I. Background

The Federal Meat Inspection Act (FMIA) (21 U.S.C. 601 et seq.) and the Poultry Products Inspection Act (PPIA) (21 U.S.C. 451 et seq.) provide for mandatory Federal inspection of livestock and poultry slaughtered at official establishments and of meat (including Slaughtered Fish) and poultry processed at official establishments. The Egg Products Inspection Act (EPIA) (21 U.S.C. 1031 et seq.) provides for mandatory inspection of egg products processed at official plants. Although firms that process egg products are defined as “plants” by the EPIA, when generally discussing businesses affected by the American Rescue Plan Act in this document, we will refer to them as “establishments.” Under the FMIA, PPIA, and EPIA, FSIS bears the cost of mandatory inspection provided during non-overtime and non-holiday hours of operation, while official meat, poultry and egg product establishments are required to pay for inspection services requested and performed on an overtime basis or on holidays (21 U.S.C. 468, 21 U.S.C. 695, and 21 U.S.C. 1053).

FSIS’ regulations (9 CFR 391.3, 590.126, and 590.128) contain formulas for calculating fees for overtime and holiday inspection. FSIS uses these formulas and publishes annual rates in the Federal Register before the start of each calendar year (see 85 FR 79992).

The overtime and holiday inspection fees for all establishments may have a disproportionate financial impact on small and very small establishments compared to large establishments that can more easily absorb the extra charges due to their production volume. Additionally, large establishments often operate a full second shift, giving them a total of 16 hours instead of 8 hours of inspection per day before they would have to pay for overtime. Higher production volume and operation of a second shift without additional cost for large establishments may put smaller establishments at a competitive disadvantage. The resulting additional cost per pound of product caused by overtime and holiday fees is much higher for smaller establishments. Thus, the full fees may hamper their ability to continue to operate, be competitive, and expand operations.

II. Funding and Fee Reductions

In the American Rescue Plan Act of 2021 (Pub. L. 117–2, 135 Stat. 242), Congress provided FSIS with $100 million in budget authority to reduce the costs of overtime inspection for federally-inspected small and very small meat, poultry, and egg products establishments. Under the American Rescue Plan Act, the definitions of “small establishment” and “very small establishment” have the meaning given to those terms in FSIS’ final rule “Pathogen Reduction; Hazard Analysis and Critical Control Point (HACCP)” (PR/HACCP) (61 FR 38806, July 25, 1996). These definitions, and refinements for assessing the number of establishment employees and average annual sales that FSIS has made for purposes of implementing the overtime and holiday inspection fee reduction, are discussed in more detail in the “Eligibility” and “Overtime/Holiday Rate Reduction form” sections below.

Although the American Rescue Plan Act did not include specific amounts for the overtime and holiday fee reduction, in a March 15, 2021 letter to Secretary
Vilsack, four members of Congress urged the Secretary to prioritize reducing overtime and holiday inspection fees for very small and small official establishments based off the provisions included in legislation introduced in the 116th Congress, the Small Packer Overtime and Holiday Fee Relief for COVID–19 Act of 2020.¹ As noted in the letter, this proposed legislation would direct “USDA–FSIS to reduce the fees charged to very small establishments by at least 75 percent and to small establishments by at least 30 percent.” The Congressional representatives explained that these fee reductions are necessary to address the economic disincentives currently in place for small and very small official establishments to work longer hours. They also stated that these fee reductions would help to reduce the disparity between very small and small establishments versus large establishments that are able to avoid overtime inspection fees because they have the capacity to operate two full shifts.

Because the FMA, PPIA, and EPIA require that official establishments pay for overtime and holiday inspection, FSIS is obligated to charge small and very small establishments for these types of inspection services (21 U.S.C. 468, 21 U.S.C. 695, and 21 U.S.C. 1053). Thus, providing a fee exemption to these establishments is not an option. Instead, FSIS will use the authority to reduce overtime and holiday inspection fees granted to the Agency by the American Rescue Plan Act to reduce overtime and holiday inspection fees for small establishments by 30 percent and very small establishments by 75 percent. Consistent with the law, FSIS will offer overtime and holiday inspection at the reduced fees from FY 2021 to FY 2030, or until all appropriated funds for overtime and holiday inspection are expended.

III. Eligibility

Only small and very small official meat, poultry, or egg products establishments are eligible to receive overtime and holiday inspection at the reduced rates discussed above. For purposes of determining eligibility, an official establishment is defined as any entity that slaughters livestock or poultry and/or processes meat, poultry, or egg products at which inspection is required by the FMA, PPIA, or EPIA. Facilities that receive voluntary inspection services, establishments that function solely as Official Import Inspection Establishments, or solely as exporting facilities are not eligible for the fee reduction.

As noted above, under the American Rescue Plan Act, “small establishment” and “very small establishment” have the meaning given to those terms in FSIS’ PR/HACCP final rule (see 61 FR 38806 and Pub. L. 117–2). As defined in the PR/HACCP final rule, an establishment is “small” if it has 10 or more but fewer than 500 employees, and an establishment is “very small” if it has fewer than 10 employees or less than $2.5 million in annual sales (61 FR 38806). Employees mean all individuals employed on a full-time, part-time, temporary, or other basis. The American Rescue Plan Act directs USDA to “reduce the amount of overtime inspection costs borne by federally-inspected small and very small establishments engaged in meat, poultry, and egg product processing” subject to the FMA, PPIA, and EPIA, providing the Secretary with discretion to determine how to implement the reductions (American Rescue Plan Act of 2021, § 1001(d)).

The Secretary determined that § 1001(d) forecloses USDA from offering overtime discounts to establishments that are not “small establishments” or “very small establishments,” as defined in the PR/HACCP final rule. But Congress did not specify how the overtime discounts should be divided among small and very small establishments. This leaves it to the Secretary’s discretion to determine which individual establishments will receive the discounts. Because the Act grants the Secretary such broad discretion and because funds for reducing overtime and holiday inspection costs are limited, FSIS will apply the terms “small establishment” and “very small establishment,” as defined in the PR/HACCP final rule, so as to reduce overtime and holiday inspection fees only for small and very small establishments unaffiliated with multiple or large businesses in a way that would effectively place them within the large establishment definition. Otherwise, providing overtime and holiday inspection fee reductions to any establishment that simply meets the numerical definitions of “very small” and “small” in the PR/HACCP final rule would result in the diversion of some of the assistance funding to large businesses, depriving small and very small establishments of the maximum funding available. Therefore, an application of the PR/HACCP final rule business size categories that considers affiliation with multiple or large businesses is consistent with the intent of the relevant provisions of the American Rescue Plan Act, i.e., to assist very small and small businesses often disparately affected by the COVID–19 pandemic. The definition of an affiliated company and the method FSIS will use to assess the number of establishment employees and average annual sales for purposes of the fee reduction are discussed in more detail below.

IV. Overtime/Holiday Rate Reduction Form

As noted above, FSIS has developed an Overtime/Holiday Rate Reduction form to collect information to determine whether an establishment inspected by FSIS qualifies for an overtime and holiday inspection fee reduction and, if so, the amount of the reduction. FSIS has developed this new form because the Agency currently does not have complete data on establishment size and average annual sales, and the form will allow the Agency to collect information to determine whether an establishment is a subsidiary, affiliate, or part of some other business structure that would prevent it from being eligible for a fee reduction. The form also serves as an attestation from the establishment that the data provided are accurate. The form is optional in that those small and very small establishments that do not use overtime or holiday inspection services, or that are not interested in receiving a fee reduction, are not required to complete it. However, small and very small official establishments that would like to request a fee reduction must complete the form to receive the benefit. In addition to the definitions for “official establishment” and “employees” discussed above, the form includes definitions for “affiliated companies” and “company” for purposes of determining whether an official establishment qualifies for a fee reduction. For purposes of the form, companies are considered affiliated with each other when one controls the other or a third-party controls both. It does not matter whether control is exercised, so long as the power to control exists. For example, a corporate company that owns one or more establishments is affiliated with those
establishments, and the establishments are affiliated with the corporate company and each other. Affiliated companies can be domestic or foreign. Affiliated companies do not typically include entities that perform contracted administrative services, including human resource support and cleaning services, as defined by the Small Business Administration (SBA) in 13 CFR 121.103. For purposes of the form, a “company” is any organization or entity (including an establishment) that buys or sells good or services. A company may be organized in various forms, including partnerships and corporations, and can be privately held or publicly traded.

To complete the form, establishments must answer a series of questions designed to collect data on the total number of employees employed by the establishment and any affiliated companies, as well as the average annual sales for the establishment. As stated in the form, the number of employees is the average number of employees. The average is calculated by summing the number of employees at the end of each pay period over the preceding 52 weeks and dividing by the total number of pay periods. In addition, for purposes of the form, establishments should determine their average annual sales based on their sales over the past five years or, for establishments that have been in business for less than five years, on the number of years they have been in business. This is consistent with the SBA’s regulations for calculating a business’s annual receipts (13 CFR 121.104). Thus, under this approach, the average annual sales of an establishment that has been in business for five or more completed fiscal years means the establishment’s total sales over its most recently completed five fiscal years divided by five. Establishments that have been in business fewer than five years should use the annual sales for their fully completed years in business divided by their number of fully completed fiscal years. Because FSIS intends to use data collected on the form to determine whether an official establishment is qualified for a rate reduction and the amount of the reduction, the establishment must also attest that data provided are accurate. Official establishments that are not affiliated with other companies will only need to report the number of employees employed by the establishment and whether the establishment’s average annual sales are less than $2.5 million or $2.5 million or more.

Establishments may obtain an Overtime/Holiday Rate Reduction form from the FSIS inspection personnel assigned to the establishment or may download and print the form from http://www.fsis.usda.gov/sites/default/files/2021-07/FSIS-5200-16-OvertimeHolidayRateReductionForm_v6-4re508.pdf. At this time, FSIS will only be accepting paper forms, but will work to provide for electronic submission in the future. Establishments should submit the completed paper form to the FSIS front line supervisor assigned to the establishment. The frontline supervisor will submit the completed form to the District Office for processing. Alternatively, establishments that prefer to submit the form themselves may FAX the completed form to the appropriate District Office, “Attention Grant Curator.”

Submission dates and refunds. Establishments are encouraged to submit their completed Overtime/Holiday Rate Reduction forms as soon as possible but no later than August 16, 2021 to expedite the process. All establishments that submit their forms by March 11, 2022, and that qualify for a fee reduction will receive a partial refund for overtime and holiday inspection fees paid since October 11, 2020, i.e., the first day of the first pay period in fiscal year 2021. Establishments may request that FSIS provide the refund as a lump sum or as a credit to be applied to future overtime and holiday inspection fees. After March 11, 2022, FSIS will continue to reduce holiday and overtime inspection fees for establishments that qualify but will no longer provide partial refunds for fees paid since October 11, 2020. Establishments may submit a benefit eligibility form to request an overtime and holiday inspection fee reduction at any time. If the establishment qualifies for a fee reduction and submits its form after March 11, 2022, it will receive the reduction beginning on the date it submitted its benefit eligibility form.

V. Determining Establishment Eligibility and Fee Reduction

After an establishment’s completed Overtime/Holiday Rate Reduction form is received by the District Office, the District Office’s Grant Curator will review the form to determine whether an official establishment is eligible for an overtime and holiday inspection fee reduction and, if so, whether the establishment qualifies for the small establishment or very small establishment reduced fee.

When reviewing an establishment’s form, the Grant Curator will first assess the information to determine whether the establishment is affiliated with other companies, including other establishments. If the establishment is affiliated with other companies and the total number of employees employed by the establishment and its affiliated companies is less than 500, the establishment would qualify for an overtime and holiday inspection fee reduction. If the establishment together with its affiliated companies employ 500 or more employees, the establishment would not qualify for a fee reduction.

If an establishment qualifies for a fee reduction, the Grant Curator will conduct an additional review to determine if the establishment qualifies for the small establishment or very small establishment reduction rate. The amount of the fee reduction will be based on the number of employees or average annual sales for the establishment as a discrete entity without considering employees or average annual sales associated with any affiliated companies. Thus, if the establishment itself employs fewer than 10 employees or has less than $2.5 million in average annual sales, the establishment would qualify as a “very small establishment” for purposes of the fee reduction and would receive a 75 percent reduction on overtime and holiday inspection fees. The establishment would qualify for the “very small establishment” fee reduction even if the total number of employees employed by all affiliated companies is over 10, but less than 500, and if the average annual sales for all affiliated companies is greater than $2.5 million. If the establishment employs more than 10 employees but fewer than 500 employees and its annual average sales are greater than $2.5 million, it would qualify as a “small establishment” for purposes of the fee reduction and would receive a 50 percent reduction on overtime and holiday inspection fees. This approach will allow FSIS to maintain and update individual establishment HACCP size information in the Public Health Information System (PHIS), while also providing the greatest fee reductions to those establishments that would benefit the most. See Table 1 for an overview of applicant establishments that qualify.

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March 11, 2022 is one year from the date the American Rescue Plan Act was enacted; March 11, 2021.
Establishments that have questions regarding their eligibility for a fee reduction should contact their FSIS District Office. Contact information for the FSIS District Offices is available at: https://www.fsis.usda.gov/contactus/fsis-offices-office-field-operations-ofo.

Fee Reduction Eligibility Renewal, New Establishments, and Change in Amount of Fee Reduction

At a set date every three years, FSIS will request that establishments receiving an overtime and holiday inspection fee reduction reaffirm their fee reduction eligibility through a notification to FSIS. FSIS will verify information provided by establishments to ensure that establishments remain eligible for the fee reduction. The first fee reduction renewal date will be June 30, 2024, which will be effective the first full pay period (approximately two weeks) after July 1, 2024, and every three years after that. When it is time for establishments to renew their fee reduction eligibility, FSIS will include a reminder to reaffirm the Overtime/Holiday Rate Reduction in the establishment’s account statement with instructions on how to submit the information to FSIS. The fee reduction eligibility forms also will continue to be available by request from FSIS inspection personnel and online. Establishments must reaffirm their status by the renewal date to continue to receive the fee reduction. Thus, for the first renewal date, if an establishment has not reaffirmed its eligibility for fee reduction by June 30, 2024, FSIS will begin billing the full overtime and holiday inspection rate on the next full pay period after July 1, 2024. If an establishment reaffirms its eligibility after the June 30, 2024, renewal date and continues to qualify for a fee reduction, FSIS will apply the fee reduction as soon as possible after the reaffirmation is received. New establishments that apply for a grant of inspection before June 30, 2024, and would like to request a holiday and overtime fee reduction should submit an Overtime/Holiday Rate Reduction form along with their application for a Federal grant of inspection. If the establishment qualifies for a fee reduction, FSIS will apply the fee reduction when it issues the establishment’s grant of inspection. Such establishments also will need to reaffirm their fee reduction eligibility by the June 30, 2024, renewal date to continue to receive the fee reduction benefit.

An establishment that has a change that would affect its eligibility or the amount of its fee reduction, e.g., a small establishment has a reduction in employees or annual sales such that it qualifies as very small, must submit a new Overtime/Holiday Rate Reduction form to FSIS as close as possible to the time the change occurs so that the Agency may make the associated change to the establishment’s fee reduction. FSIS also will apply any new fee reduction to qualified establishments as soon as possible after it is notified of the change. Establishments that submit forms attesting to a change in eligibility prior to June 30, 2024, will still be required to reaffirm their eligibility by the June 30, 2024 renewal date to continue to receive a fee reduction. Persons making false, fictitious, or fraudulent statements or entries on the form are subject to a $10,000 fine or imprisonment for not more than 5 years or both as prescribed by 18 U.S.C. 1001.

Paperwork Reduction Act

In accordance with section 3507(d) of the Paperwork Reduction Act of 1995, the information collection or recordkeeping requirements included in this notice have been submitted for approval to OMB.
Copies of this information collection assessment can be obtained from Gina Kouba, Office of Policy and Program Development, Food Safety and Inspection Service, USDA, 1400 Independence Avenue SW, Mailstop 3758, South Building, Washington, DC 20250–3700; (202) 720–5627.

Environmental Impact

Each USDA agency is required to comply with 7 CFR part 1b of the Departmental regulations, which supplements the National Environmental Policy Act regulations published by the Council on Environmental Quality. Under these regulations, actions of certain USDA agencies and agency units are categorically excluded from the preparation of an Environmental Assessment (EA) or an Environmental Impact Statement (EIS) unless the agency head determines that an action may have a significant environmental effect (7 CFR 1b.4 (b)). FSIS is among the agencies categorically excluded from the preparation of an EA or EIS (7 CFR 1b.4 (b)[6]).

FSIS has determined that this notice, which describes how FSIS will implement the American Rescue Plan Act’s small and very small establishment overtime and holiday inspection fee reduction, will not create any extraordinary circumstances that would result in this normally excluded action having a significant individual or cumulative effect on the human environment. Therefore, this action is appropriate subject to the categorical exclusion from the preparation of an environmental assessment or environmental impact statement provided under 7 CFR 1b.4(6) of the U.S. Department of Agriculture regulations.

Additional Public Notification

Public awareness of all segments of rulemaking and policy development is important. Consequently, FSIS will announce this Federal Register publication on-line through the FSIS website located at: https://www.fsis.usda.gov/policy/federal-register-rulemaking.

FSIS will also announce and provide a link to this Federal Register publication through the FSIS Constituent Update, which is used to provide information regarding FSIS policies, procedures, regulations, Federal Register notices, FSIS public meetings, and other types of information that could affect or would be of interest to our constituents and stakeholders. The Constituent Update is available on the FSIS website. Through the website, FSIS can provide information to a much broader, more diverse audience. In addition, FSIS offers an email subscription service which provides automatic and customized access to selected food safety news and information. This service is available at: https://www.fsis.usda.gov/news-events/news-press-releases/news-feeds-subscriptions. Options range from recalls to export information, regulations, directives, and notices. Customers can add or delete subscriptions themselves and have the option to password protect their accounts.

USDA Non-Discrimination Statement

In accordance with Federal civil rights laws and USDA civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA’s TARGET Center at (202) 720–2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877–8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD–3027, found online at https://www.usda.gov/oascr/how-to-file-a-program-discrimination-complaint and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632–9992.

Submit your completed form or letter to USDA by: (1) Mail: USDA, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue SW, Washington, DC 20250–9410; (2) fax: (202) 690–7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.

Paul Kiecker,
Administrator.
[FR Doc. 2021–15011 Filed 7–14–21; 8:45 am]
BILLING CODE 3410–DM–P

DEPARTMENT OF AGRICULTURE

Food and Nutrition Service

Agency Information Collection Activities: Special Supplemental Nutrition Program for Women, Infants and Children (WIC); Food Delivery Portal (FPD)

AGENCY: Food and Nutrition Service, USDA.

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, this notice invites the general public and other public agencies to comment on this proposed information collection. This collection is a revision of a currently approved collection to provide FNS and WIC State agencies with an ongoing/annual data set that can be used to assess State agencies’ compliance with WIC vendor management requirements and estimate State agencies’ progress in eliminating fraud, waste, and abuse.

DATES: Written comments must be received on or before September 13, 2021.

ADDRESSES: Comments may be submitted via email to the attention of FDP Help Desk at SM.fn.FDPHelp@usda.gov. Comments will also be accepted through the Federal eRulemaking Portal. Go to http://www.regulations.gov, and follow the online instructions for submitting comments electronically.

All responses to this notice will be summarized and included in the request for Office of Management and Budget approval. All comments will be a matter of public record.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of this information collection should be directed to Amy Herring, at amy.herring@usda.gov or (703) 305–2376.

SUPPLEMENTARY INFORMATION: Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency’s estimate of the burden of the proposed collection of information,