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Vermont General Assembly
House Committee on Ways and Means

RE: Consideration for Fees, Dosage Form Animal Health Products, S.102

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The National Animal Supplement Council, Inc., Incorporated under Arizona Law, is a non-profit industry coalition dedicated to improving the health and welfare of Companion Animals, including horses, dogs, cats and other animals not intended for human consumption, by working cooperatively with regulators to bring about reasonable, responsible, nationally consistent regulation of the labeling and manufacture of supplements intended for Companion Animals.

Dear Chair, Ancel and committee members:

The National Animal Supplement Council is the largest trade association in the world representing companies marketing nutrition and health products for dogs, cats and horses. We represent over 275 individual brands and several Vermont-based companies, and over our 20-year history have worked successfully with regulatory agencies at both the state and federal levels, along with lawmakers, to bring fair, reasonable and responsible requirements to the industry that result in positive outcomes for all stakeholders.

We understand that you will be hearing from the Agency of Agriculture, Food and Markets on fees for Dosage Form Animal Health Products in S.102 tomorrow morning. Margaret Laggis is our registered lobbyist and would be happy to talk with the committee about our concerns with the amount of the registration fee at a convenient time.

My reason for reaching out directly to the Ways and Means Committee is to provide input as you consider registration fees for these products that will provide revenue to facilitate oversight. To that end, it has been estimated, by the Agency of Agriculture, Food and Markets that there are approximately 1,200 products (many of which are already registered under current regulations) that would comprise the "pool" of products to be registered as being sold in VT. The draft language on page 18, line 20 states:

"(2) The application for registration of a dosage from animal health product shall be accompanied by a registration fee of \$50.00 per product."

Based on our involvement in these particular products, we would ask that you consider reducing the registration fee to \$25.00 – \$30.00 per individual product for the following reasons:

- Vermont is a small state with a population of approximately 600,000 people. This is not a major market and fees would impact profit margins, which are passed along through the supply chain and ultimately to the consumer.
- The range of fees in states is great with some large consumer states as low as \$40 for a two-year registration.
- The Agency of Agriculture has estimated approximately 600 new products would be registered. Even if all 1200 are new, that generates \$60,000.

- Based on our involvement in the industry I can tell you with a very high degree of certainty that this estimate is extremely low. We believe that there are well more than 2,500 products and just doing a quick Amazon search gives you around 8,000.
- If only 2,500 of the products that we know are on the market today pay \$25, that generates \$62,500.
- A fee that is unsustainable compared to the market opportunity may cause suppliers to either not sell into Vermont, or make the Agency catch them selling online.
- If Vermont institutes a fee that is commensurate with the size of the market here, we believe there will be a very high degree of voluntary compliance.
- One of our members, FoodScience Corporation, located in Williston, Vermont with over 175 employees and 150 products, a significant VT based business, has also expressed concerns about the fee of \$50.00 per product.
- I am HIGHLY confident that the Agency's revenue objectives would be achieved, and probably exceeded, even with a lower fee, which would result in increasing voluntary registration. Our organization would proactively support the state to help ensure companies offering products for sale in VT are properly registering their products with the Agency.

These are among the reasons that we hope you will consider a fee of \$25.00 - \$30.00 per product rather than \$50.00 as currently proposed. We will support the state with registrations and achieving revenue targets, and if revenues fall short you could consider increasing the fees in the next session of the state legislature.

Thank you again for your thoughtful consideration.

Sincerely,



William Bookout, President

WEB/jr

cc: Margaret Laggis
Rep. Janet Ancel, Chair, jancel@leg.state.vt.us
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