



This document is scheduled to be published in the Federal Register on 12/31/2015 and available online at <http://federalregister.gov/a/2015-32944>, and on FDsys.gov

Billing Code 3410-DM-P

DEPARTMENT OF AGRICULTURE

Food Safety and Inspection Service

[Docket No. FSIS-2015-0043]

RIN 0583-AD40

2016 Rate Changes for the Basetime, Overtime, Holiday, and
Laboratory Services Rates

AGENCY: Food Safety and Inspection Service, USDA.

ACTION: Notice.

SUMMARY: The Food Safety and Inspection Service (FSIS) is announcing the 2016 rates that it will charge meat and poultry establishments, egg products plants, and importers and exporters for providing voluntary, overtime, and holiday inspection and identification, certification, and laboratory services. The 2016 basetime, overtime, holiday, and laboratory services rates will be applied beginning the first FSIS pay period approximately 30 days after the publication of this notice. This pay period begins on February 7, 2016.

DATES: FSIS will charge the rates announced in this notice beginning February 7, 2016.

FOR FURTHER INFORMATION CONTACT: For further information contact Michael Toner, Director, Budget Division, Office of Management, FSIS, U.S. Department of Agriculture, Room 2159, South Building,

1400 Independence Avenue SW, Washington, DC 20250-3700;

Telephone: (202) 690-8398, Fax: (202) 690-4155.

SUPPLEMENTARY INFORMATION:

Background

On April 12, 2011, FSIS published a final rule amending its regulations to establish formulas for calculating the rates it charges meat and poultry establishments, egg products plants, and importers and exporters for providing voluntary, overtime, and holiday inspection and identification, certification, and laboratory services (76 FR 20220).

In the final rule, FSIS stated that it would use the formulas to calculate the annual rates, publish the rates in a Federal Register notice before the start of each calendar year, and apply the rates on the first FSIS pay period at the beginning of the calendar year.

This notice announces the 2016 rates, which will be applied starting on February 7, 2016.

2016 Rates and Calculations

The following table lists the 2016 Rates per hour, per employee, by type of service:

Service	2016 Rate (estimates rounded to reflect billable quarters)
Basetime	\$ 54.56
Overtime	\$ 69.20

Holiday	\$ 83.84
Laboratory	\$ 69.96

The regulations state that FSIS will calculate the rates using formulas that include the Office of Field Operations (OFO) and Office of International Affairs (OIA) inspection program personnel's previous fiscal year's regular direct pay and regular hours (9 CFR 391.2, 391.3, 391.4, 590.126, 590.128, 592.510, 592.520, and 592.530). In 2013, an Agency reorganization eliminated the OIA program office and transferred all of its inspection program personnel to OFO. Therefore, pay and hours of inspection program personnel are identified in the calculations as "OFO inspection program personnel's" pay and hours.

FSIS determined the 2016 rates using the following calculations:

Basetime Rate = The quotient of dividing the OFO inspection program personnel's previous fiscal year's regular direct pay by the previous fiscal year's regular hours, plus that quotient multiplied by the calendar year's percentage cost-of-living increase, plus the benefits rate, plus the travel and operating rate, plus the overhead rate, plus the allowance-for-bad-debt rate.

The calculation for the 2016 basetime rate per hour per program employee is:

[FY 2015 OFO Regular Direct Pay divided by the previous fiscal year's Regular Hours (\$463,753,574/15,838,653)] = \$29.28 + (\$29.28 * 0.00% (calendar year 2016 Cost-of-Living Increase)) = \$29.28 + \$9.42 (benefits rate) + \$0.90 (travel and operating rate) + \$14.95 (overhead rate) + \$0.01 (bad-debt-allowance rate) = \$54.56.

Overtime Rate = The quotient of dividing OFO inspection program personnel's previous fiscal year's regular direct pay by the previous fiscal year's regular hours, plus that quotient multiplied by the calendar year's percentage cost-of-living increase, multiplied by 1.5 (for overtime), plus the benefits rate, plus the travel and operating rate, plus the overhead rate, plus the allowance-for-bad-debt rate.

The calculation for the 2016 overtime rate per hour per program employee is:

[FY 2015 OFO Regular Direct Pay divided by previous fiscal year's Regular Hours (\$463,753,574/15,838,653)] = \$29.28 + (\$29.28 * 0.00% (calendar year 2016 Cost-of-Living Increase)) = \$29.28 * 1.5 = \$43.92 + \$9.42 (benefits rate) + \$0.90 (travel and operating rate) + \$14.95 (overhead rate) + \$.01 (bad-debt-allowance rate) = \$69.20.

Holiday Rate = The quotient of dividing the OFO inspection program personnel's previous fiscal year's regular direct pay by the previous fiscal year's regular hours, plus that quotient multiplied by the calendar year's percentage cost-of-living increase, multiplied by 2 (for holiday pay), plus the benefits rate, plus the travel and operating rate, plus the overhead rate, plus the allowance for bad debt rate.

The calculation for the 2016 holiday rate per hour per program employee calculation is:

[FY 2015 OFO Regular Direct Pay divided by Regular Hours (\$463,753,574/15,838,653)] = \$29.28 + (\$29.28 * 0.00% (calendar year 2016 Cost-of-Living Increase)) = \$29.28 * 2 = \$58.56 + \$9.42 (benefits rate) + \$0.90 (travel and operating rate) + \$14.95 (overhead rate) + \$.01 (bad-debt-allowance rate) = \$69.20.

Laboratory Services Rate = The quotient of dividing the Office of Public Health Science (OPHS) previous fiscal year's regular direct pay by the OPHS previous fiscal year's regular hours, plus the quotient multiplied by the calendar year's percentage cost-of-living increase, plus the benefits rate, plus the travel and operating rate, plus the overhead rate, plus the allowance-for-bad-debt rate.

The calculation for the 2016 laboratory services rate per hour per program employee is:

[FY 2015 OPHS Regular Direct Pay/OPHS Regular hours
(\$25,098,630/561,724)] = \$44.68 + (\$44.68 * 0.00% (calendar year
2016 Cost-of-Living Increase)) = \$44.68 + \$9.42 (benefits rate)
+ \$0.90 (travel and operating rate) + \$14.95 (overhead rate) +
\$.01 (bad-debt-allowance rate) = \$69.96.

Calculations for the Benefits, Travel and Operating, Overhead,
and Allowance for Bad Debt Rates

These rates are components of the basetime, overtime,
holiday, and laboratory services rates formulas.

Benefits Rate: The quotient of dividing the previous fiscal
year's direct benefits costs by the previous fiscal year's total
hours (regular, overtime, and holiday), plus that quotient
multiplied by the calendar year's percentage cost-of-living
increase. Some examples of direct benefits are health
insurance, retirement, life insurance, and Thrift Savings Plan
basic and matching contributions.

The calculation for the 2016 benefits rate per hour per
program employee is:

[FY 2015 Direct Benefits/ (Total Regular hours + Total Overtime
hours + Total Holiday hours) (\$174,514,989/18,525,441)] = \$9.42
+ (\$9.42* 0.00% (calendar year 2016 Cost-of-Living Increase) =
\$9.42.

Travel and Operating Rate: The quotient of dividing the previous
fiscal year's total direct travel and operating costs by the

previous fiscal year's total hours (regular, overtime, and holiday), plus that quotient multiplied by the calendar year's percentage of inflation.

The calculation for the 2016 travel and operating rate per hour per program employee is:

[FY 2015 Total Direct Travel and Operating Costs/ (Total Regular hours + Total Overtime hours + Total Holiday hours) (\$16,376,630/18,525,441)] = \$0.88 + (\$0.88 * 1.8% (2016 Inflation) = \$0.90.

Overhead Rate: The quotient of dividing the previous fiscal year's indirect costs, plus the previous fiscal year's information technology (IT) costs in the Public Health Data Communication Infrastructure System Fund, plus the previous fiscal year's Office of Management Program cost in the Reimbursable and Voluntary Funds, plus the provision for the operating balance less any Greenbook costs (i.e., costs of USDA support services prorated to the service component for which fees are charged) that are not related to food inspection by the previous fiscal year's total hours (regular, overtime, and holiday) worked across all funds, plus the quotient multiplied by the calendar year's percentage of inflation.

The calculation for the 2016 overhead rate per hour per program employee is:

[FY 2015 Total Overhead/(Total Regular hours + Total Overtime hours + Total Holiday hours) (\$272,078,819/18,525,441)] = \$14.69 + (\$14.69 * 1.8% (2016 Inflation) = \$14.95.

Allowance-for-Bad-Debt Rate = Previous fiscal year's total allowance for bad debt (for example, debt owed that is not paid in full by plants and establishments that declare bankruptcy) divided by previous fiscal year's total hours (regular, overtime, and holiday) worked.

The 2016 calculation for bad-debt rate per hour per program employee is:

[FY 2015 Total Bad Debt/(Total Regular hours + Total Overtime hours + Total Holiday hours) = (\$133,215/18,525,441)] = \$.01.

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 Web page located at: <http://www.fsis.usda.gov/federal-register>.

FSIS also will make copies of this publication available 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 Update is available on the FSIS Web page. Through the Web page, FSIS is able to provide

information to a much broader, more diverse audience. In addition, FSIS offers an e-mail subscription service which provides automatic and customized access to selected food safety news and information. This service is available at:

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U.S. Department of Agriculture
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1400 Independence Avenue, SW
Washington, DC 20250-9410

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E-mail

program.intake@usda.gov

Persons with disabilities who require alternative means for communication (Braille, large print, audiotape, etc.), should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

Done, at Washington, DC on: December 22, 2015.

Alfred V. Almanza,

Acting Administrator.

[FR Doc. 2015-32944 Filed: 12/30/2015 8:45 am; Publication Date: 12/31/2015]