

performing these services. Section 203(h) of the AMA (7 U.S.C. 1622(h)) provides for the establishment and collection of fees that are reasonable and, as nearly as practicable, cover the costs of the services rendered. These fees cover the GIPSA administrative and supervisory costs for the performance of official testing services, including personnel compensation and benefits, travel, rent, communication, utilities, contractual services, supplies, and equipment.

The processed commodity testing fees were last amended on April 4, 2001, and became effective May 4, 2001 (66 FR 17775). These fees were to cover, as nearly as practicable, the level of operating costs as projected for FY 2001 and FY 2002, respectively. GIPSA continually monitors its cost, revenue, and operating reserve levels to ensure that there are sufficient resources for operations. Further, GIPSA has implemented cost-saving measures in the processed commodity program in an effort to provide more cost-effective services. The cost containment measures included a reduction in full-time commodity testing laboratory personnel and increased cross utilization of personnel from other GIPSA programs.

GIPSA regularly reviews its user-fee-financed programs to determine if the fees are adequate and continues to seek out cost saving opportunities and implement appropriate changes to reduce costs. Such actions can provide alternatives to fee increases. However, even with these efforts, GIPSA's existing fee schedule will not generate sufficient revenues to cover program costs. Using the most recent data available, GIPSA's FY 2002 operating costs for this program were \$233,707 with revenue of \$104,380 that resulted in a negative margin of \$129,327.

GIPSA has reviewed the financial position of its processed commodity testing program. Based on this review, GIPSA has concluded that it needs to

generate \$135,000 in additional yearly revenue to recover program costs. These changes are needed to generate revenue sufficient to cover, as nearly as practicable, operational costs resulting from a steep decline in requests for services and the associated loss of revenue and increased operational costs resulting from the 4.1 percent January 2003 Federal pay increase. Therefore, GIPSA proposes to revise section 868.90, paragraph (d), Table 2—Fees for Laboratory Test Services, to: (1) Increase the fees for laboratory testing services. These laboratory tests are: Ash, Brix, Calcium, Carotenoid Color, Cold test (oil), Color test (syrups), Cooking tests (pasta), Crude fat, Crude fiber, Falling number, Free fatty acid, Insoluble impurities (oils and shortenings), Iron enrichment, Lovibond color, Moisture, Moisture and volatile matter, Peroxide Value, Popping ratio, Protein, Sanitation (light filth), Sieve test, Smoke point, Solid fat index, Visual exam, Vomitoxin (Qualitative—Test Kit), and Vomitoxin (Quantitative—Test Kit); (2) establish new fees for new testing services: Aflatoxin (Quantitative—HPLC), Aflatoxin (Quantitative—Test Kit), Aflatoxin (Qualitative Test Kit) and Oxidative stability index (OSI); (3) eliminate references and fees for testing services that are no longer requested on a routine basis. These tests are: Alpha monoglycerides, Aflatoxin test (other than TLC or minicolumn method), Aflatoxin (TLC), Aflatoxin (Minicolumn method), Bacteria, count, Baking tests (cookies), Bostwick (cooked), Bostwick (uncooked/cook test/dispersibility), Dough handling (baking), E. coli, Fat (acid hydrolysis), Fat-Stability (A.O.M), Flash point (open and closed cup), Hydrogen ion activity—pH, Iodine number/value, Linolenic acid (Fatty acid profile), Lipid phosphorus, Margarine (nonfat solids), Moisture Average(crackers), Performance test (prepared bakery mix), Phosphorus, Popcorn kernels (total defects),

Potassium bromate, Rope spore count, Salmonella, Salt or Sodium content, Specific volume (bread), Staphylococcus aureus, Texture, Tilletia controversa kuhn (TCK)(Qualitative), Tilletia controversa kuhn (TCK)(Quantitative), Unsaponifiable (matter), Urease activity, Visual exam (hop pellet), Visual exam (insoluble impurities, oils and shortenings), Visual exam (pasta), Visual exam (processed grain products), Visual exam (total foreign material other than cereal grains), Vitamin enrichment, Vomitoxin (TLC), Water activity, and Wiley melting point.

Due to the decline in demand of the processed commodity analytical testing services, GIPSA will conduct another analysis of the demand for this program's services, including all costs and revenues generated specific to the program, one year after operating under the proposed fee increase.

List of Subjects in 7 CFR Part 868

Administrative practice and procedure, Agricultural commodities.

For reasons set out in the preamble, 7 CFR Part 868 is proposed to be amended as follows:

PART 868—GENERAL REGULATIONS AND STANDARDS FOR CERTAIN AGRICULTURAL COMMODITIES

1. The authority citation for part 868 continues to read as follows:

Authority: Secs. 202–208, 60 Stat. 1087, as amended (7 U.S.C. 1621, *et seq.*)

2. Section 868.90, paragraph (d) is revised to read as follows:

§ 868.90 Fees for certain Federal inspection services.

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(d) Laboratory tests referenced in table 2 of this section will be charged at the applicable laboratory fee when performed at field locations other than at the applicant's facility.

TABLE 2.—FEES FOR LABORATORY TEST SERVICES ¹

Laboratory tests	Fees
(1) Aflatoxin (Quantitative—HPLC)	\$182.00
(2) Aflatoxin (Quantitative—Test Kit)	87.00
(3) Aflatoxin (Qualitative—Test Kit)	47.00
(4) Appearance and odor	7.00
(5) Ash	17.00
(6) Brix	16.00
(7) Calcium	27.00
(8) Carotenoid Color	27.00
(9) Cold test (oil)	20.00
(10) Color test (syrups)	13.00
(11) Cooking tests (pasta)	13.00
(12) Crude fat	20.00
(13) Crude fiber	27.00