in the hours of activity would beg the question why there is a need **for** the



current **staffing** levels. Thus and until the agency can provide a comprehensive cost accounting for the fee increases for public comment, the agency should not proceed further to implement the proposed fees increases for inspection services.

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 testing 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 not **automatically** assume **a** rate increase and **arbitrarily** pass the increased costs onto consumers without first developing a comprehensive cost analysis report and 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,



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