

April 19, 2021

Val Dolcini, Director  
California Department of Pesticide Regulation  
1001 I Street, P.O. Box 4015  
Sacramento, CA 95812-4015

**Re:** Comments on California Notice 2021-03: Proposed Fee Increase

Dear Mr. Dolcini:

On March 5, 2021, the Department of Pesticide Regulation (DPR) published California Notice 2021-03 reiterating its intent to increase pesticide registration fees and further announced details of the proposed plan to raise an additional \$4.8 million in annual revenue. The Household & Commercial Products Association (HCPA) appreciates the opportunity to provide comments in response to the proposed increases in fees to support product registrations and/or renewals.

HCPA is the premier trade association representing the interests of companies engaged in the manufacture, formulation, distribution and sale of more than \$180 billion annually in the U.S. of familiar and trusted consumer products that help household and institutional customers create cleaner and healthier environments. HCPA member companies employ hundreds of thousands of people globally. Products HCPA represents include disinfectants that kill germs in homes, hospitals and restaurants; air fresheners, room deodorizers, and candles that eliminate odors; pest management products for home, lawn and garden, and pets; cleaning products and polishes for use throughout the home and institutions; products used to protect and improve the performance and appearance of automobiles; aerosol products and a host of other products used every day.

California assesses the highest state pesticide registration and renewal fees in the nation, and this proposal seeks to further increase application and renewal fees from anywhere between 30 and 313 percent depending on the fee and proposed scenario. The proposed increase is

especially disconcerting as the Department is also proposing an additional increase to the mill assessment by as much as 114 percent depending on the signal word associated with the pesticide product in a Budget Change Proposal (BCP) that was introduced this year (3930-024-BCP-2021-GB; 8570-040-BCP-2021-GB). A simultaneous increase in the registration fees and mill assessment fees while California emerges from a global pandemic is not advisable. Together these proposals will impose significant costs to business operations in California and runs the risk of discouraging business investments in the state.

### **CalPEST Accountability**

HCPA appreciates the goal of devoting funds to the completion of CalPEST which represents an important step toward a modernized and paperless registration process. In October 2015, California increased registration and renewal fees by 53 percent to its current levels. During the public engagement process, HCPA (then known as the Consumer Specialty Products Association) submitted comments to DPR supporting the Pesticide Registration Data Management System (PRDMS) but also expressed concerns that the system would not be in place for three years.<sup>1</sup> HCPA acknowledges the measures outlined in the Budget Change Proposal (3930-002-BCP-2021-GB) which DPR has taken to reduce the likelihood of a prolonged CalPEST implementation. However we remain concerned about the degree to which a second round of increases in both application and renewal fees will ensure a completed electronic system. Registrants have made significant investments into the system since fees were increased in 2015, and HCPA respectfully requests further assurance these funds will be committed to the timely development of an electronic system, for example by establishing specific project benchmarks tied to the fee increase. We believe the resulting benefits of the investment will benefit both the state, the registrant, and consumers.

### **Transparent and Reliable Timelines**

HCPA does not oppose reasonable and justified pesticide registration fees that fund the cost of administering state registration programs and services that equally benefit all stakeholders (i.e. registrants, consumers, DPR). However, HCPA believes the fee investments should support a system that promotes reasonable registration schedules. In the same 2015 letter to DPR, HCPA respectfully requested “timelines for initial registrations, amendments, and notifications (similar to the US EPA PRIA fee structure).” As California Notice 2021-03 introduces additional proposed increases, HCPA continues to request the establishment of transparent and reliable registration timelines to create further efficiencies in registration processes. The establishment and communication of timelines would create a more predictable and efficient evaluation

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<sup>1</sup> Enclosure: March 9, 2015 Letter from The Consumer Specialty Products Association (CSPA) to DPR.

process. These timelines would be coupled with both a funding stream to DPR as well as a reliable process for bringing products to the California market.

Our members depend on a reliable registration process to ensure consumers have access to these products not only in the state but nationally as well. The state of ecommerce makes it very difficult for manufacturers to begin marketing without approval of all fifty states. Delays in California not only impact sales within California borders but are detrimental countrywide, resulting in postponed product rollouts or cancellations. For seasonal products the impact of delays can be catastrophic.

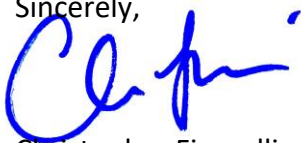
### **Proposed Registration Fee Scenarios**

The proposed fees under any scenario identified in California Notice 2021-03 would significantly increase the cost of business for the manufacturers of antimicrobials, which are used to protect against illness and disease, pet care products, which are used to protect our pets against fleas and ticks, lawn care products, which are used to protect against invasive species, insecticides used in and around the home to combat pests, and many other uses. An increase of any size would impact all Californians, while providing minimal assurance it would be coupled with any significant process improvements.

HCPA members will continue to expend resources to meet the needs of Californians during this pandemic as we all move into recovery. We remain focused on the goal to ensure that everyone, including Californians, have the pest control products they need for their homes and workplaces for the months and years to come.

Once again, HCPA appreciates the opportunity to comment on DPR's proposed pesticide registration fee schedule. If you have any questions about our comments, please do not hesitate to contact me at [cfinarelli@thehcpa.org](mailto:cfinarelli@thehcpa.org).

Sincerely,



Christopher Finarelli

Director, State Government Relations & Public Policy - Western Region