SUMMARY AND RESPONSE TO COMMENTS RECEIVED DURING THE 5-DAY COMMENT PERIOD

The Department of Pesticide Regulation (DPR) received three comment letters in response to its proposal to increase the registration fees. The comment letters were received from the Household & Commercial Products Association (HCPA), The TriCal Group, and Agricultural Council of California. DPR would like to thank registrants and stakeholders for participating in this process and providing feedback. Below is a summary of DPR's responses to comments regarding topics raised in these letters.

Comment #1: Transparency, Accountability, and Timeframes

DPR received comments around transparency, accountability, and registration timeframes from HCPA and The TriCal Group. Commenters urged DPR to use resources effectively to reduce timeframes, show measurable improvements, and meet statutory obligations.

Response: These comments are outside of the scope of the proposed emergency action; however, DPR understands the importance of predictable timeframes and has committed to continue working towards improving the timeliness and transparency of scientific evaluation and registration of pesticide products. Governor Newsom recently signed Assembly Bill (AB) 2113 (Stats. 2024, Ch. 60, Sec. 17) establishing registration timelines in statute to provide transparency and predictability (FAC section 12839). The law requires DPR, on and after July 1, 2027, to meet certain timelines to review and evaluate, and issue final decisions on applications to register new pesticide products and to amend existing pesticide product registrations to register new pesticide products and to agent existing times for applications to register new pesticide products and applications to applications to register new pesticide products and applications to amend existing pesticide products and applications to amend existing pesticide product registrations.

Also, to increase predictability in timeframes, DPR is launching the first phase of the California Pesticide Electronic Submission Tracking (CalPEST) system to streamline its registration processes on September 24, 2024. CalPEST will significantly modernize DPR's system by converting it from a paper-based to an electronic system that will allow for electronic submission and processing of registration documentation.

DPR is committed to improving transparency, accountability and timelines and notes that this will be a continuous process over several years. Over the next three years, DPR will use the positions authorized in the 2024 Budget Act to support various programs handling registration activities, modernize processes by implementing CalPEST, and meet registration timeframes established in FAC section 12839. Collectively, this work will improve consistency, predictability, and transparency of processing times, and overall enhancement of the pesticide registration program.

Comment #2: Definition and Scope of a Minor Change (Notifications)

DPR received a comment from HCPA regarding how DPR plans to define a "minor change" related to the amendment notification process and citing clarity concerns. The commenter

mentioned that the revised proposal introduces a new standard for what constitutes a notification, raising questions about the definition and scope of a minor change. Additionally, if DPR plans to revise <u>California Notice 2002-1</u>, they request that DPR allow stakeholders to have an opportunity to provide comments on the changes.

Response: In response to public comment, DPR has decided to not move forward through this rulemaking package with proposed subsection 6148.5(b) concerning amendments allowed by a notification of minor change. DPR will initiate a separate regulatory action to amend regulations regarding fees for amendments allowed by a notification of minor change as soon as possible. Until that time, the fee for all amendments, including notifications of minor changes, will be \$300, consistent with the proposal presented at the April 23, 2024 public webinar on the proposed changes to registration fees.

DPR has been reviewing its approach to amendments allowed by notifications of minor changes to continue to streamline registration processes and to better align with the U.S. Environmental Protection Agency's process for minor changes to registered pesticide products. DPR will solicit stakeholder feedback as part of this effort.

Comment #3: Timing and Cost of Fee Increase

DPR received comments around the timing and cost of the fee increase from HCPA, The TriCal Group, and Agricultural Council of California. Commenters expressed their concern that the increase in fees will negatively impact businesses and create more hardships for farmers.

Response: DPR values stakeholder feedback and notes the budgeting concerns raised by registrants. DPR identified the upcoming fee increase in the January 2024 budget change proposal as necessary to support positions added in the 2024 Budget Act to carry out the department's goals for the registration program and to expand the availability of safer pest management alternatives. DPR announced a webinar on registration fee increases to stakeholders in March 2024, convened the webinar on April 23, 2024, and provided a subsequent comment period on the proposed October 2024 registration fee increase. The webinar and comment period were conducted to provide interested parties advance notice of and information regarding the proposed registration fee increase, opportunity to comment on the proposal prior to the rulemaking, and plan for the proposed fee changes. DPR will be working towards a separate reduced fee for notifications of minor changes in a future rulemaking package. In addition, while DPR encourages registrants to submit their applications for renewal as soon as possible after receipt of DPR's renewal letter to ensure timely processing, California Code of Regulations, title 3, section 6217 provides for a one calendar month grace period to submit applications for renewal. As long as the renewal application is postmarked by January 31, 2025, the registrant incurs no late penalty.

DPR is not able to postpone the implementation of the fee increase. Currently, registration fees are not adequate to support the registration program, including the evaluation and registration of pesticides, registration-related administrative functions, and protection of human health and the environment in accordance with DPR's mission. The registration program must be self-supporting as required by California Food and Agricultural Code section 12812(c).

Consequently, DPR is raising registration and renewal fees to support the program's current needs and statutory and other mandates, the expanded availability of safer pest management alternatives, authorized positions required for program support, and other projected program cost increases. It is important to note that the emergency rulemaking process does not require a detailed economic analysis for economic impacts.

Comment #4: Funding from Mill Assessments

DPR received a comment from Agricultural Council of California regarding the increase in the mill assessment and suggesting that the funds collected from the mill assessment are designed to help fund programs focused on improving pesticide registration, transitioning to softer chemical compounds, and addressing DPR's structural deficit.

Response: This comment is outside of the scope of the proposed emergency action. Funds collected from the mill assessment do not support the registration program. FAC section 12812(c) requires the total registration fee revenue collected each fiscal year to be sufficient to support the expenditure levels for the registration program contained in the annual Budget Act. In other words, the pesticide registration program must be self-supporting and supported by the fee payers that receive direct benefits from DPR's pesticide registration program. Therefore, DPR is not able to use mill assessment to fund the registration program.

Comment #5: Engagement with Stakeholders

DPR received several comments regarding engaging with stakeholders from HCPA, The TriCal Group, and Agricultural Council of California. Commenters express interest in working with DPR on future fee changes and in other areas such as improvements in the registration process.

Response: These comments are outside of the scope of the proposed emergency action. However, DPR values input and collaboration with stakeholders and looks forward to that engagement, including during the registration process, the emergency rulemaking process, and continuous efforts of improving registration processes and timeframes.