

TABLE 4.—PROJECTED ADMINISTRATIVE METRIC TONNAGE FEES AND COSTS (FY 2007 PROJECTION)

Field office	No. elev.	Projected tons inspected	Projected F/O admin. cost	Projected admin. tonnage fee for field offices ¹	Projected total F/O & H.Q. admin. cost
Baltimore	Field office was closed and elevators and costs redistributed to other field offices.				
League City	7	9,130,000	1,048,000	\$0.115	\$1,522,760
New Orleans	14	63,330,000	946,000	0.015	4,239,160
Portland	3	5,335,000	447,000	0.084	724,420
Toledo	8	2,253,000	296,000	0.131	413,156
Total	32	80,048,000	2,737,000	(²)

¹ The projected fees for some locations are lower than or equal to those of FY 2002. This is due to changes in expected export volumes, redistribution of workload and costs due to the closing of the Baltimore Field Office, and certain one-time costs.

² The projected fee needed to recover the headquarters cost (\$0.052) was calculated by dividing the total amount of headquarters cost (\$4,154,000) by the total number of metric tons inspected.

Table 5 combines the field office tonnage rates with the headquarters tonnage rates to calculate the specific field office tonnage rate that would be proposed. The projected tonnage rate was used to calculate the projected

revenue for each field office by multiplying the projected tons for each field office by the specific field office rate. The projected revenue for each office was compared to the projected total costs (field office and

headquarters) for each field office (from Table 4) to determine if each field office collected sufficient revenues to cover their costs.

TABLE 5.—PROJECTED COSTS AND REVENUES COLLECTED BY FIELD OFFICE (FY 2007 PROJECTION)

Field office	Projected tons inspected	Projected administrative tonnage fee		Projected fees and revenue		
		F/O	H.Q.	Projected tonnage fee (\$/ton) ¹	Projected revenue (\$)	Projected cost/revenue balance (\$)
League City	9,130,000	0.115	0.052	0.167	1,524,710	1,950
New Orleans	63,330,000	0.015	0.052	0.067	4,243,110	3,950
Portland	5,335,000	0.084	0.052	0.136	725,560	1,140
Toledo	2,253,000	0.131	0.052	0.183	412,299	(857)
Total	80,048,000				6,905,679	

¹ The projected fees for some locations are lower than or equal to those of FY 2002. This is due to changes in expected export volumes, redistribution of workload and costs due to the closing of the Baltimore Field Office, and certain one-time costs.

Table 5 demonstrates that the projected tonnage fees produce revenues to cover, as nearly as practicable, overall costs for each field office. The Toledo Field Office calculated tonnage rate, however, does not cover their costs. Therefore, GIPSA increased their rate by one-tenth of a cent per ton to fully recover their costs.

As GIPSA evaluated the administrative and supervisory fees needed to cover field office and national administrative and supervisory costs, GIPSA also considered the contribution of revenue collected from official agencies to cover the costs of administration and supervision of their programs. GIPSA initiated this review by determining the total administrative and supervisory costs of overseeing the official agencies (\$2,330,343) and the total number of metric tons inspected by official agencies in both the domestic and export markets (150,650,608 metric tons) to determine the overall cost per ton needed to cover these administrative

and supervisory costs. This resulted in \$0.016 per metric ton to cover administration and supervision of official agencies.

Currently, GIPSA assesses \$49.20 per ship to delegated States for providing official inspection and weighing services. This fee is then passed on to the exporter by the delegated State. In FY 2002, delegated States exported 37,586,754 metric tons of grain (655 ships) and GIPSA collected \$32,226 in revenues from the \$49.20 per ship fee. This makes the current ship fee equivalent to \$0.00086 per metric ton. This is far less than the \$0.016 per metric ton GIPSA calculated was needed to recover costs. Since the current ship fee is contributing very little to recover the costs of administration and supervision of the delegation and designation program, GIPSA plans to change this fee from a unit fee to a tonnage fee. The tonnage fee would be set at \$0.016 per ton since

this is what GIPSA calculated as the amount needed to recover costs.

Summary of Benefits. This proposal would allow GIPSA to collect revenues from our customers to support direct service costs along with the administrative and supervisory costs of providing these services. The revenues collected from this proposal would provide GIPSA the resources needed to replenish the retained earnings account to a 3-month operating reserve. This proposed increase in fees is needed to recover the costs of providing service and to provide the financial foundation for GIPSA to maintain a highly skilled and professional work force to inspect and weigh grain. The proposed action would also foster further development of grain handling efficiencies implemented by grain companies. This would further reduce the cost of GIPSA services by reducing the number of employees needed to provide service.

These combined actions would assist GIPSA in fulfilling its mission to