

The Service believes that the permit fee for working with regulated plants and wildlife is a very small part of the cost of these activities and will result in a negligible economic impact to consumers and businesses.

The benefit of better aligning the permit application fees schedule to the cost of Federal processing is that this will shift the burden of payment for these services from taxpayers as a whole to those persons who are receiving the government services. User fee increases reflect a related shift in appropriations of taxes to government programs, allowing those tax dollars to be applied to other programs that benefit the general public.

The administrative costs involved in implementing this proposed rule are minimal, since the Service permit programs are already established, and the mechanisms for collecting the permit application fees are already in place. Therefore the net gain of reducing the costs on taxpayers greatly outweighs the costs of introducing the user fee increases.

b. This rule will not create serious inconsistencies or otherwise interfere with other agencies' actions. This rule pertains to a Federal permit application process that already exists, and the only purpose of this rule is to update the fee structure to recover Federal costs of processing the permit applications. Non-Federal agencies are not affected by this rule, except that some local agencies previously exempt will now be subject to permit application fees.

c. This rule will not negatively impact or affect entitlements, other grants, user fees, loan programs, or the rights and obligations of their recipients. This rule affects user fees charged for plant and wildlife permits by updating and better aligning the fees with the Federal cost of processing the permits. The average fee increase will be \$50 per year with a range of annual fee increases running from \$10 for a migratory bird rehabilitation permit to \$275 dollars for a marine mammal public display permit. Multiplying the expected 25,000 permits issued annually by the average fee increase of \$50 yields a maximum of \$1.25 million, which is well below the threshold for a significant regulatory action.

d. This rule does not raise novel legal or policy issues. The current fee schedule for plant and wildlife related permits has been in place since July 15, 1982. No new permits are included in this rulemaking.

The only purpose of this rulemaking is to update and better align the permit fee schedule with the actual Federal cost for processing the applications.

Regulatory Flexibility Act and Small Business Regulatory Enforcement Fairness Act

The Service has performed the threshold analysis required under the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.* (RFA) and the Small Business Regulatory Enforcement Fairness Act, 5 U.S.C. 801 *et seq.* (SBREFA), and has determined that this proposed rule will not have a significant economic impact on a substantial number of small entities. Therefore, a regulatory flexibility analysis is not required.

a. The proposed increase in user fees for Federal permits will affect approximately 12,737 small entities, including importers and exporters of plants, wildlife, and animal products, wildlife propagators, museums, airports, animal exhibitors, migratory bird taxidermists, and migratory bird rehabilitators. The average user fee under this proposal will increase approximately \$50 per year. This average includes annual increases ranging from \$10 for a migratory bird rehabilitation permit to \$275 for a marine mammal public display permit. The total cost increase for small entities applying for permits will be approximately \$642,244 for the approximately 12,737 permits that are issued annually to small entities.

The economic effect on small entities of this proposed rulemaking will be an increased cost of doing business. Depending on the elasticity of demand for the goods and services authorized by the permits, much of the cost increase will be passed on to consumers. Thus, the Service does not anticipate that this proposed rule will result in a significant economic burden to small businesses.

b. This proposed rule does not introduce any new reporting, record keeping, or other compliance requirements, and does not introduce any new legal requirements that duplicate other Federal regulations. The average cost increase will be borne by all entities doing business involving wildlife.

c. This proposed rule will not cause major increases in prices for consumers, individual industries, Federal, State, or local government agencies or geographic regions; or have significant adverse impacts on competition, employment, investment, innovation, or the ability of U.S.-based enterprises to compete with foreign enterprises. A small cost increase to better reflect the cost of review of the permit application will not adversely affect competition in this industry since all entities will be required to pay the increased fees. Since the increase of the cost of the permits

will be spread over many products, it will result in negligible price increases to consumers, and will not have a significant effect on the number of permit applications and the corresponding total number of permitted wildlife-related activities conducted.

Unfunded Mandates Reform Act

In accordance with the Unfunded Mandates Reform Act (2 U.S.C. 1501 *et seq.*):

a. This rule will not "significantly or uniquely" affect small governments. A Small Government Agency Plan is not required. The Service has determined and certified pursuant to the Unfunded Mandates Reform Act, 2 U.S.C. 1502 *et seq.*, that this rulemaking will not impose a cost of \$100 million or more in any given year on local or State government or private entities. The proposed rulemaking only affects the Federal review and issuance of permits under Federal laws. This proposed rule does not apply to State regulations.

b. This rule will not produce a Federal mandate of \$100 million or greater in any year, i.e., it is not a "significant regulatory action" under the Unfunded Mandates Reform Act. The process of wildlife permit application review and issuance is already in place, and this proposed rulemaking is only updating the fee schedule to better align it with the actual cost of processing permits.

Takings

In accordance with Executive Order 12630, the rule does not have significant takings implications. This rule will not result in the physical occupancy of property, the physical invasion of property, or the regulatory taking of any property. A takings implication assessment is not required.

Federalism

In accordance with Executive Order 13132, and based on the discussions in Regulatory Planning and Review above, this rule does not have significant Federalism effects. A Federalism assessment is not required. This rule does not have a substantial direct effect on fiscal capacity, change the roles or responsibilities of Federal or State governments, or intrude on State policy or administration.

Civil Justice Reform

In accordance with Executive Order 12988, the Office of the Solicitor has determined that the rule does not unduly burden the judicial system and meets the requirements of sections 3(a) and 3(b)(2) of the Order.