

Laboratory Tests, Reagents, and other Veterinary Services Performed at NVSL FADDL

The proposed user fee changes for NVSL FADDL veterinary diagnostic services and products could generate additional annual collections of about \$141,000 in the first year and about \$172,000 after all increases covered in this proposal have been implemented. These user fees cover veterinary diagnostic services and products associated with foreign animal diseases, including the diagnosis of foreign animal diseases, training in foreign animal disease recognition, reagent production, and vaccine testing. It should be noted that the NVSL FADDL laboratory is isolated from the mainland United States. Because the laboratory works with diseases exotic to the United States, special biosecurity measures are required at NVSL FADDL that are not required at NVSL in Ames, IA. The proposed user fees reflect the higher operating costs at NVSL FADDL.

Most of the user fees in this category would increase substantially under this proposed rule. The average increase in the first year would be about 89 percent. However, the total impact of the proposed changes should be small. Of the 35 fees in this category, only 4 are associated with increased annual collections of more than \$10,000 each over the entire time period covered in the proposal. These four fees would account for more than 86 percent of the additional collections in this category. By the end of FY 2007, collections from hourly fees would have increased by about \$64,000 annually, collections for virus neutralization tests would have increased by about \$55,000 annually, collections for enzyme linked immunosorbent assay tests would have increased by about \$17,000, and collections for indirect fluorescent antibody tests would have increased by about \$12,000. In addition, the nature of the work at NVSL FADDL should limit the impact of the proposed changes in the user fees. The user fee work at NVSL FADDL is restricted to work associated with foreign animal diseases, and this limits the volume of user fee work at the laboratory. The majority of the user fee work is associated with imports. For example, the virus neutralization test is often used as a prescreening test for foot-and-mouth disease prior to an animal leaving its country of origin to ensure that the animal will not be refused entry into the United States and reexported. Also, a good deal of the user fee work at NVSL FADDL is performed in conjunction with the import of master seeds/cells for vaccines. The

overall cost of developing and importing these vaccines is very high. Because of this, the user fees and the proposed increases in those fees represent a very small portion of an importer's costs.

Veterinary Diagnostic Isolation and Identification Tests Performed at NVSL in Ames

The proposed user fee changes for veterinary diagnostic isolation and identification tests performed at NVSL in Ames could generate additional annual collections of about \$305,000 in FY 2004 and about \$380,000 by the end of FY 2007. The average proposed increase in the fees in this category is more than 100 percent in the first year. However, the total impact of the changes should be small. The average increase in the first year would be less than \$36, and 12 of the 20 fees in this category would change in total by less than \$30 each. Only six of these fees should generate \$10,000 or more in additional annual collections. Two of these fees are primarily associated with required testing at poultry slaughtering facilities, and are paid for by the Food Safety and Inspection Service (FSIS): Bacterial serotyping (Salmonella), which is projected to generate a total of about \$119,000 in additional annual collections, and phage typing (all other), which is projected to generate a total of about \$14,000 in additional annual collections. User fees for these tests are only charged for research and for confirming the FSIS tests. The proposed changes in the user fee for virus isolation tests are projected to generate total additional collections of \$75,000. However, the change in this fee would be only \$11.50 in the first year and \$16.50 in total for virus isolations other than for Newcastle disease.

Veterinary Diagnostic Serology Tests Performed at NVSL in Ames

The proposed user fee changes for veterinary diagnostic serology tests performed at NVSL in Ames could generate additional annual collections of about \$948,000 in FY 2004 and about \$1.1 million by the end of FY 2007. The average total increase in the fees in this category would be more than 100 percent. However, the total impact of these proposed changes should be small. The average increase in the first year would be less than \$9 and would increase by less than \$10 in total. Only three of the fees in this category would increase in total by more than \$20, and 16 would increase by less than \$10. The proposed user fee for CF tests should generate about \$509,000 in total additional annual collections, but the increase in this fee would be only \$6 in

the first year and \$7 in total. About 90 percent of the CF test user fees are collected for import and export. The increases in this user fee would be very small in relation to the value of the animals involved and the costs associated with importing and exporting animals. For example, moving horses into or out of the United States generally requires four CF tests. Breeding stallions move between the northern and southern hemispheres to double the number of annual breeding seasons. These stallions, valued on average at approximately \$400,000 and reaching \$2 to \$4 million, can command breeding fees of at minimum \$10,000 per mare covered. Moving horses by air can cost between \$6,000 and \$9,000 per horse. The user fees represent a tiny portion of the total cost of moving these animals into the country, and by providing the tests, this movement is facilitated.

Veterinary Diagnostic Tests Performed at the Pathobiology Laboratory at NVSL in Ames

The proposed changes in the user fees for veterinary diagnostic tests performed at the pathobiology laboratory at NVSL in Ames could generate additional annual collections of about \$29,000 in FY 2004 and about \$43,000 by the end of FY 2007. The average increase in the fees in this category would be less than \$30 in the first year and \$35 in total. Only two of the proposed fees in this category are projected to generate more than \$10,000 each in additional total annual collections, and the rest less than \$1,000 each. Both of these two fees would change by less than \$10 each in the first year, and by less than \$15 each in total.

Veterinary Diagnostic Reagents Produced at NVSL in Ames

The proposed changes in user fees for veterinary diagnostic reagents produced at NVSL in Ames could generate additional annual collections of about \$592,000 in FY 2004 and about \$697,000 by the end of the FY 2007. The proposed changes to 16 of these fees should generate a total of more than \$10,000 each in additional annual collections. The average increase in this category is less than \$60 in the first year and \$70 in total. Thirty-one of the fees increase by less than \$50 each in total, and 20 by \$25 or less each. While these proposed changes represent considerable percentage increases in those fees, the reagents are the basis for doing tests. The purchasing laboratory can use the reagent to perform several hundred tests. Therefore, the purchasing laboratory can spread its costs across those several hundred tests for its