



PPC

PESTICIDE POLICY COALITION
A Coalition Working for Sound Pest Management Policies

VIA FACSIMILE
202-224-1725

April 13, 2005

The Honorable Saxby Chambliss
Chair, Senate Agriculture Committee
328A Russell Senate Office Building
Washington, DC 20510

The Honorable Tom Harkin
Ranking Member, Senate Agriculture Committee
328A Russell Senate Office Building
Washington, DC 20510

Dear Chairman and Ranking Member:

The Pesticide Policy Coalition (PPC) represents a wide range of pesticide users, manufacturers and distributors on all matters related to the safe use and availability of pest control and crop protection tools. PPC is concerned that pending budget reconciliation legislation threatens the continued availability of crop and pest protection products due to the inclusion of unjustified additional fees. We ask that you oppose additional pesticide fees when your committees' consider FY 2006 budget reconciliation legislation.

The Pesticide Registration Improvement Act (PRIA) was enacted in January 2004. PRIA's purpose is to stabilize funding for EPA's Office of Pesticide Programs (OPP) and improve the performance and predictability of the pesticide registration review process. The Act is supported by a broad coalition of stakeholders who worked with EPA to craft legislation that would fairly assess program costs using a combination of industry-paid fees and congressionally appropriated monies. The fees from PRIA programs alone will generate approximately \$200 million in revenue over 5 years for operation of EPA pesticide programs.

PRIA requires the industry to pay "service fees" for when applying for pesticide registrations and product "maintenance fees" to cover the costs of re-registration and tolerance reassessments at OPP. *Most important to our point today, PRIA included a suspension on the collection of prior "tolerance fees" through 2008, as well as a prohibition on the collection of previous "registration fees" through 2010.*

Perplexingly, the Administration's FY 2006 Budget proposes legislative changes that set out to reinstate both the suspended tolerance fees and the prohibited registration fees. Reinstating these two fees would result in the federal government annually collecting an additional \$20 million and \$26 million from the two fees program, respectively. This \$46 million dollar additional cost to the industry would be on top of the \$42 million the industry has already agreed to pay EPA in PRIA service and maintenance fees. Under the Administration's current proposal, income from fees for OPP-related activities would

be \$61 million, a value that far exceeds the \$41 million EPA will actually need to spend administering registration-related activities – a windfall of nearly 150 percent.

The Administration's duplicitous fee proposal guts the delicate compromise reached last Congress among users, the industry, the environmental community and EPA. Further, it sets out to charge industry applicants three times for the registration application activities. The budget proposal adds another \$230 million to industry's burden over the next 5 years. In making it unexpectedly more expensive for the industry to do business, end users can expect less new product innovation and research, especially for specialty uses, and that additional "fees" get passed on as even higher priced pest control and crop protection products.

As the Agriculture Committees' consider the FY 2006 budget reconciliation bills, we urge you to oppose inclusion of the Administration's "reinstated," duplicative pesticide fees. These unjustified, additional industry costs will increase input costs for American farmers, foresters and pest control operators who rely on pesticide products for their economic viability and for the protection of human health.

Sincerely,

A handwritten signature in black ink, appearing to read "Rebeckah Freeman", with a long horizontal flourish extending to the right.

Rebeckah Freeman
Chair

CC: Members of the Senate Agriculture Committee