

onto APHIS, and thus ultimately to the taxpayer.

There is also reason to believe that the economic effects of the proposed changes on most users would be small. The majority of the user fees would increase by \$50 or less. The majority of the proposed fees should also make only a small contribution to the total additional collections and, therefore, would have a minor impact on the users of those services. This is either because the proposed change is small or the projected volume associated with the user fee is small, or both. In addition, user fees are not charged when tests are provided in the United States in association with a Federal or cooperative disease control program. Also, in addition to the role they play in protecting American agriculture, the veterinary diagnostic services and products we provide facilitate international trade and thereby enhance the business interests of many of those requesting these services.

Nearly 59 percent of the total projected change in collections would come from changes in only 9 of the 190 fees, and more than 93 percent of the change would come from changes in just 43 of the fees covered in this proposed rule. These 43 proposed fee changes are projected to generate \$10,000 or more each in additional annual collections by the end of the period covered by the proposed rule. Several factors suggest, however, that these fee increases should not have a significant impact on users. These fees include small fees applied to a large annual volume of users, large fees applied to a very small volume of users, fees that represent a small percentage of the overall costs associated with a user's output, single fees for reagents with numerous final users, and fees that enhance the marketability of the users' final outputs.

Small Change in Collections

The majority of the individual user fee changes in this proposal would

make only small contributions to the total additional collections, and, therefore, would have a minor effect on the users of those services. This is either because the change in the fee is small or the projected volume associated with the user fee is small, or both (see Table 2).

1. More than 60 percent of the user fees would change by less than \$50, and nearly 16 percent by less than \$10.

2. Nearly 50 percent of the user fees are projected to have an annual volume of 10 or fewer users, and about 65 percent fewer than 90.

3. More than 31 percent of the user fees would change by \$50 or less and have a projected annual volume of 50 or fewer users.

4. More than 62 percent of the fees with more than 100 annual users would change by \$25 or less, and about 62 percent of the fees that would change by more than \$50 have an estimated annual volume of 10 or fewer users.

TABLE 2.—INCREASES AND VOLUMES ASSOCIATED WITH VETERINARY DIAGNOSTIC USER FEES

Total increase in user fee:	Number of fees with estimated annual volume of:				
	10 or fewer	11 to 20	20 to 50	51 to 100	More than 100
\$10 or less	10	1	1	2	15
\$10.01 to \$25	16	3	3	1	26
\$25.01 to \$50	21	2	2	0	10
\$50.01 to \$100	29	1	4	1	9
More than \$100	16	2	4	1	6

Program Diseases

When considering the proposed user fee changes, it is important to realize that user fees are not charged for tests and diagnostic reagents provided in the United States required in connection with current Federal or cooperative programs to control or eradicate various domestic diseases or pests, known as "program diseases." Examples of program diseases are tuberculosis, brucellosis, and pseudorabies. In those situations, no user fee would be charged for veterinary diagnostics.

Large Contributions to Collections

The following factors suggest that even those proposed user fee changes that would generate more than \$10,000 in additional annual collections may have a minimal impact on users.

Thirty-six of the 43 proposed user fees that we expect would generate more than \$10,000 each in additional annual collections would change by less than \$75 each, and 14 would change by less than \$25 each. In addition, most of the user fees covered in this proposal are

collected in association with imports or exports. While those user fees would increase under this proposed rule, the fees continue to represent only a small fraction of the typical costs of purchasing and importing breeding grade registered animals into the United States, which can be between \$1,500 and \$5,000 per head. Purchase and import costs for feeder and slaughter animals are often significantly lower per animal but can easily exceed \$1,500 per shipment depending on the number and type of animals in the shipment. About 18 percent of the total change in collections would come from a single user fee, that for complement fixation (CF) tests. About 90 percent of the CF test user fees are collected for import and export. The \$5 change in the first year under the proposed fees and the \$7 total change in the user fee for CF tests in \$ 130.16 would be very small in relation to the value of the animals involved and to the costs associated with importing and exporting animals. By providing the tests, this movement is facilitated.

A number of the proposed reagent user fees should generate considerable additional annual collections under this proposal. However, while these proposed changes represent considerable percentage increases in those fees, each purchasing laboratory can use the reagents to perform several hundred tests. Therefore, the purchasing laboratory can spread its costs across those several hundred tests for its customers. In addition, provision of the reagents enhances the purchasing laboratory's business, for without the reagents the tests would not be possible.

Along this same line, the fact that check tests would generate considerable additional collections under this proposal should have only a small impact. By passing (getting the correct results on a check test kit), the laboratory is certified to conduct the particular test on samples that are received by the laboratory. Being certified by APHIS to conduct a test enhances a laboratory's ability to attract customers.