

December 2, 2022

Ms. Lisa Slimmer
Regulatory Analysis and Development
USDA APHIS Policy and Program Development
Station 3A-03.8
4700 River Road
Riverdale, MD 20737-1238

Docket number: APHIS-2021-0052

Dear Ms. Slimmer,

The Pet Food Institute (PFI) appreciates the opportunity to provide comments on the proposed rule regarding the U.S. Department of Agriculture Animal and Plant Health Inspection Service (APHIS) Process for Establishing Rates for Veterinary Services User Fees.

Established in 1958, PFI is the trade association and the voice of U.S. cat and dog food manufacturers. Our members account for the vast majority of the dog and cat food made in the United States, with more than \$50 billion in domestic annual dog and cat food sales and annual exports of more than \$2 billion. PFI membership also includes companies that supply ingredients, equipment and services to dog and cat food makers.

U.S. pet food exports have been growing at double digit rates for the last few years, with 2022 looking to be another strong year. With more importers looking to purchase safe and nutritious pet food from the United States, it is imperative that APHIS import and export services are fully funded to address the growing needs of our industry. APHIS needs adequate funds to provide timely, reliable, and consistent assistance to those companies that utilize the agency's import and export services. PFI is supportive of APHIS taking steps to adjust veterinary user fees rates to address the funding gap that has grown over the last decade.

While PFI supports this action by APHIS, we respectfully request that APHIS consider the following comments prior to finalizing the proposed rule.

1. **Provide service standards for the user fee activities listed in the annual fee notification.** Companies need to know an estimated time frame for APHIS completing the activities associated with the user fees. With the current staffing shortage, APHIS struggles to have consistent turnaround times for activities such as inspections and

2. facility export approvals. For example, APHIS needs to provide guidance to the companies on how long a facility approval should take so companies can plan their submissions to APHIS appropriately. This guidance should have an established process for changes or updates. Inconsistent or unpredictable service can result in financial losses for pet food companies due to loss of market access.
3. **Establish a cap on the amount a fee can increase each year.** While it is understood that the initial use of this new fee setting process will result in higher fees, subsequent annual increases should be more moderate. APHIS should set a cap of no more than a 10 percent increase each year. This will enable companies to budget appropriately for use of APHIS services, without any unexpected large fee increases.
4. **Provide an example of how the new formula will work.** APHIS should provide a couple of examples using the new formula. Those companies and individuals that will be impacted by this new fee setting process will gain a better understanding of the how the fees would be calculated.
5. **Clarify whether a rate is an hourly or a flat rate.** In section 130.4(a), it states that those services listed in paragraphs (a)(1) through (18) are covered hourly, “except those services covered by flat rate user fees, ...”. There is no indication of which in the list are covered by a flat rate. Can APHIS confirm whether paragraph (a)(15), which applies to pet food facilities, will be calculated at an hourly rate?

PFI appreciates the opportunity to comment on this much needed action to address the user fee issue at APHIS. We encourage APHIS to move swiftly to address the public comments and finalize the rule so APHIS can get the funding it needs to continue to support U.S. agricultural imports and exports.

Sincerely,



Dana Brooks
President and CEO