

**Report to the Membership**  
**Presented by Warren Stickle, President**  
**Chemical Producers & Distributors Association**  
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We at CPDA are proud of the many accomplishments realized over the past year. The centerpiece of the association's activities continues to be its strong legislative and regulatory affairs activities.

Never before has the pesticide industry been at the crossroads where we find ourselves today. A number of critical issues are converging. The outcome of how these issues resolve themselves will have a lasting impact on what direction the pesticide industry takes in the future.

Fees, pesticide use in schools, continuing efforts to shape EPA policy regarding the implementation of FQPA, and countless other issues rise before us as challenges that must be met. Now, more than ever, industry needs to take a proactive stance on these issues. Simply responding to the issue at hand is no longer good enough. Instead, members of the pesticide industry need to take a leadership role and head off potential crises before they develop.

CPDA and its member companies have strived to fill this leadership role. We at CPDA have dedicated ourselves to providing you with the best representation possible in Washington federal affairs. Your help and support in this regard has allowed us to fulfill this goal. CPDA has made much progress during the past year on issues impacting the generic formulator and distributor and manufacturers of inert ingredients. I would like to take this opportunity now to briefly sketch out some of the milestones of which we are most proud.

**CPDA Works to Defeat Tolerance Fee Proposal**

Clearly, one of the top priorities for CPDA over the past year has been the defeat of EPA's previously proposed tolerance fee rule. On July 24, 2000, EPA published in the *Federal Register* proposed revisions of that portion of its original June 9, 1999 draft initiative on tolerance fees pertaining to inerts. Unfortunately, many of the serious deficiencies contained in the June 9<sup>th</sup> proposed rulemaking were not addressed by EPA in its July 24, 2000 reproposal. Through an intensive lobbying effort on the Hill, however, CPDA was successful in gaining Congressional support for the inclusion of a rider in the FY 2001 VA, HUD & Independent Agencies appropriations bill that prohibited EPA from moving forward with final promulgation of its tolerance fee rule. The language calling for the prohibition of any new tolerance fees through September 30, 2001 was virtually identical to a provision, strongly supported by CPDA and other industry groups,

that was included in the VA, HUD and Independent Agencies appropriations bill for FY 2000. The provision included in the FY 2001 EPA appropriations measure was ultimately signed into law by President Clinton last October. I would like to take this opportunity to briefly summarize the legislative events leading up to the enactment of this proposal prohibiting EPA from imposing new tolerance fees on industry.

On Thursday, October 12, 2000, the United States Senate passed a managers amendment to H.R. 4635, the FY 2001 VA-HUD & Independent Agencies Appropriations bill, by a vote of 87 to 8. The Senate passed bill included an extension of the prohibition on tolerance fees through September 30, 2001. This language was adopted earlier by the House when it passed its version of the EPA funding bill on June 21, 2000. CPDA and allied trade associations strongly supported this language.

The package passed by the Senate on October 12th represented a compromise amendment that was worked out in agreement with Senator Christopher S. "Kit" Bond (R-MO), then Chairman of the Senate Appropriations Subcommittee on VA, HUD & Independent Agencies, Senator Barbara Mikulski, then Ranking Minority Member of the Subcommittee, Representative James T. Walsh (R-NY), Chairman of the House Appropriations Subcommittee on VA, HUD & Independent Agencies, and Representative Alan B. Mollohan (D-WV), Ranking Minority Member on the House Subcommittee.

Throughout the weeks culminating in Congressional passage of this legislation, a delegation of CPDA staff and member company representatives engaged in an intensive lobbying effort aimed at ensuring the inclusion of the House language in the Senate version of the VA-HUD & Independent Agencies appropriations bill. CPDA representatives participated in numerous visits with staff of the Republican members of the VA, HUD & Independent Agencies Appropriations Subcommittees in both the House and Senate. During these visits, CPDA representatives explained the many insurmountable legal and economic problems inherent in EPA's ill-conceived tolerance fee proposal. Among the issues addressed, CPDA representatives pointed out that the proposal as drafted by EPA did not provide a feasible mechanism to determine each company's fair share of fees. In essence, the Agency's proposal lacked safeguards that would protect against opportunistic companies from getting a "free ride."

CPDA representatives also questioned the soundness of the economic justification used by the Agency in proposing the new suggested fee structure. Association representatives maintained that EPA's economic analysis was deficient in many respects and did not support the substantially increased fee levels. In other discussions, CPDA representatives voiced their concern over the retroactive approach of EPA's fee proposal. Specifically, CPDA pointed out that in making the decision to seek Agency approval of an inert ingredient, companies relied upon business plans that were developed in accordance with the tolerance fees then in place. The business plans did not anticipate that the Agency would seek as much as a ten-fold increase in these fees as set forth in its draft proposal.

CPDA also launched a legislative grassroots campaign during which it mobilized a group of 29 allied chemical trade associations, farm organizations, commodity groups, and companies in signing on to a letter hand delivered to Representative James T. Walsh and Senator Christopher S. “Kit” Bond. The letter expressed strong support for the language in the House version of H.R. 4635 that would continue the prohibition on EPA’s use of public funds for the final promulgation of its tolerance fee rule. The signatories to the letter pointed out that if the tolerance fee proposal was implemented, hundreds of agricultural chemical products and inert ingredients would be lost for economic reasons alone. In particular, the loss of many inert ingredients would necessitate the reformulation of a number of agricultural chemicals with alternative inerts. Ultimately, the cost of reformulation would be passed along to farmers, ranchers, growers and other users of pesticide products, many of whom are already struggling with rising input costs.

In addition to these legislative efforts, CPDA addressed the tolerance fee issue from a regulatory approach and filed a set of comments with the Agency that elaborated on many of the concerns described above. CPDA also coordinated the compilation of a set of comments on the tolerance fee proposal submitted to EPA on September 15, 2000 on behalf of a broad cross-section of eleven trade associations representing the agricultural, grower, and registrant communities.

The efforts of CPDA, working in tandem with allied industry groups, were successful and resulted in the inclusion of the rider in the FY 2001 EPA appropriations package that was signed into law by former President Clinton last October.

### **CPDA Joins With Industry Coalition In Hammering Out Compromise on Fees**

While the rider contained in the EPA funding bill provided for a temporary one-year fix to the tolerance fee issue, we at CPDA believe that industry is close to finalizing a legislative proposal that would extend the prohibition on new tolerance fees for an additional five years through September 30, 2006. Over the last several weeks, CPDA and a group of allied industry associations including the American Crop Protection Association, the Consumer Specialty Products Association, the International Sanitary Supply Association, RISE, and the American Chemistry Council have been working together in an effort to hammer out a more comprehensive legislative package that, among its other provisions, addresses maintenance fees and extends the prohibition on new tolerance fees and the prohibition on registration fees – both of which are set to sunset on September 30, 2001 barring Congressional action.

The preliminary industry proposal calls for a five-year extension of maintenance fees through September 30, 2006 at an annual aggregate amount of \$20 million with no cost of living adjustment (COLA). The large and small business caps, as provided for in FIFRA, would increase but would not be subject to a COLA. Specifically, for small businesses, the maximum annual fee for companies holding not more than 50 registrations would increase from current levels of \$38,500 to a new level of \$46,000.

For small businesses holding more than 50 registrations, the maximum annual fee

would increase from current levels of \$66,500 to a new level of \$79,800. The large business cap would increase at different percentage rates, depending on the number of registrations held by the company. For example, companies with 50 or fewer registrations would see the caps increase 44.5% from current levels of \$55,000 to a new level of \$80,000. Companies with more than 50 registrations would see the cap increase 26.3% from current levels of \$66,500 to a new level of \$120,000.

The draft proposal calls for 1/7<sup>th</sup> of the total maintenance fees collected annually (\$2.868 million as compared to the current level of \$2 million) to be allocated for “fast track” or the expedited review of “me-too” submissions and label changes. The draft industry proposal also calls for the revision of the small business definition as presently contained in FIFRA to cover any company (including affiliates) with 500 or fewer employees and \$60 million or less in global pesticide sales. As currently written, FIFRA defines a small business as one that has 150 or fewer employees and \$40 million or less in chemical sales. The revised definition of a small business is one that CPDA advocated during its previous negotiations with other industry groups and EPA over a fee for service.

In other provisions, the current prohibition on registration fees would continue for the effective duration of the five-year industry proposal, translating into a total savings of \$125 million (i.e., in the absence of a prohibition on registration fees, EPA would be free to seek \$25 million per year in registration fees as called for in the FY 2002 Bush budget). As mentioned above, the industry coalition draft proposal would also extend for another five years the current restriction on the imposition of new tolerance fees. The continuation of the moratorium on new tolerance fees through September 30, 2006 is expected to save industry as much as \$171 million. By that time, EPA is scheduled to complete its tolerance reassessment of inerts. With the timing of EPA’s tolerance reassessment of inerts scheduled to fall within the duration of the 5-year prohibition on new tolerance fees as called for in industry’s proposal, inerts will no longer face the possibility of becoming subject to a prohibitive and potentially crippling tolerance fee.

The other components of the industry proposal call for an increase in the per product maintenance fee to a new level of \$2300 and the elimination of the current 50% discount for the first registered product. The elimination of the first product discount is expected to generate about \$2.3 million annually.

CPDA and other members of the industry coalition met with OPPTS Assistant Administrator Steve Johnson on Monday, July 9, 2001 at which time the specifics of the draft proposal were presented to EPA. The industry coalition has also met with House and Senate Agriculture Committee staff to outline the provisions of its fee proposal. Thus far, the reaction from the Hill and EPA has generally been positive.

Senate Democrats, EPA personnel, and environmental groups have indicated that in order for a fees package to be deemed acceptable, it must include \$20 million/annually in funding for the Agency’s pesticide program activities. The environmentalists are also seeking three appropriations add-on’s as follows: 1) \$5 million earmarked for the

registration of reduced risk pesticides; 2) \$1 million earmarked for EPA's worker protection/water risk database; and, 3) \$500,000 for funding of a National Academy of Sciences study on how EPA should utilize the data generated through its endocrine screening program. Industry's understanding is that these monies would be sought through the appropriations process and that there would not be any effort to seek accompanying authorizing language in FIFRA/FQPA which would likely meet with some opposition on the Hill, particularly within the House Committee on Agriculture.

CPDA's ongoing negotiations with industry coalition members, Congressional staff, and EPA personnel have been focused on structuring a compromise package that is fair and reasonable and will not place an undue burden on small business formulators and distributors. We at CPDA believe that the draft industry proposal represents such a package and contains several important provisions that will result in significant savings for the industry. First, as mentioned above, the proposal extends the prohibition on new tolerance fees for an additional five years, thus saving industry an estimated \$171 million. Second, it extends the prohibition on registration fees for five years, saving \$125 million. Third, it increases funding for expedited review or "fast track." Fourth, it expands the universe of companies that will qualify as a small business under FIFRA.

While we at CPDA steadfastly opposed the lifting of all caps, the industry group was unable to develop a consensus around an alternative initiative that would have satisfied the funding level sought by EPA by adding \$3.3 million to current tolerance fees (thus bringing the current tolerance fees collected to an aggregate amount of \$5.5 million per year).

CPDA and other members of the industry coalition are working toward the finalization of this package prior to September 30, 2001. Should a legislative package not be enacted by then, the current prohibition on registration fees and the current restriction on new tolerance fees will lift, thus opening the door to the imposition of \$76 million in fees on industry.

### **House Appropriations Committee Considers Pesticide Fee Issue**

In related developments on fees, at the time of this writing there was an effort reportedly underway in the House to include language in the FY 2002 VA, HUD and Independent Agencies appropriations bill to extend the current prohibition on new tolerance fees. It was not clear, however, whether the amendment being considered as part of the EPA funding bill provided for a temporary one year fix on tolerance fees or a longer term fix. Preliminary indications from the Hill suggest that the House Committee on Energy & Commerce, which has jurisdiction over tolerance fees, would not object to a one-year continuation of the prohibition on new tolerance fees as part of the EPA funding bill. However, Committee staff suggested that a rider providing for a long-term fix might be deemed controversial among some Energy & Commerce Democrats. The efforts to include a rider in the VA, HUD & Independent Agencies appropriations bill seeking a continuation of the current moratorium on new tolerance fees is viewed largely as a back-up plan in the event the industry proposed compromise package should stall in Congress

for any reason. At the time of this writing, the House Appropriations Committee was preparing to mark up the FY 2002 EPA funding measure.

We at CPDA will continue to work very closely on the pesticide fee issue and will keep our members apprized accordingly.

### **Pesticide Use In Schools**

Over the past year CPDA has expended considerable resources in a collaborative industry effort aimed at staving off legislation that would circumvent the EPA registration process and severely restrict or curtail the use of EPA approved and registered products in schools. The culmination of these efforts was a carefully crafted compromise aimed at improving pest management practices in public schools that was adopted by the United States Senate on Tuesday, June 19, 2001 as an amendment to H.R. 1, the Better Education for Students and Teachers Act.

Sponsored by Senator Robert Torricelli (D-NJ), the amendment (titled the “School Environment Protection Act of 2001”) establishes a first time precedent for the federal regulation of pesticide use in schools. The legislation requires that all states develop a School Pest Management Plan and submit it to the U.S. Environmental Protection Agency (EPA) for approval.

The bill also requires universal notification of parents three times per year (at the beginning of the school year, mid-year, and once for summer session). The amendment also establishes a registry for parents and school staff to sign up to receive 24 hour prior notification of a pesticide application. In its other provisions, the Torricelli amendment requires signs to be posted 24 hours before the pesticide application and to remain posted for 24 hours.

The compromise amendment represents a significant improvement over previous legislative proposals drafted by Senate Democrats that would have called upon EPA to develop a “least toxic” list of pesticides.

In addition, the compromise amendment contains a requirement that “each local educational agency shall use a certified applicator or a person authorized by the State agency to implement the school pest management plans.” The term “state agency” means an agency of a state that exercises primary jurisdiction over matters relating to pesticide regulation. While CPDA would have preferred the deletion of this provision, we nonetheless believe that the overall advantages of the compromise amendment (most notably the elimination of any requirement calling for the establishment of a “least toxics” list of pesticides) clearly outweigh its disadvantages.

We at CPDA applaud Senator Torricelli for his leadership in building consensus between environmental and industry groups on the amendment. “The School Environment Protection Act of 2001” will provide consistency among all fifty states in the establishment of responsible pest management programs that protect children from

dangerous and disease-carrying insects and pests. This important amendment strikes a balance between the right of parents to receive notification prior to the application of a pesticide in their child's school with the need to protect the public health of children from harmful pests through the appropriate use of effective and proven EPA registered pesticide products.

H.R.1 is expected to go to a House/Senate conference committee. While the Torricelli amendment enjoyed strong support in the Senate, there are indications that this language could run into some opposition in the House. Specifically, House Committee on Agriculture staff have expressed strong reservations over the Torricelli language maintaining that it amends FIFRA and, as such, falls under the jurisdiction of the Agriculture Committee. In essence, Congressional staff are concerned that this language has not been appropriately vetted in the House Agriculture Committee. These concerns could jeopardize the retention of the Torricelli language when the education bill is taken up in conference. (In late breaking developments, at the time of this writing, the Subcommittee on Department Operations, Oversight, Nutrition and Forestry of the House Committee on Agriculture had announced that it would hold a July 18, 2001 hearing on the school pesticide provisions included in the Senate amendment to H.R. 1).

Industry proponents of the School Environment Protection Act fear that its removal from the education measure could prompt Senate Democrats to offer less desirable pesticide language as an amendment to any one of the thirteen appropriations bills that will soon be considered in the Senate. Industry witnessed such efforts unfold in the Senate last year during consideration of several appropriations bills. Most notably, on June 13, 2000 the Senate adopted as part of the FY 2001 Department of Defense appropriations bill (H.R. 4576) an amendment sponsored by Senator Barbara Boxer (D-CA) by a roll call vote of 84-14. The Boxer amendment would have prohibited the use of funds for the preventative application of pesticides in Department of Defense areas frequented by children. Joining Senator Boxer in offering the amendment was Senator Harry Reid (D-NV). The restriction would have applied to such areas as parks, base housing, recreation centers, playgrounds, and daycare facilities owned or managed by the Department of Defense. The Boxer amendment would have prohibited the preventative application of a pesticide containing a known or probable carcinogen or a category I or II acute nerve toxin, or a pesticide classified as an organophosphate, carbamate, or organochlorine. CPDA and other members of an industry coalition were successful in removing the Boxer amendment from the FY 2001 DOD appropriations bill during conference.

There is also concern among industry groups that the elimination of the Torricelli language could be leveraged by some Senate Democrats as justification for blocking a compromise proposal on pesticide fees. With few legislative work days remaining between now and September 30, 2001 (the date upon which the current prohibition on registration fees and new tolerance fees lifts), the legislative climate surrounding pesticides could change dramatically at any time.

## **Public Health Pesticides**

CPDA has been working with a coalition of industry groups on draft legislative language that would revise the definition of a public health pesticide under FQPA. As drafted, this proposed language redefines the current definition of a public health pesticide to delete the limitation to minor use. Furthermore, it separates agricultural minor uses from public health pesticides by creating a two part definition -- one for agricultural products and one for public health. In addition, it seeks to ensure that only those public health pesticide products for which insufficient economic incentives exist for continued registration become eligible for fee waivers under FQPA. This economic hardship language would ensure that only those products which are truly deserving of a reduction in maintenance fees become eligible for relief. In its other provisions, the draft bill would move the establishment of a public health pesticide data collection program to the Food and Drug Administration within the Department of Health & Human Services (HHS).

We at CPDA are working with members of the House Committee on Agriculture and members of the Agriculture Subcommittee of the House Appropriations Committee in an effort to secure \$5 million in funding for the establishment of a public health pesticide data collection program within the Reese Technology Center at Texas Tech University in Lubbock, Texas. This program would be implemented under a cooperative agreement with the Secretary of HHS. To this end, CPDA has approached Representative Larry Combest (R-TX), Chairman of the House Committee on Agriculture, for his assistance in securing an amendment to the FY 2002 USDA appropriations bill.

In other activities, CPDA submitted comments to EPA last July in response to the Agency's draft PR Notice which identifies pests of significant public health importance for the purpose of regulation under FIFRA. CPDA believes that the public health pest list drafted by EPA is too narrowly constructed and does not include pests such as flies, fleas, ticks, bees, fire ants, and other insects. CPDA urged the Agency to withdraw this proposal and work with industry stakeholders to determine the focus and scope of such a list. CPDA further recommended that EPA propose criteria for qualifying for public health pesticide fee waivers, as well as conditions by which registrants might apply for federal funding support via the public health pesticide data collection program authorized by FQPA.

## **CPDA Submits Comments to EPA on Confidential Business Information (CBI)**

On June 13, 2001, CPDA submitted comments to EPA which addressed the Agency's Advance Notice of Proposed Rulemaking (ANPRM), published in the December 21, 2000 *Federal Register*, concerning potential changes to procedures for protecting confidential business information (CBI). Joining with CPDA in commenting on the EPA proposal was the International Sanitary Supply Association (ISSA). In its comments, CPDA raised concerns that the ANPRM was "excessively burdensome, extremely complex, and overly broad." CPDA maintained that the sweeping changes

sought by the Agency were not economically justified nor did they provide any significant benefit to health or the environment.

The EPA's CBI proposal was originally released in November of 1994. Six years later, the Agency withdrew the proposal citing the "complexity" of the issues inherent in its draft rule. However, the December 2000 *Federal Register* notice revisits many of the proposed changes originally sought by EPA in its November 1994 draft rule. Among these changes, the EPA proposal calls for the upfront substantiation of CBI claims setting forth the basis of business confidentiality at the time the information is first submitted to the Agency.

CPDA strongly opposes the upfront substantiation of CBI claims. In its comments, CPDA argued that EPA does not need to make a determination of a particular CBI claim until a Freedom of Information (FOIA) request is made for that information. EPA receives relatively few FOIA requests. Those FOIA requests that the Agency does receive are generally for a limited number and specific kind of product. CPDA contrasted the system now in place with the one that would be created if EPA's proposal were to be adopted as drafted. For example, under FIFRA alone, there are approximately 20,000 products containing up to 400,000 components which, in order to retain CBI protections pursuant to EPA's proposal, would have to undergo upfront substantiation of confidentiality claims. Small companies with numerous end-use products would be subject to a disproportionate paperwork burden under EPA's proposal. CPDA emphasized that the proposed upfront substantiation requirement would also create a "paperwork nightmare" for EPA given the fact that registrants will "surely defend their CBI information about their products and their trade secret components."

In its other comments, CPDA raised concerns that the EPA proposal could ultimately lead to a lesser degree of protection for submitted data and could thus adversely impact the development of new technologies and innovations. CPDA stated, "The EPA has an obligation to protect CBI and to foster innovation. This ANPRM improperly compromises the property rights of the business community, and will stall, even discourage, the creation of innovative products." CPDA further pointed out that the United States Congress has long recognized that the financial commitment and investment made by companies in developing new products must be protected to ensure continued innovation in the manufacturing sector and the economic growth that accompanies such innovation. "The EPA's proposal completely disregards Congress' recognition of the financial commitments that companies make," CPDA stated, "and could result in a dramatic increase in foreign intelligence gathering, which is already a major threat to small American businesses."

CPDA also questioned the applicability of the Agency's ANPRM to statutes other than FIFRA, particularly to the Toxic Substances Control Act (TSCA). CPDA stated, "Under Section 14(b) of TSCA, CBI protection is a right and not a privilege. For example, information provided to the EPA in support of premanufacture notification is newly generated data on a new chemical. Disclosure of chemical identity in the early

stages of production could destroy the competitive value of the product which, in turn, would make the company's creative resources an economic waste. In other words, disclosure of such information would result in horrendous and irreparable harm for the chemical manufacturer. Small companies rely on the right of CBI protection to survive economically.”

In its other comments, CPDA cautioned that the changes set forth in the ANPRM could discourage companies from participating in pilot projects that rely on the voluntary submission of data. CPDA emphasized that data submitters need to be assured that voluntary submissions containing CBI will not be released. In the absence of such assurances, a number of voluntary programs, launched in partnership between EPA and the industry, could be seriously compromised in relation to the amount of health and safety information derived from these initiatives. Ultimately, reduced participation in these voluntary programs may impede EPA's efforts to develop a comprehensive database of health and safety product information.

Finally, CPDA elaborated on the troubling aspects of the sunset provisions contained in the EPA's ANPRM that would allow a claim to sunset without notice to the company that submitted the data. CPDA explained that it is extremely difficult and costly for companies to track every submission of CBI to the Agency. Documents are often submitted several different times to several parts of the Agency in response to different requests. Occasionally, the same information is submitted to different program offices within the Agency under different statutes. If advance notification prior to sunseting is not given, vast amounts of CBI will be inadvertently released due to the fact that submitters will not be able to locate every place that information exists within EPA. CPDA emphasized that there is no basis for an arbitrary expiration date, which would impose additional burdens, without benefits, on companies to reassert CBI claims. CPDA continues to work with the EPA on the CBI issue.

### **CPDA Calls for Rejection of the EPA/NRDC Proposed Consent Decree and Settlement Agreement**

CPDA has urged the U.S. Court of the Northern District of California to reject the proposed January 19, 2001 EPA/NRDC consent decree that would establish a series of arbitrary deadlines for Agency action relating to the reassessment of pesticide tolerances and the reregistration of older pesticides. In addition, CPDA has called upon EPA to withdraw from the accompanying settlement agreement that sets a series of target “best effort” dates by which EPA agrees to complete validation of, and thereafter, start requiring, certain scientific tests in its program to screen chemicals for endocrine disrupting effects.

In a May 21, 2001 letter to EPA, CPDA cautioned that if EPA is forced by the Consent Decree to adhere to impractical and unrealistic deadlines, the “expedited” Agency process will not be based on the best information or new data generated on a data call-in. CPDA pointed out that by inflating risk and exposure, the Agency will jeopardize many minor use and public health products, leaving farmers, ranchers, and

consumers with more costly, less effective products that may be more damaging to beneficial insects. These products could lead to a lack of availability of crop protection products and disrupt the agricultural marketplace.

“EPA and the pesticide industry have worked countless hours to develop accepted protocols,” CPDA emphasized. “Each development though, has gone in a different direction from the others. Efforts are currently underway to resolve these differences, but these efforts are extremely time consuming. If the deadlines set by EPA-NRDC are to be met, approval of said test protocols and subsequent tests conducted under them will be impossible. This process would force EPA to establish default worst-case assumptions which would likely result in safe and efficient products being denied use by the grower.”

CPDA argued that the accelerated pesticide review schedules under the proposed Consent Decree would not allow product manufacturers sufficient time necessary to collect the scientific data in support of product registration or reregistration. “Hence,” CPDA warned, “it may allow EPA to bypass many of the procedural steps needed to ensure that decisions on pesticide tolerance assessments for end-use products as well as inerts and registrations are based on sound science, and input from all stakeholders involved.”

CPDA also noted that the Consent Decree negotiations were conducted in secret with absolutely no participation by the public or stakeholders. As such, there was no opportunity to provide meaningful input on the substance of the Consent Decree.

CPDA will continue to monitor this issue to ensure that FQPA/FIFRA decisions on registration, reregistration, and tolerance reassessment are based on sound science.

### **CPDA Continues to Advocate Important Benefits of Home, Lawn & Garden Products**

This past year saw renewed CPDA activity on issues pertaining to the use of home, lawn and garden pesticides. CPDA has established a subgroup of its Lawn, Garden and Turf Committee which has been working on a draft brochure or flyer that describes in general terms the many benefits associated with the use of these products. As presently envisioned, this flyer would be distributed to customers and consumers at point of sale (i.e., retailers, hardware stores, pesticide and seed distribution centers). The objective of this CPDA initiative is to enable the lawn, garden, and turf industry to counter negative public misperception and to more effectively communicate the benefits of these products, especially the public health benefits, to distributors, retailers, customers, and consumers. We at CPDA believe that this segment of the industry has an important message to tell and, as such, we are attempting to devise a method for spreading that message.

### **CPDA Adjuvant and Inerts Committee**

The CPDA Adjuvants & Inerts Committee (AIC) has been very active and is working on a full plate of issues. Progress continues on efforts to move inert products from List 3 to List 4. In addition, the AIC has been refining its proposal to reformat the 40 CFR Part 180.1001 list to include a broad range of acceptable chemistry for each product grouping on the list including the alcohol ethoxylates. EPA has indicated that a reformatting of the list into family clusters will allow the Agency to more readily address industry petitions and questions and will bring clarity to the inerts process particularly in relation to tolerance reassessment.

In other activities, the AIC continues to work with EPA on a potential data call-in (DCI) for List 2 inerts and is providing input on how petroleum hydrocarbons should be handled under a DCI. The AIC has also participated in several meetings with EPA over the past year during which it presented recommendations aimed at improving and streamlining the Agency's inert approval process. In other areas, AIC members are assembling a set of recommendations with regard to data compensation for inerts. Finally, the CPDA AIC has been working very closely with allied trade associations and EPA's Pesticide Program Dialogue Committee (PPDC) on the complex issue of inerts disclosure.

### **CPDA Finalizes National Voluntary Certification Program for Spray Adjuvant Products and Soil Conditioners**

The 2000-2001 fiscal year saw the finalization and implementation of CPDA's National Voluntary Certification Program for spray adjuvant products and soil conditioners that will help to ensure the integrity and quality of these substances and bolster user confidence. The development of a comprehensive set of voluntary standards for the labeling and manufacture of spray adjuvants and soil conditioners will benefit pesticide manufacturers, formulators, distributors, applicators, farmers, ranchers, and other users by improving product stewardship. We at CPDA believe that this national certification program will encourage innovation, improve design, reduce costs, enhance quality, stimulate productivity, and facilitate the marketability of these products. CPDA is pleased to announce that in the short few months since this program was launched, it has received a set of applications from Helena Chemical Company seeking to self certify that their products meet the standards developed by the Adjuvant and Inert Committee. Other companies are expected to follow shortly.

### **Other CPDA Activities and Initiatives**

The following is a brief synopsis of other issues with which CPDA has been very involved during the past year:

- CPDA continues to be an active member of the FQPA Implementation Working Group (IWG) and works in cooperation with other IWG members in support of the reasonable and fair implementation of FQPA based on sound science.

- CPDA is a strong advocate for the rescission of across-the-board pesticide labeling requirements that have been imposed on registrants through “voluntary” or non-binding guidance in the form of final and draft EPA PR notices (CPDA participated in a meeting with OPP Director Marcia Mulkey held last year during which industry representatives elaborated on how the sometimes conflicting labeling requirements set forth in PR Notices can lead to labeling inconsistencies and confusion within both the user and registrant communities).
- CPDA has taken the lead on e-commerce and, to this end, has formed a stakeholder group comprised of members of the registrant community, state pesticide regulatory officials, grower groups, and other interested parties, with the objective of providing meaningful input to EPA and the states on how the online sale of pesticide products can be tracked to ensure compliance with registration, licensing, and record-keeping requirements.
- During the CPDA “Day on the Hill,” held in conjunction with the 2001 Mid-Year Meeting, association representatives educated Hill staff about the importance of providing USDA’s Pesticide Data Program full funding for 2002. PDP data is statistically reliable data used by EPA in making FQPA registration and reregistration decisions. In the absence of PDP data, EPA would be forced to use theoretical assumptions of maximum residues and exposure which could lead to the cancellation of literally hundreds of pesticide uses, particularly low volume public health and agricultural minor uses.

### **CPDA Continues to be Industry Leader in Educational Meetings and Workshops**

In the area of meetings and conferences, CPDA continues to be the recognized industry leader in conducting informative “how-to” workshops that focus on specific regulatory topics. During the 2000-2001 fiscal year, CPDA held a series of regulatory workshops that addressed legal, labeling, and registration issues related to pesticides. In addition, CPDA hosted its FQPA/FIFRA Legislative Policy Workshop in February 2001 that provided attendees with a glimpse of what changes may be in store for pesticides during the 107<sup>th</sup> Congress. We at CPDA are in the process of putting together a full slate of workshops for the coming year that will cover various topics of interest to the industry. The CPDA staff encourages its membership to provide ideas on issues that would make for good workshops.

### **CPDA Staff News**

I would now like to turn my attention briefly to some housekeeping items. Many of you who have called or visited CPDA’s offices in Alexandria, Virginia recently have had the chance to talk to several new staff members who have come on board during the past year. I would like to take the opportunity to introduce these individuals to you.

The new CPDA Director of Regulatory Affairs is Eric Holland. He did his

undergraduate work at the University of Tennessee and obtained his law degree from Western New England College, School of Law. Eric, who formerly worked on the presidential campaign of Senator Bob Dole and handled government relations in the Washington, D.C. office of the Governor of Puerto Rico, is now devoting his time to pesticide issues, lawn and garden products, and adjuvants and inerts.

CPDA's new Director of Membership & Conventions is Warren Sallade. Many of you who attended the Mid-Year Meeting had the opportunity to meet Warren. In the short time he has been with us at CPDA, Warren has made a number of positive contributions in the area of conferences, workshops, and ensuring that the routine needs of the membership are met.

The new office administrative assistant is Flo Jorgensen. Flo, who has previous association experience, will be involved in a number of activities surrounding the day-to-day operation of CPDA's offices. She will also assist us in our efforts to totally revamp the CPDA web site so as to make it more useful and informative for our members.

In addition to these new staff members, I would like to recognize CPDA Director of Legislative Affairs Diane Schute who continues her involvement in the association's legislative affairs activities, PAC fundraising efforts, and makes frequent contributions to CPDA's communications program.

## **Conclusion**

Looking ahead, we face many challenges in the 107<sup>th</sup> Congress. The issue of pesticide fees has taken center stage at this juncture. The coming weeks are critical and could have a lasting impact on what course the pesticide industry embarks on. Now that the new Bush Administration is settling into office and the nominations appointment process is moving forward, we at CPDA see renewed opportunities to work with EPA under the Republican political leadership. It is our hope to revisit a number of regulatory issues in an effort to see whether improvements can be made to the current registration/reregistration process and to work in partnership with the Agency on the development of new and fresh ideas in seeking to achieve this goal. We at CPDA look forward to these challenges and we call upon our members to get involved and work with us on these as well as other initiatives. The CPDA staff and I thank you for allowing us to serve you this past year.