

February 4, 2014

The Honorable Margaret A. Hamburg, M.D.
Commissioner
U.S. Food and Drug Administration
10903 New Hampshire Avenue
Silver Springs, MD 20993

The Honorable Sylvia Mathews Burwell
Director
Office of Management and Budget
Eisenhower Executive Office Building
Washington, DC 20503

Dear Commissioner Hamburg and Director Burwell:

The below signed organizations would like to thank you for your leadership in ensuring America's food supply remains the safest in the world. As you assist the President in preparing the administration's fiscal year (FY) 2015 budget request, we respectfully ask that you make securing adequate congressional funding for the U.S. Food and Drug Administration's (FDA) food safety activities one of your highest priorities rather than proposing any new food taxes or regulatory fees on consumers and food makers.

We applaud the fact that FDA's budget appropriations has grown from \$1 billion to over \$2.5 billion in the last seven years. We also appreciate that despite last year's sequester, FDA received from Congress an increase of \$96 million over the amount provided in FY 2013 and \$3 million above the agency's budget request. Of this, \$900 million was targeted to the food safety work of the Center for Food Safety and Applied Nutrition (CFSAN).

We believe if FDA requires additional funds in FY 2015 to support food inspection activities and implementation of the *Food Safety Modernization Act (FSMA)*, the agency should request such funding through the Congressional budget and appropriations process, rather than seeking authorization of new regulatory taxes as it has done in the past and Congress has repeatedly rejected.

The administration's proposed FY 2014 budget for FDA included a proposal to impose a food facility registration and inspection fee to fund agency activities related to FSMA. The agency projected it would collect \$59 million in FY 2014 from food and feed producers, makers and distributors if authorized by Congress. A food import fee was also proposed, with projected revenues of \$166 million in FY 2014. Congress rejected enacting both proposals.

FDA's budget proposals for FY 2013 and FY 2012 also recommended raising revenue from new facility registration fees to help fund the agency's food safety activities. Congress rejected those proposals. Congress also considered and rejected such food facility registration fees during the passage of FSMA in 2011.

Maintaining the safety of the foods we produce and sell is the highest priority of the food makers and retailers we represent and should be considered a top national priority. Federal food safety programs and inspections conducted by FDA benefit all American consumers and should be funded through appropriated funds.

As consumers continue to cope with a period of prolonged economic recovery and food makers and retailers struggle with fluctuating commodity prices, the creation of new food taxes or regulatory fees would mean higher costs for food makers lead

to higher retail food prices for struggling consumers. As such, we believe imposing new regulatory taxes on food makers is the wrong option for funding food safety programs.

As you develop a plan to finance food safety oversight for FY 2015, we urge you to request sufficient congressional funding to administer federal food safety programs under FDA's jurisdiction and oppose seeking revenue through taxes on food makers.

We stand ready to work with you and Congress to develop a plan that provides adequate funding to maintain the safest food supply in the world.

Thank you for your leadership and consideration of our views.

Sincerely,

Agribusiness Council of Indiana
American Bakers Association
American Dairy Products Institute
American Farm Bureau Federation
American Feed Industry Association
American Frozen Food Institute
American Meat Institute
Association of California Egg Farmers
California Grain and Feed Association
California League of Food Processors
Canned Food Alliance
Cheese Importers Association of
America
Food Marketing Institute
Frozen Potato Products Institute
Global Cold Chain Alliance
Grain and Feed Association of Illinois
Independent Bakers Association
Institute of Shortening and Edible Oils
International Association of
Refrigerated Warehouses
Juice Products Association
Midwest Food Processors Association
Minnesota Grain and Feed Association
National Association of Manufacturers
National Association of Margarine
Manufacturers
National Automatic Merchandising
Association

National Chicken Council
National Confectioners Association
National Fisheries Institute
National Frozen Pizza Institute
National Grain and Feed Association
National Grocers Association
National Pasta Association
National Renderers Association
National Turkey Federation
North American Meat Association
North American Millers' Association
Northwest Food Processors Association
Ohio AgriBusiness Association
Oklahoma Grain and Feed Association
Pacific Egg and Poultry Association
Pet Food Institute
Shelf-Stable Food Processors
Association
Snack Food Association
Texas Grain and Feed Association
The Association for Dressings &
Sauces
United Fresh Produce Association
USA Rice Federation
U.S. Chamber of Commerce
Vinegar Institute
West Coast Seafood Processors
Association
Wisconsin Agri-Business Association

cc: Members of the Senate Health, Education, Labor and Pensions Committee
Members of the House Energy and Commerce Committee