

## Environmental Protection Agency

### FY 2006 Annual Performance Plan and Congressional Justification

#### EPA USER FEE PROGRAM

In FY 2006, EPA will have several user fee programs in operation. These user fee programs and proposals are as follows:

##### Current Fees

- **Pre-Manufacturing Notification Fee**

Since 1989, this fee has been collected for the review and processing of new chemical Pre-Manufacturing Notifications (PMN) submitted to EPA by the chemical industry. These fees are paid at the time of submission of the PMN for review by EPA's Office of Prevention, Pesticides and Toxic Substances. PMN Fees are authorized by the Toxic Substances Control Act and contain a cap on the amount the Agency may charge for a PMN review. EPA expects to collect \$1,800,000 in PMN Fees in FY 2006. The removal of the statutory fee cap is discussed below under User Fee Proposals.

- **Lead Accreditation and Certification Fee**

The Toxic Substances Control Act, Title IV, Section 402(a)(3), mandates the development of a schedule of fees for persons operating lead training programs accredited under the 402/404 rule and for lead-based paint contractors certified under this rule. The training programs ensure that lead paint abatement is done safely. Fees collected for this activity are deposited in the U.S. Treasury. EPA estimates that less than \$500,000 will be deposited in FY 2006.

- **Motor Vehicle and Engine Compliance Program Fee**

This fee is authorized by the Clean Air Act of 1990 and is managed by the Office of Air and Radiation. Fee collections began in August 1992. This fee is imposed on manufacturers of light-duty vehicles, light and heavy trucks and motorcycles. The fees cover EPA's cost of certifying new engines and vehicles and monitoring compliance of in-use engines and vehicles. In 2004, EPA promulgated a rule that updated existing fees and established fees for newly-regulated vehicles and engines. The fees established for new compliance programs are also imposed on heavy-duty, in-use, and nonroad industries, including large diesel and gas equipment (earthmovers, tractors, forklifts, compressors, etc), handheld and non-handheld utility engines (chainsaws, weed-whackers, leaf-blowers, lawnmowers, tillers, etc.), marine (boat motors, tugs, watercraft, jet-skis), locomotive, aircraft and recreational vehicles (off-road motorcycles, snowmobiles). In FY 2006, EPA expects to collect \$18,000,000 from this fee.

##### Current Fees: Pesticides

The FY 2006 President's Budget reflects implementation of the new fee structure for the Pesticides Programs, as enacted by the Pesticides Registration Improvement Act (PRIA) of 2003. The new structure includes an extension to the Maintenance Fee for older pesticide review, and a

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new Enhanced Registration Services Fee, which supports accelerated review of new registration actions for pesticides.

- **Pesticides Maintenance Fee Extension**

The Maintenance Fee provides funding for both the Tolerance Reassessment and the Reregistration programs. PRIA extended the authorization of the Maintenance Fee through 2008. The existing tolerance reassessment program is slated for completion in 2006, under the FQPA statute, and the final reregistration decisions are scheduled for 2008. The tolerance reassessment and reregistration activities will continue under the to-be-established Registration Review program. In FY 2006, the Agency expects to collect \$27,000,000 in Maintenance fees.

- **Enhanced Registration Services**

PRIA enacted a new fee specifically for accelerated pesticide registration decision service. This new process should encourage the introduction of new pesticides to the market more quickly. These fees will be paid to the Agency at the time the registration action request is submitted. In FY 2006, Agency expects to collect \$15,000,000 in Enhanced Registration Service fees.

#### User Fee Proposals

- **Removal of the Statutory Cap on the Pre-Manufacturing Notification Fee**

Language will be submitted to remove the statutory cap in the Toxic Substances Control Act on Pre-Manufacturing Notification (PMN) Fees and to allow the increase in fees to be used as a discretionary offset. Under the current fee structure, the Agency would collect \$1,800,000 in FY 2006. The increase in PMN fees will be deposited into a special fund in the U.S. Treasury and available to the Agency, subject to appropriation. After the anticipated rulemaking, the Agency estimates collections of an additional \$4,000,000 in FY 2006.

- **Pesticides Registration Fee**

Language will be submitted to eliminate the prohibition on collecting the existing pesticides Registration fee originally codified in 1988 (40 CFR 152 subpart U) and to allow the fees to be used as a discretionary offset. The authority to collect these fees has been blocked through appropriations acts since 1989. Most recently, provisions in the FY 2004 Consolidated Appropriations Act (P.L. 108-199) extended the prohibition through 2010. FY 2006 collections are estimated to be \$26,000,000.

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- **Tolerance Fee Rule**

Language will be submitted to eliminate the prohibition on collecting pesticide Tolerance fees and to allow the fees to be used as a discretionary offset. The collection of this fee has been blocked in appropriations acts since 2001. Most recently, provisions in the FY 2004 Consolidated Appropriations Act (P.L. 108-199) extended the prohibition through 2008. EPA will update the tolerance fee rule to eliminate overlap with other authorized fees and will promulgate the final Tolerance fee rule in 2005. The Tolerance fee collections for FY 2006 are estimated to be \$20,000,000.