

ranging from 4.02 to 4.87 percent depending on locality, effective January 2003, has significantly increased program costs. This salary adjustment will increase FPB's costs by over \$700,000 per year. Increases in health and life insurance premiums, along with workers compensation will also increase program costs. Since FPB's last fee increase, many employees have converted to or were hired under the Federal Employees Retirement System (FERS), which has also contributed to the increase in program costs. In addition, inflation also impacts FPB's non-salary costs. These factors have increased FPB's costs of operating this program by over \$600,000 per year.

Additional revenues (approximately \$155,000) are necessary in order for FPB

to continue to cover the costs associated with additional staff and to maintain office space and equipment. Additional revenues are also necessary to continue to improve the work environment by providing training and purchasing needed equipment. In addition, FPB began in 2001, developing (with appropriated funds) an automated system recently named the Fresh Electronic Inspection Reporting/Resource System (FEIRS) to replace its manual paper and pen inspection reporting process. Approximately \$200,000 in additional revenue is needed to complete the development and deployment of FEIRS, and it will take approximately \$10,000 per month to maintain the system. This system has

been put in place to enhance FPB's fruit and vegetable inspection processes.

Based on the aforementioned analysis of this program's increasing costs, AMS proposes to increase the fees for destination market inspection services. The following table compares current fees and charges with the proposed fees and charges for fresh fruit and vegetable inspection as found in 7 CFR 51.38. This table also reflects the change to the per package fees for dock-side inspections that are currently on a three interval schedule based on weight, to a two interval schedule based on different weight thresholds. Unless otherwise provided for by regulation or written agreement between the applicant and the Administrator, the charges in the schedule of fees as found in § 51.38 are:

Service	Current	Proposed
Quality and condition inspections of products each in quantities of 51 or more packages and unloaded from the same land or air conveyance:		
—Over a half carlot equivalent of each product	\$86.00	\$99.00
—Half carlot equivalent or less of each product	\$72.00	\$83.00
—For each additional lot of the same product*	\$14.00	\$45.00
Condition only inspections of products each in quantities of 51 or more packages and unloaded from the same land or air conveyance:		
—Over a half carlot equivalent of each product	\$72.00	\$83.00
—Half carlot equivalent or less of each product	\$66.00	\$76.00
—For each additional lot of the same product*	\$14.00	\$45.00
Quality and condition and condition only inspections of products each in quantities of 50 or less packages unloaded from the same land or air conveyance:		
—For each product	\$43.00	\$45.00
—For each additional lot of any of the same product*	\$14.00	\$45.00
—Lots in excess of carlot equivalents will be charged proportionally by the quarter carlot.		
Dock side inspections of an individual product unloaded directly from the same ship:		
—For each package weighing less than 15 pounds	1.1 cent	N/A
—For each package weighing less than 30 pounds (previously 15–29 pounds)	2.2 cents	2.5 cents
—For each package weighing 30 or more pounds	3.3 cents	3.8 cents
—Minimum charge per individual product	\$86.00	\$99.00
—Minimum charge for each additional lot of the same product	\$14.00	\$45.00
Hourly rate for inspections performed for other purposes during the grader's regularly scheduled work week	\$43.00	\$49.00
—Hourly rate for other work performed during the graders regular scheduled work week will be charged at a reasonable rate.		
Overtime or holiday premium rate (per hour additional) for all inspections performed outside the grader's regularly scheduled work week.	\$21.50	\$25.00
Hourly rate for inspections performed under 40 hour contracts during the grader's regularly scheduled work week*.	\$40.00	\$49.00
Rate for billable mileage	\$1.00	\$1.00

A thirty day comment period is provided for interested persons to comment on this proposed action. Thirty days is deemed appropriate because it is preferable to have any fee increase, if adopted, to be in place as close as possible to the beginning of the fiscal year, October, 1, 2003.

List of Subjects in 7 CFR Part 51

Agricultural commodities, Food grades and standards, Fruits, Nuts, Reporting and recordkeeping requirements, Trees, Vegetables.

For reasons set forth in the preamble, 7 CFR Part 51 is proposed to be amended as follows:

PART 51—[AMENDED]

1. The authority citation for 7 CFR part 51 continues to read as follows:

Authority: 7 U.S.C. 1621–1627.

2. Section 51.38 is revised to read as follows:

§ 51.38 Basis for fees and rates.

(a) When performing inspections of product unloaded directly from land or air transportation, the charges shall be determined on the following basis:

(1) Quality and condition inspections of products in quantities of 51 or more packages and unloaded from the same land or air conveyance:

(i) \$99 for over a half carlot equivalent of an individual product;

(ii) \$83 for a half carlot equivalent or less of an individual product;

(iii) \$45 for each additional lot of the same product.

(2) Condition only inspection of products each in quantities of 51 or more packages and unloaded from the same land or air conveyance:

(i) \$83 for over a half carlot equivalent of an individual product;

(ii) \$76 for a half carlot equivalent or less of an individual product;

(iii) \$45 for each additional lot of the same product.