

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

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1. Type of Estimate and Analysis

Original    Updated    Corrected

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2. Administrative Rule Chapter, Title and Number

ATCP 82, Bulk Milk collection, sampling, and transportation

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3. Subject

Repealing bulk milk tanker licensing requirement, decreasing bulk milk tanker inspection frequency, and increasing bulk milk tanker reinspection fee

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4. Fund Sources Affected

GPR    FED    PRO    PRS    SEG    SEG-S

5. Chapter 20, Stats. Appropriations Affected

20.115(1)(gb)

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6. Fiscal Effect of Implementing the Rule

No Fiscal Effect    Increase Existing Revenues    Increase Costs  
 Indeterminate    Decrease Existing Revenues    Could Absorb Within Agency's Budget  
 Decrease Cost

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7. The Rule Will Impact the Following (Check All That Apply)

State's Economy    Specific Businesses/Sectors  
 Local Government Units    Public Utility Rate Payers  
 Small Businesses (if checked, complete Attachment A)

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8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes    No

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9. Policy Problem Addressed by the Rule

2015 Act 55 revised s. 97.21, Stats., eliminating bulk milk tanker licensing and license requirements. The proposed rule change harmonizes ch. ATCP 82 with the revised statute. The proposed rule change harmonizes the minimum bulk milk tanker inspection frequency with the federal Pasteurized Milk Ordinance and regulations in neighboring states. The current bulk milk tanker reinspection fee, although seldom charged, does not cover the costs of bulk milk tanker reinspection.

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10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments.

The proposed rule change generally affects the dairy industry, and specifically affects businesses operating bulk milk tankers. The Department contacted the Dairy Business Association, the Cooperative Network, the Wisconsin Milk Haulers Association, the Wisconsin Association of Dairy Plant Field Representatives, the Wisconsin Cheese Makers Association, and the Wisconsin Dairy Products Association. No comments on the economic impact of the proposed rule change were received.

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11. Identify the local governmental units that participated in the development of this EIA.

Grade "A" standards for bulk milk collection, sampling, and transportation are regulated by the State of Wisconsin's Department of Agriculture, Trade and Consumer Protection. Local governmental units are not impacted by this rule and did not participate in development of this EIA.

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12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

The proposed rule eliminates a license fee of \$45 for each bulk milk tanker operating in Wisconsin, thereby reducing costs for milk hauling firms. The proposed rule increases the fee for a bulk milk tanker reinspection. This reinspection is done to verify corrective actions taken by a bulk milk tanker operator to bring the bulk milk tanker into regulatory compliance. Reinspections of this type are infrequent (e.g., 13 in 2014).

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13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

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Failure to make the proposed rule change could create confusion resulting from the contradiction between statutes and rules affecting operators of bulk milk tankers. It could result in unlicensed bulk milk tankers from other states being turned away from Wisconsin dairy plants without being able to deliver or pick up Grade "A" milk or milk products-even when these tankers carry a Grade "A" permit. The bulk milk tanker reinspection fee does not cover costs incurred in conducting the reinspection. Failure to raise the fee would necessitate use of other funding streams to cover costs.

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### 14. Long Range Implications of Implementing the Rule

Implementing this rule will ensure that Wisconsin continues to maintain substantial compliance with the PMO and can continue to ship Grade "A" milk and milk products in interstate commerce. It will ensure that Wisconsin's dairy-related businesses continue to compete fairly against dairy businesses in other states that do not require a license in addition to a Grade "A" permit for bulk milk tankers.

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### 15. Compare With Approaches Being Used by Federal Government

The Food and Drug Administration's (FDA's) Grade "A" Pasteurized Milk Ordinance (PMO) establishes minimum regulatory standards for Grade "A" dairy products. States must enact standards substantially equivalent to, or more stringent than, those in the PMO to be allowed to ship Grade "A" milk in interstate commerce. The proposed rule changes are consistent with the PMO.

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### 16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Michigan, Minnesota, Iowa, and Illinois adopt the PMO as part of their dairy regulations. The proposed rule will align Wisconsin's regulations with the PMO and neighboring states for permitting of Grade "A" tankers. Each of these states issues a Grade "A" permit after inspection of a bulk milk tanker. Some states charge an inspection fee associated with these inspections.

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### 17. Contact Name

Pete Haase, Director-Bureau of Food Safety and Inspection

### 18. Contact Phone Number

(608) 224-4711

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## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

### ATTACHMENT A

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

This rule is expected to have a positive impact and will not have an adverse effect on small business. It does not alter requirements small dairy-related businesses already meet. It eliminates license fees.

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

The agency requested comment on the potential economic impact of the rule from the following organizations: Dairy Business Association, Professional Dairy Producers of Wisconsin, Cooperative Network, Wisconsin Milk Haulers Association, Wisconsin Association of Dairy Plant Field Representatives, Wisconsin Cheesemakers Association, and the Wisconsin Dairy Products Association. No comments were received on the economic impact of this rule.

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3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

While the agency considered methods for reducing the impact of the rule on small businesses, all Grade "A" dairy businesses, whether large or small, must meet regulations that are substantially in compliance with the PMO in order to collect, sample, and transport Grade "A" dairy products. No special accommodation may be made for small businesses. Other provisions in the rule will not substantially alter current practice.

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5. Describe the Rule's Enforcement Provisions

The proposed rule does not modify existing enforcement provisions related to the collection, sampling, and transportation of milk. All food, dairy, and state-inspected meat businesses are regulated under Chapter 97 of the Wisconsin Statutes. Enforcement provisions for these businesses are outlined in s. 97.72 and 97.73, and apply to both small and large businesses. ATCP 82.16 also contains specific provisions against falsifying records or reports required under ATCP 82, including records related to milk samples and records describing the amount of milk collected from a dairy farm.

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes     No
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