

Questions and Answers:
CHANGES TO INSPECTION FEES
AND IMPORT/EXPORT LICENSE AND FEE PROGRAM

The U.S. Fish and Wildlife Service is changing its inspection fees and import/export license and fee requirements. The Service has outlined these changes in detail in a final rule, which was published in the Federal Register on December 9, 2008.

These changes will go into effect on January 8, 2009. They will affect businesses engaged in commercial wildlife trade. Some changes will also affect individuals and organizations that import or export wildlife for non-commercial purposes.

What changes are being made?

The Service is increasing import/export inspection fees for businesses and streamlining the way some fees are charged.

The Service is adding new fees for shipments that contain live wildlife or protected species. These fees will apply to some non-commercial imports and exports as well as to commercial shipments.

The new fees will go into effect on January 8, 2009. The new fee schedule will cover at least the next four years. Each fee will go up slightly each year through 2012. Importers and exporters will be able to plan ahead for fee increases during this period.

The Service is also removing some exemptions to import/export license and fee requirements.

Changes to Inspection Fees

Why is the Service changing its inspection fees?

Current fees date to 1996 and do not cover the costs of providing inspections. Without a fee increase, we will be forced to cut back on inspection services.

Who will pay inspection fees?

As in the past, commercial importers and exporters will pay inspection fees.

As in the past, importers and exporters of non-commercial shipments will pay fees when they use non-designated ports.

All importers and exporters whose shipments are inspected outside of normal business hours will pay overtime. All importers and exporters will pay transportation, travel, and per diem costs when an inspector clears their shipment at a non-staffed, non-designated port.

A new fee will be collected for shipments that contain live or protected wildlife, including some non-commercial shipments (see “Premium Fees” below).

What fees will I pay as a commercial importer/exporter?

Under the new fee schedule, the Service will charge a “base inspection fee” for commercial shipments. This fee will vary depending on the type of port where you present your shipment for inspection and clearance.

- If you import or export your commercial shipment at a **designated port**, you will pay an \$87 base inspection fee. This fee will increase each year under the fee schedule, rising to \$93 in 2012.
- If you import or export your commercial shipment at a **port that functions as “designated”** for the type of wildlife involved, your base fee will also start at \$87 and increase to \$93 in 2012. (For example, staffed ports along the Canadian border, such as Blaine, Champlain, and Buffalo, function as designated for non-protected North American wildlife moving in trade between the United States and Canada. Ports such as San Juan, Puerto Rico, and Agana, Guam, function as designated for non-protected wildlife for which these locations are the point of origin or the final destination.)
- If you import or export your commercial shipment at a **Service-staffed non-designated port** (including ports that do not function as designated for the type of wildlife involved), you will pay a base inspection fee of \$136. This fee will rise to \$145 in 2012. (Border ports, for example, do not function as designated for non-North American wildlife or for shipments that require permits.)
- If you import or export your commercial shipment at a port where we do not have wildlife inspectors stationed (i.e., a **non-staffed, non-designated port**), you will pay the base inspection fee of \$136. (This fee will be \$145 in 2012). You will also be responsible for paying the travel and per diem expenses of our inspector, as is currently the case. (We will no longer charge for inspector salary and benefits since these costs are included in the base inspection fee.)

In addition to the base inspection fees above, you will pay a “premium fee” if your shipment contains live wildlife or protected species (see “Premium Fees” below). Premium fees apply at all ports.

If you need your shipment cleared outside of normal business hours, you must pay overtime in addition to our other fees. Overtime charges are the same at all ports.

Will I have to pay fees if I import or export wildlife for other (i.e., non-commercial) purposes?

If you import or export your non-commercial shipment at a designated port (or one that functions as designated for the type of wildlife involved), you will not pay a base inspection fee.

You will pay the base inspection fee of \$136 if you import or export your non-commercial shipment at either a Service-staffed non-designated port or an unstaffed, non-designated port. (This fee will rise to \$145 by 2012.)

You will pay overtime charges if inspectors clear your shipment outside of normal business hours. You will also be responsible for paying travel and per diem costs if an inspector travels to a non-staffed, non-designated port to inspect your shipment, as is currently the case. (We will no longer charge for inspector salary and benefits since these costs are included in the base inspection fee.)

Your shipment may also be subject to the new premium fees depending on what you are importing or exporting and how your wildlife is being shipped (see “Premium Fees” below).

Premium Fees

What is a premium fee?

The Service will charge a new “premium fee” for imports or exports that consist of live wildlife or protected species. Premium fees will apply to commercial shipments and to some non-commercial imports and exports.

What is a “protected species?”

Protected species are species that require permits under Federal law or international treaty. Examples include:

- Federally listed endangered or threatened species
- Migratory birds
- Marine mammals
- Injurious wildlife
- Wildlife protected under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)

Why has the Service introduced premium fees?

Inspecting shipments of live wildlife and protected species requires more knowledge, time, and equipment, all of which translate into higher costs. Handling live wildlife, for example, requires inspectors to use an array of personal safety equipment; additional compliance issues that must be addressed include humane transport. Inspecting shipments of protected species involves

additional document review or such time-consuming tasks as verifying permits with foreign governments. Recordkeeping for the Service is also more complex, including maintenance of CITES documents, annual reporting requirements, and extensive data quality control.

It's reasonable to ask those who import or export such shipments to cover the additional costs involved in inspecting them.

How much is the premium fee?

In 2009, the premium fee for live wildlife and the premium fee for protected species will both be \$37. (If your shipment contains both live and protected wildlife, you will pay two premium fees of \$37 each, for a total of \$74).

Premium fees will increase each year, rising to \$93 in 2012. Increases accommodate both inflation and the goal of 100 percent cost recovery.

Who will pay premium fees?

All **commercial** importers and exporters will pay these fees whenever their shipments consist of live specimens or protected wildlife.

If you import or export live or protected wildlife for **non-commercial** purposes, you will pay a premium fee under the following circumstances:

- You import or export your shipment at a designated port (or at a port that functions as designated for the type of wildlife involved) and your shipment is being transported by air, ocean, rail or truck cargo.
- You import or export your wildlife at any non-designated port.

Some examples of groups or individuals involved in non-commercial import/export transactions who might be subject to premium fees include:

- Hunters importing or exporting trophies that consist of protected game species
- Public museums and scientific or educational institutions that import or export protected species for their collections or for research
- Zoos or aquaria importing or exporting live wildlife
- Individuals traveling internationally with exotic personal pets

Changes to License and Fee Exemptions

What changes in import/export license requirements are being made?

The Service will now require two new types of businesses – circuses and certain captive-bred fur dealers – to obtain an import/export license and pay commercial inspection fees. These businesses were previously exempt from these requirements.

How will these changes affect circuses and animal shows?

Circuses, animal shows and similar groups that import and export wildlife for commercial entertainment will need to hold a Service import/export license and pay all relevant inspection fees (including the port-based basic inspection fee and appropriate premium fees).

Why is the Service changing requirements for circuses and animal shows?

Although circuses and animal shows do not import and export wildlife for resale, their imports and exports stimulate business through ticket sales and other promotions. Since the purpose of the import or export is commercial, the Service has concluded that these businesses should be licensed and should pay inspection fees.

How will these changes affect companies trading in captive-bred furs?

The Service is eliminating the license and fee exemption that formerly applied to businesses that exclusively import or export furs from captive-bred chinchilla, fisher, fox, marten, mink, muskrat and nutria. These businesses will need to be licensed and will pay inspection fees.

Why is the Service changing requirements for companies dealing in these captive-bred furs?

Import/export records show that very few businesses deal only in these products. U.S. laws and regulations do not generally exempt captive-bred specimens from Service requirements. Most of those claiming the exemption are importers of foreign-sourced furs, and existence of the exemption has created a monetary incentive for global traders to falsely declare furs as captive-bred.

Service inspectors must still inspect and clear these shipments. In the past, the costs of doing so were borne by other businesses or by U.S. taxpayers (through appropriated funds for the inspection program). The Service questions the fairness of requiring other entities to subsidize inspections for these businesses.

What changes in fee exemptions are being made?

The Service is removing exemptions provided in policy that waived inspection fees for U.S. export shipments of bison, ostrich, and emu meat from U.S. ranching operations and aquacultured sturgeon products, including caviar.

Why is the Service removing fee exemptions for these U.S. wildlife commodities?

The Service does not routinely exempt captive-bred, aquacultured or U.S.-origin wildlife products from inspection fees. These shipments must still be examined and cleared by inspectors. In the past, the costs of doing so were borne by other businesses that pay fees or by U.S. taxpayers (through appropriated funds for the inspection program). The Service questions the fairness of requiring other entities to subsidize inspections for these businesses.

Other Questions

What authority does the Service have for charging inspection fees?

The Endangered Species Act (15 USC 1540(f)) specifically authorizes the Service to charge reasonable fees for processing applications and performing inspections of wildlife imports and exports. The Independent Offices Appropriations Act of 1952 (31 USC 9701) or so called “User Fee” statute, mandates that services provided by Federal agencies are to be “self-sustaining to the extent possible.” Federal user fee policy outlined in Office of Management and Budget Circular No. A-25 provides that user fees will recover the full cost of providing services from those who benefit from them.

How did the Service calculate the new inspection fees?

The Service goal was to recover 100 percent of the costs of providing inspection services to the wildlife trade community by 2012. To set appropriate fees, the Service started with wildlife inspector salaries and benefits and the appropriate portion of managers’ salaries and benefits. Also included were the costs of vehicle operation and maintenance, equipment purchase and replacement, data entry and computer support for our electronic filing system, communications costs, office supplies, uniforms, administrative support and office space. The Service factored inflation in to adjust fees each year over the period covered by the fee schedule.

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