

**Written Testimony of Jay Vroom
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**Before the Senate Committee on Agriculture, Nutrition & Forestry
To Review PRIA Reauthorization
May 11, 2017**

Thank you, Chairman Roberts and Ranking Member Stabenow, for the opportunity to address the Committee on behalf of CropLife America and our more than 110 members; their customers, the U.S. farmers; as well as the public, which benefits from a wholesome, affordable food supply and protection from disease vectors. I am Jay Vroom, President and CEO at CropLife America (CLA). CLA is the national trade association for the United States' crop protection industry. CLA is closely affiliated with RISE (Responsible Industry for a Sound Environment), which represents the specialty, non-agricultural pesticide industry.

It is with honor and pleasure that I speak before you today to address efforts to reauthorize the pesticide industry's fee-for-service program, commonly referred to as PRIA. (While the name of the statute has changed slightly, it is convenient to use the customary PRIA abbreviation.) In 2003, Phil Klein of the Consumer Specialty Products Association and I co-founded the PRIA Coalition. The Coalition consists of a diverse collection of interests that have come together once again to support our fee for service program. Coalition participants include the American Chemistry Council Biocides Panel, Biotechnology Innovation Organization, Biological Products Industry Alliance, Consumer Specialty Products Association, CropLife America, The Worldwide Cleaning Industry Association, Responsible Industry for a Sound Environment, the National Association of State Departments of Agriculture, Farmworker Justice, and the Natural Resources Defense Council.

History of PRIA

The FIFRA amendments of 1988 put in place new and significant fees on registered pesticide products in order to provide EPA with added resources to accomplish re-registration. Those so-called "FIFRA Light" amendments did finally put EPA on a path towards achieving older products reviews. But the Food Quality Protection Act of 1996 subsequently added significant regulatory burdens to the Agency, and as a result, new product approvals suffered. It took an additional 8 years, from 1996 to 2004 – and 2 Administrations and 4 Congresses – to reach an agreement on fees for service that we now call PRIA. In the early years of PRIA, many of our companies saw wait times on registration of new food-use active ingredients drop from more than 4 years to about 2 years. But nothing ever stands still – and so we've experienced timeline erosion for almost all pesticide decision categories. The reasons for this fall into two clear categories.

1. Diminished Resources

Since PRIA has been in place (2004-2016), appropriations money met or exceeded the "PRIA trigger" for the first 9 fiscal years, but in the last 4 years, Congress has missed its appropriations obligations by a total of \$29 million. Since PRIA's 2004 beginning, the full-time employee count in EPA's Office of Pesticide programs has dropped by over 21% (625 to 491). Clearly, EPA has done much to offset the resource constraints through efficiency improvements – but we all need Congressional appropriators to restore adequate resources to meet the statutory requirements of FIFRA.

Since 2004, industry fees have been substantial – topping \$521 million over 13 years. It has been a very good investment. PRIA 4 will extend that record – and be even better when PRIA appropriation targets are met!

2. Increased Regulatory Complexity

Society expects EPA to apply the best available science in its regulatory decisions regarding pesticide products. Science never stands still – so that regulatory burden on EPA increases every year. In that context, the single biggest regulatory challenge to EPA’s performance is implementing the Endangered Species Act (ESA) and the harmonization with FIFRA for pesticide registrations. In addition, multiple new data requirements must be fulfilled to support pesticide registrations.

CLA recently compared timelines for PRIA actions completed between 2012 and 2014. New active ingredient approvals took between 946 days and 1,137 days, on average, during those 3 years – compared to the PRIA target of 730 days. In other words, about one half of the timeline gains have eroded since the start of PRIA. Working together we need to address these issues – and speedy reauthorization of PRIA 4 will be a big, positive step ahead!

In recognition of this increase in complexity and the increased burden on OPP, PRIA 4 substantially increases the user fees for certain registration categories.

Reauthorizing PRIA in 2017

On behalf of the pesticide industry, I would like to emphasize the benefit of working alongside the NGO community and in concert with our state and federal regulators to extend the process improvements achieved in EPA’s pesticide regulatory program, support stable funding for EPA, and continue funding necessary training and education programs.

The reauthorization legislation currently under consideration by the Senate would:

- Provide for the annual collection of \$31 million in product maintenance fees through 2023 (an increase of \$22.4 million over the seven years covered by PRIA 4);
- cap the fees paid by small businesses;
- add Endangered Species Act reviews, risk reduction, and information technology system enhancements to the eligible uses of the funds collected;
- designate \$500,000 per year for the establishment of efficacy guidelines for products to address invertebrate pests of significant public health or economic consequence;
- designate \$500,000 per year for enhancements to the Good Laboratory Practices Standards compliance monitoring program;
- continue funding of not less than \$1 million per year through 2023 to enhance scientific and technical activities relating to worker protection;
- continue funding of \$500,000 per year through 2023 for partnership grants;
- continue funding of \$500,000 per year through 2023 for pesticide safety education programs;
- extend the authority to collect registration service fees until 2023 and provides for two 5% increases in the fees paid in 2019 and 2021; and
- continue the authority of the Administrator to waive fees for small businesses, under certain circumstances.

Mr. Chairman, prior to the implementation of PRIA in 2004, there was little certainty for registration packages moving through the EPA. Product registrations would often linger with no real process or timeframe for completion. This ambiguous process often led to frustration, and more importantly jeopardized innovation, as there was diminished incentive to invest in the research and development of new chemistries for the marketplace. The enactment of PRIA changed that experience for product registrants and all stakeholders. The success of PRIA has led to process improvements in OPP, established a dedicated funding stream for the Agency, created specific block grants for training and education programs, and created business certainty that keeps the wheels of innovation turning, which in turn results in the creation of jobs in the agriculture sector.

The PRIA fee framework ensures availability of: pesticide products to support U.S. agriculture; disinfectants for use by building and plant facilities managers; public health pesticides necessary to combat mosquito and other disease vectors; structural pesticides to protect homes and commercial buildings; products for the home and garden, turf, and ornamental industries.

Implementing ESA in the Context of Pesticide Regulation

PRIA 4 allows EPA to use industry fee resources to conduct endangered species reviews to support the registration review process. We can do better when it comes to the implementation of the ESA. The attempt to apply the ESA across the regulated business spectrum and the ongoing challenges between EPA and the Services (Fish and Wildlife Service and the National Marine Fisheries Service) continue to frustrate the harmonization of ESA and FIFRA, and to date have redirected valuable resources away from thoughtful efforts to protect threatened and endangered species.

We believe that we can achieve our national environmental goals, including goals to preserve and enhance biodiversity in agricultural landscapes, while maintaining and improving agricultural productivity. But we need effective, science-based federal policy to do so.

Leadership at both the EPA and the Services, with input from both the regulated community and other stakeholders, including the NGO community, are required to implement workable solutions to the long-standing management disharmony in FIFRA and ESA integration to ensure greater agricultural productivity through common sense problem solving.

Conclusion

Over the years, registrants have maintained a good working relationship with EPA. While we have had our disagreements, we respect EPA's role, and, in fact, benefit from greater public assurance that our products meet the tough standards imposed by the law and expected by the public.

Along with the need for more food production, the public has always wanted greater assurance of safety from our products. Over the years, the standards and requirements for pesticide registration have been toughened, laws have been amended, and public scrutiny has increased. Our industry has continued to respond to these demands through innovative products with improved environmental and safety profiles, lower application rates, more targeted modes of action, and reduced applicator risk.

This is a big task and we accept these challenges. Currently it is estimated that to develop a new pesticide product, taking all costs of research and development and meeting regulatory requirements amounts to an average investment of about 11 years and \$286 million.

The U.S. has the toughest set of pesticide regulatory standards anywhere. The Food Quality Protection Act (FQPA) of 1996 was a significant overhaul of our pesticide laws. FQPA sets a template for approvals around the world. Registration of a new pesticide active ingredient is based on extensive data, generated at great cost, with an exhaustive government review, using conservative assumptions applying the toughest standards. It is never easy, but we meet that challenge every time we develop a new product. When the registration process works in a predictable manner, the entire agriculture supply chain benefits, which results in jobs on farms, in distribution, in transportation, in production and in innovation.

Mr. Chairman, PRIA is a critical piece in the regulatory picture that ensures timely registrations of new products and uses and supports the mandatory 15-year review of existing registrations. I am grateful for your past support of the pesticide industry's fee-for-service program. I appreciate the opportunity to provide input to the Committee today. We look forward to working closely with you and your staff as we ask for your support for seeing this important program reauthorized.