

COLLECTION OF FEES FOR TRIPLOID GRASS CARP
CERTIFICATION INSPECTIONS

JULY 17, 1995.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. YOUNG of Alaska, from the Committee on Resources,
submitted the following

REPORT

[To accompany S. 268]

[Including cost estimate of the Congressional Budget Office]

The Committee on Resources, to whom was referred the Act (S. 268) to authorize the collection of fees for expenses for triploid grass carp certification inspections, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the Act do pass.

PURPOSE OF THE BILL

The purpose of S. 268 is to establish a fee-for-service system where the Secretary of the Interior may collect money from private fish producers for the cost of triploid grass carp certification inspections and to allow the U.S. Fish and Wildlife Service to retain those funds to be used for this inspection program.

BACKGROUND AND NEED FOR LEGISLATION

The grass carp, *Ctenopharyngodon idella*, is a nonindigenous species that feeds largely on plant matter. It was introduced to the United States to control aquatic vegetation that had become problematic for recreational and other activities in public and private waters. The grass carp has become a valuable aquacultural commodity, but remains a concern to State fish and wildlife conservation agencies because of its potential to alter habitats and impact native species when it is allowed to establish reproducing populations.

To control grass carp populations without having to ban their use, many States only allow sterile grass carp to be used. The most common method of achieving sterility is by inducing triploidy, which is the production of three sets of chromosomes. States then require a scientifically credible third party to certify that triploidy has been properly induced before the fish are released. The U.S. Fish and Wildlife Service (USFWS) began its involvement in the certification of triploid grass carp in 1979. The program has now grown to more than 550 inspections per year for private growers in seven States whose products are shipped to some 30 States. In Fiscal Year 1994, USFWS spent over \$70,000 on this program.

During this time of declining budgets, USFWS has indicated that it can no longer pay the cost of providing this service to private producers. However, many States now specifically require USFWS certification of triploidy as a precondition to bringing grass carp into their State. Several of these States have expressed concern that discontinuation of this program will leave native stocks vulnerable to the impacts of a reproducing population of grass carp. Similarly, aquaculturists have expressed concern over the loss of continued access to the markets in these States if USFWS does not provide triploidy certification services, at least until a privatization of this function can be achieved in a manner acceptable to the States. In the interim, the aquaculture community has notified USFWS that private producers are willing to fully reimburse USFWS to offset certification costs.

If USFWS terminates this program, it appears that producers in Arkansas and other States will be unable to sell their fish because buyers from other States will be unable to purchase grass carp without the triploidy certification from USFWS.

COMMITTEE ACTION

S. 268 was introduced on January 24, 1995, by Senator Dale Bumpers of Arkansas, and passed the Senate on April 26, 1995. Identical legislation, H.R. 649, was introduced on January 24, 1995, by Representative Blanche Lambert Lincoln. These bills were referred to the Committee on Resources, and within the Committee to the Subcommittee on Fisheries, Wildlife and Oceans.

On June 8, 1995, the Subcommittee held a hearing on S. 268 and H.R. 649. The Honorable Blanche Lambert Lincoln testified in support of this legislation. In her statement, Congresswoman Lincoln stated that "this bill aptly illustrates the ability of the Federal Government and the private sector to work together to reach a mutually agreeable solution. Fish and Wildlife supports this public-private arrangement, but has determined that it cannot act accordingly through an administrative order or a Memorandum of Understanding. This arrangement must be established by statute." In addition, Mr. Gary Edwards, Assistant Director for Fisheries, USFWS, testified that "the Administration supports H.R. 649 (S. 268), authorizing the collection of fees for expenses for triploid grass carp certification inspections."

On June 27, 1995, the Subcommittee on Fisheries, Wildlife and Oceans considered S. 268 in markup session and ordered it reported favorably, without amendment, to the Full Committee on Resources by voice vote.

On July 12, 1995, the Full Committee on Resources met to consider S. 268. There were no amendments and the Committee ordered the bill favorably reported to the House of Representatives by voice vote, with a quorum present.

SECTION-BY-SECTION ANALYSIS

Section 1. Collection of fees for triploid grass carp certification inspection

Subsection (a) allows the Secretary of the Interior to charge reasonable fees to cover expenses of the Federal Government for triploid grass carp certification inspections.

Subsection (b) specifies that all fees collected are available to the Director of USFWS until expended.

Subsection (c) requires that all fees collected are to be used by the Director of USFWS to carry out the inspection program.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

With respect to the requirements of clause 2(l)(3) of rule XI of the Rules of the House of Representatives, and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the Committee on Resources' oversight findings and recommendations are reflected in the body of this report.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the Committee estimates that the enactment of S. 268 will have no significant inflationary impact on prices and costs in the operation of the national economy.

COST OF THE LEGISLATION

Clause 7(a) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out S. 268. However, clause 7(d) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act of 1974.

COMPLIANCE WITH HOUSE RULE XI

1. With respect to the requirement of clause 2(l)(3)(B) of rule XI of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, S. 268 does not contain any new budget authority, credit authority, or an increase or decrease in tax expenditures, or decrease in revenues. The bill does contain an increase in revenues and new spending authority.

2. With respect to the requirement of clause 2(l)(3)(D) of rule XI of the Rules of the House of Representatives, the Committee has received no report of oversight findings and recommendations from the Committee on Government Reform and Oversight on the subject of S. 268.

3. With respect to the requirement of clause 2(l)(3)(C) of rule XI of the Rules of the House of Representatives and section 403 of the

Congressional Budget Act of 1974, the Committee has received the following cost estimate for S. 268 from the Director of the Congressional Budget Office.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 13, 1995.

Hon. DON YOUNG,
*Chairman, Committee on Resources,
U.S. House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed S. 268, an act to authorize the collection of fees for expenses for triploid grass carp certification inspections, and for other purposes, as ordered reported by the House Committee on Resources on July 12, 1995. CBO estimates that enacting S. 268 would have no net impact on the federal budget. However, the legislation would affect direct spending, therefore, pay-as-you-go procedures would apply.

S. 268 would authorize the U.S. Fish and Wildlife Service (USFWS) to charge fees for inspection and certification of grass carp. (These fish are used by the aquaculture industry and others to control the growth of aquatic vegetation.) All such fees collected would have to be used for the inspection/certification program, and would be available for that purpose without further appropriation.

Based on information provided by the USFWS, we estimate that under S. 268 the federal government would collect and spend between \$50,000 and \$100,000 annually. Because new offsetting receipts and direct spending would be approximately equal each year, there would be no net impact on the federal budget.

On March 29, 1995, CBO prepared a cost estimate for S. 268 as ordered reported by the Senate Committee on Environment and Public Works on March 23, 1995. The two estimates are identical.

Enacting S. 268 would have no impact on the budgets of state or local governments.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Deborah Reis.

Sincerely,

JAMES L. BLUM,
(For June E. O'Neill, Director).

CHANGES IN EXISTING LAW

If enacted, S. 268 would make no changes in existing law.

DEPARTMENTAL REPORTS

The Committee received a favorable report on S. 268 from the Department of the Interior on March 16, 1995. No other reports have been received on S. 268.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, DC, May 16, 1995.

Hon. DON YOUNG,
*Chairman, Committee on Resources,
House of Representatives, Washington, DC*

DEAR MR. YOUNG: This responds to your request for the views of this Department on S. 268, as passed by the Senate, a bill to authorize the collection of fees for expenses to the Federal Government for triploid grass carp certification inspections.

The Department has previously submitted identical views to you on H.R. 649, the identical House equivalent to S. 268, in our letter of March 2, 1995.

The Administration supports enactment of S. 268.

The Service continues strongly to support efforts to restore our Nation's ecosystems, particularly aquatic ecosystems. The Service also recognizes the needs of private aquaculture and the States in continuing triploid grass carp certification until a privatization of this function can be achieved in a manner acceptable to the States. However, during this time of declining budgets we can no longer pay the cost of providing triploid grass carp certification to private producers. Because private producers have notified the Service that they are willing, in the interim, to reimburse the Service for certification costs, we believe that enactment of S. 268 will allow the Service to help private aquaculture maintain operations while strengthening the ability of State aquatic resource conservation agencies to protect native wild stocks.

We have enclosed a brief memorandum providing further background on S. 268 and the triploid grass carp certification issue.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

GEORGE T. FRAMPTON, Jr.,
*Assistant Secretary for
Fish and Wildlife and Parks.*

BACKGROUND, S. 268, COLLECTION OF FEES FOR TRIPLOID
GRASS CARP CERTIFICATION

The grass carp, *Ctenopharyngodon idella*, is a nonindigenous species whose adult stage feeds largely on plant matter. It was introduced to the United States to control aquatic vegetation (often nonindigenous itself) that had become problematic for recreational and other activities in public and private waters. The grass carp quickly became a valuable aquacultural commodity, but remains a concern to State fish and wildlife conservation agencies because of its potential to alter habitats and impact native species if allowed to establish reproducing populations.

In order to control grass carp populations without having to ban their use, many States allow only sterile grass carp to be used. The most common method of achieving sterility is by inducing triploidy (production of three sets

of chromosomes). This means, however, that States need a scientifically credible third party to turn to for certification of triploidy. The U.S. Fish and Wildlife Service (Service) began its involvement in the certification of triploid grass carp in 1979. The program has now grown to more than 550 inspections per year for private growers in seven States whose products are shipped to some 30 States. In FY 1994, over \$70,000 was spent by the Service on this program.

During this time of declining budgets, the Service can no longer pay the cost of providing this service to private producers. However, many States now specifically require Service certification of triploidy as a precondition to bringing grass carp into the State. Several of these States have expressed concern that discontinuation of this program will leave native stocks vulnerable to the impacts of a reproducing population of grass carp. Similarly, aquaculturists have expressed concern over the loss of continued access to the markets in these States if the Service does not provide triploidy certification services, at least until a privatization of this function can be achieved in a manner acceptable to the States. In the interim, the aquaculture community has notified the Service and Members of Congress that private producers are willing to reimburse the Service to offset certification costs.