

schedule for certificates that do not require such verification.

Certifications for ruminants that do not require verification of tests or vaccinations, other than certifications for slaughter ruminants exported to Mexico or Canada, have been 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). Based on our review of the costs associated with endorsing export health certificates, we have determined that the 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 establishing a new certificate category and user fee for that service, which will increase the amount charged to endorse certificates that do not require verification of tests or vaccinations for ruminants, except slaughter ruminants exported to Mexico or Canada. Under the miscellaneous user fee category, the fiscal year 2004 user fee will be \$24 for each endorsement; under the new certificate category, the user charged for each endorsement will be \$33, an increase of

\$9. We are making 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 final rule will affect entities that 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 will not be affected by this final rule. Whether or not an importing country requires verification of tests or vaccinations for ruminants depends upon 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, the Dominican Republic, Japan, Mexico, Nicaragua, the Philippines, and Turkey) indicates that most countries require that export health certificates include verification of testing or vaccinations for ruminants.¹

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 million (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 will be most affected by this final rule. As a result, this analysis focuses on the importation requirements of Mexico and Canada for U.S.-origin cattle, sheep, and goats.

U.S. Ruminant Exports to Mexico

Mexico does not require verification of tests or vaccinations for the following ruminants imported from the United States: Steers and spayed heifers shipped as feeder cattle; slaughter cattle,

unless from Texas or Missouri; sheep other than rams; and goats other than breeding stock. Because Texas and Missouri are not designated as brucellosis Class-Free States, cattle imported for slaughter from those two States must be tested for that disease. Breeding cattle imported into Mexico from any State are required to be tested for brucellosis only if the animal is less than 6 months of age, or is an official calfhood vaccinate less than 20 months of age raised for dairy production or a vaccinate less than 24 months of age raised for beef. However, all breeding cattle, except for those animals under 1 month of age, must be tested for tuberculosis. For sheep and goats, Mexico requires that breeding and

feeder rams be tested for brucellosis and breeding goats be tested for tuberculosis.

As mentioned above, animals other than poultry exported to Mexico and Canada for slaughter are covered by a separate user fee category. As a result, exporters of slaughter ruminants, including slaughter cattle, exported to Mexico or Canada will not be affected by this final rule. Slaughter cattle account for the majority of not purebred cattle exported to Mexico from the United States.² As shown in table 1, the annual value of not purebred cattle exported to Mexico from the United States is estimated to be about \$71 million. APHIS export certification data indicate that approximately 62 percent of not purebred cattle shipped to

¹ 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/>.

² APHIS, Centers for Epidemiology & Animal Health (CEAH), 1999–2001.