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# Special Evaluation



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## New Security Rules Have Minimal Cost Impact on Aerial Application Industry

### *at a glance*

Subsequent to the September 2001 terrorist attacks, the Florida Legislature required the Department of Agriculture and Consumer Services to adopt rules increasing security over agricultural and mosquito control aircraft and the chemicals stored for application by these aircraft. Some agricultural applicators reported they experienced no new costs as a result of these requirements, while some reported costs up to \$3,000 for fences, sheds, and aircraft locks. Most mosquito control applicators reported that they meet requirements with existing security.

### Purpose

As directed by Chapter 2001-360, *Laws of Florida*, the Office of Program Policy Analysis and Government Accountability reviewed the cost impact of administrative rules that increased security regulation of the aerial applicator industry.

### Background

After the 2001 terrorist attacks, under the authority of an Executive Order issued by the Governor, the Department of Agriculture and

Consumer Services (DACS) adopted an emergency rule that provided for increased security over agricultural (crop dusting) and mosquito control aircraft. However, the temporary rule expired on December 26, 2001.

During the November 2001 Special Session, the Florida Legislature passed Chapter 2001-360, *Laws of Florida*, which gave DACS the charge and the authority to require the secure storage of agricultural and mosquito control aircraft and chemicals applied by these aircraft. The department promulgated rules governing agricultural aircraft and chemicals that became effective June 9, 2002. The rules, shown in Exhibit 1, require reasonable security over application aircraft and chemicals and address the need for specific information to be maintained in the event of a declared emergency.

The department subsequently published proposed rules for mosquito control aircraft and chemicals on August 9, 2002. These rules are similar to the rules over agricultural aircraft but have not yet been finalized. As of December 10, 2002, DACS had not held a final rule hearing.

## Exhibit 1

### Summary of New Aircraft, Pesticide, and Fertilizer Security Regulations

Florida Administrative Code Section	Summary of New Security Requirements
5E - 1.025 - Fertilizer Aircraft	Requires annual registration of each aircraft.
5E - 4.013 - Seed Aircraft	Allows for inspection of aircraft by department.
5E - 9.036 - Pesticide Aircraft	Requires reasonable security to prevent theft or deter unauthorized use.
5E - 13.0371 - Proposed for Mosquito Control Aircraft	Requires registration of sale or transfer of ownership with department.
	Sets out specific record-keeping requirements during a declared emergency
5E - 1.025 - Fertilizer Aircraft	Requires storage of fertilizers and/or pesticides in a manner such that they are not accessible to unauthorized persons.
5E - 9.036 - Pesticide Aircraft	
5E - 13.0371 - Proposed for Mosquito Control Aircraft	

Source: Florida Administrative Code and August 9, 2002, Florida Administrative Weekly.

## Fiscal Impact of Rules—

### *Implementation of department rules will have minimal cost impact on industry.*

To determine costs incurred by the aerial applicator industry to meet new security requirements, we surveyed aerial applicators using listings provided by the department. We obtained responses from 42% of the certified in-state agricultural applicators and 14 of the 30 mosquito control applicators.<sup>1</sup>

The agricultural applicator respondents generally reported that they would incur minimal costs. Some of the respondents reported that they would incur no costs because their existing operations met the rule requirements. Most of the remaining respondents reported they would incur costs ranging from \$100 to \$3,000 for additional

security such as propeller locks, storage facilities, and fencing. Two applicators indicated that they would incur much higher costs—estimated at \$35,000 and \$100,000—to add fencing and construct facilities. However, these higher costs appear to be the result of business decisions to implement security measures beyond those required, rather than necessary costs to comply with new regulations.

Most mosquito control respondents generally indicated that they would not incur additional costs to meet the requirements of the proposed rule because their aircraft and chemicals are already adequately secured. The Hillsborough County Mosquito Control District expects to incur expenses of \$50,000 to upgrade their facility security systems. However, as with agricultural applicators, these changes appear to be business decisions rather than necessary costs to comply with new regulations.

The industry would incur additional costs if an emergency were declared and the additional recordkeeping requirements of the rules were to take effect. Several agricultural and mosquito control applicators estimated that these costs would range from \$50 to \$100 per day for record keeping, plus \$300 to \$3,000 for computer upgrades and smaller amounts to fax required documents to the department.

<sup>1</sup> DACS provided us with a list of 139 certified agricultural aerial applicators, which included 53 out-of-state registrations, and 30 mosquito control districts and companies known by DACS administrators to perform aerial application for mosquito control. We received no response from the out-of-state applicators. It is also important to note that the department does not have information on agricultural applicator operations, just individual applicators. As a result, there is no direct correspondence between the number of certified agricultural applicators and the number of aerial applicator businesses.

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