

and beyond), many of the tables in part 130 list user fees for fiscal years 2001 and/or 2002. Because fiscal years 2001 and 2002 have passed, we believe it is no longer necessary to list the user fees for those fiscal years in the regulations. Therefore, we are proposing to amend the user fee tables in the part 130 by removing columns that list fees for fiscal years 2001 and 2002.

Similarly, we would also remove the columns for fiscal year 2002 from the overtime rates tables found in 7 CFR part 354 and 9 CFR parts 97 and 130 (those tables list multi-year overtime rates for inspection, laboratory testing, certification, or quarantine services provided by APHIS employees on a holiday, Sunday, or at any other time outside of an employee's regular tour of duty).

#### Executive Order 12866 and Regulatory Flexibility Act

This proposed rule has been reviewed under Executive Order 12866. The rule has been determined to be not significant for the purposes of Executive Order 12866 and, therefore, has not been reviewed by the Office of Management and Budget.

APHIS charges flat-rate user fees to individuals, firms, corporations, and other entities for the endorsement of export health certificates for animals, birds, or animal or nonanimal products. These user fees vary, depending on whether or not the importing country requires verification of tests and the type and quantity of animals, birds, or products covered by the certificate. There is one user fee schedule for certificates that require verification of tests or vaccinations and another schedule for certificates that do not require such verification.

Currently, certifications for ruminants that do not require verification of tests

or vaccinations, other than certifications for slaughter ruminants exported to Mexico or Canada, are covered by a miscellaneous "catchall" user fee certificate category. (Ruminants exported to Mexico and Canada for slaughter are covered by a separate user fee that includes all slaughter animals, except poultry, exported to those two countries). APHIS currently charges \$23 per endorsement for services covered by that miscellaneous certificate category. Based on our review of the costs associated with endorsing export health certificates, we have determined that the current user fee charged for the miscellaneous certificate category does not cover all of our costs to endorse such certificates for ruminants. As a result, we are proposing to establish a new certificate category and user fee for that service. If adopted, this proposal would increase the current user fee charged to endorse certificates that do not require verification of tests or vaccinations for ruminants, except slaughter ruminants exported to Mexico or Canada, by \$10 to \$33 for each endorsement. We are proposing this change to ensure that we recover our costs for providing that service, which include direct labor costs, administrative support costs, billing and collection costs, Agency overhead, departmental charges, and a reserve component.

This proposed rule would affect entities who export ruminants, other than slaughter ruminants exported to Mexico or Canada, to countries that do not require that export health certificates include verification of tests or vaccinations. Because entities who export ruminants to Mexico or Canada for immediate slaughter are covered by a separate user fee category, such entities would not be affected by this

proposed rule. Whether or not an importing country requires verification of tests or vaccinations for ruminants depends on such factors as the type of animal exported, the time of year exportation occurs, and the health status of an animal's herd or State of origin. A representative overview of countries that import ruminants from the United States (including Brazil, Canada, China, Dominican Republic, Japan, Mexico, Nicaragua, Philippines, and Turkey) indicates that most countries require that export health certificates include verification of testing or vaccinations for ruminants.<sup>1</sup> For example, importing countries almost always require U.S.-origin ruminants to be tested for brucellosis and tuberculosis, and frequently require those animals to be tested for such diseases as anaplasmosis, bluetongue, Johne's disease, leptospirosis, and vesicular stomatitis, among others. However, two countries, Mexico and Canada, do not currently require verification of tests or vaccinations for some cattle, sheep, and goats, under certain conditions.

As shown in Table 1, below, trade statistics indicate that the majority of U.S.-origin cattle, sheep, and goats are exported to Mexico and Canada. For example, 56.6 percent of purebred cattle, 99.6 percent of not purebred cattle, 99.5 percent of sheep, and 82.3 percent of goats exported from the United States during 1999–2001 were shipped to Mexico or Canada. Of those animals listed in Table 1, animals categorized as "not purebred cattle" (which include feeder cattle, cattle exported for immediate slaughter, and other not purebred cattle) comprise the single largest category, accounting for 83 percent of the total number of cattle, sheep, and goats exported from the United States during 1999–2001.

TABLE 1.—VALUE OF U.S. EXPORTS OF CATTLE, SHEEP, AND GOATS TO MEXICO, CANADA, AND THE REST OF THE WORLD

[Dollar amounts and percentage shares of each livestock category as annual averages for 1999–2001]

	Mexico	Canada	Rest of the world
Purebred cattle .....	\$9.86 million (45.8%) .....	\$2.39 million (10.8%) .....	\$9.39 million (43.4%)
Not purebred cattle .....	\$70.77 million (32.4%) .....	\$145.74 million (67.2%) .....	\$718,000 (0.4%).
Sheep .....	\$18.00 million (97.4%) .....	\$391,000 (2.1%) .....	\$85,000 (0.5%).
Goats .....	\$1.95 million (74.2%) .....	\$206,000 (8.1%) .....	\$487,000 (17.7%).

Source: World Trade Atlas, based on U.S. Census data.

Because Mexico and Canada are the principal markets for ruminants exported from the United States that do not require health certificates to include

verification of tests or vaccinations, we can expect that entities who export cattle, sheep, and goats to those two countries would be most affected by this

proposed rule. As a result, this analysis will focus on the importation requirements of Mexico and Canada for U.S.-origin cattle, sheep, and goats.

<sup>1</sup> Import health requirements of foreign countries, including required certification statements and

testing, may be found on the Internet at <http://www.aphis.usda.gov/vs/ncie/iregs/animals/>.