

AKC CHAIRMAN'S NOVEMBER REPORT - PAWS

New York, NY - Shortly after the introduction of the Pet Animal Welfare Statute of 2005 (PAWS), the majority of the members of the AKC(r) Board of Directors made a strategic decision that it was best to be on the inside working to improve the proposed legislation instead of being on the outside with no opportunity to provide positive input. Since then we have been seriously working with the sponsors of PAWS and are pleased with their response to our suggestions.

Our initial judgment to be involved was vindicated when Senator Rick Santorum (R-PA) stated his intention to amend the bill. I want to share some of those planned amendments with you as they affect breeders who register with AKC.

Any one of the following exemptions will exempt all breeders from this federal regulation:

1. Exempt all who breed six litters or less annually.
2. Exempt all who sell at retail 25 dogs or less annually.
3. Exempt all who breed or sell more than those thresholds if they are inspected by a non-profit organization that receives federal approval, such as AKC.
4. It will also explicitly exempt all shelter and rescue organizations and individuals who do not import for resale or operate for profit.
5. In addition, it eliminates any reference in PAWS to hunting and security dogs. Persons who sell hunting dogs will be treated exactly the same as persons who sell dogs as pets.

AKC has long required "Care and Conditions" inspections on all AKC Breeders who produce seven or more litters per year. The PAWS amendment does not affect those AKC Breeders. They will not be subject to federal inspection if they have received an AKC inspection.

Registering purebred dogs with AKC is purely voluntary. AKC inspects only those who register with us and does not charge any breeder for a kennel inspection. A fee is required only for re-inspection when kennels fail the initial inspection. We look forward to the day when all breeders conform to acceptable care and conditions.

As dog lovers, we are concerned about the welfare of all dogs produced by high-volume breeders, whether AKC or not. Additional provisions of PAWS will require care and conditions standards for imported dogs and dogs registered with for-profit registries that have no inspection programs. It will continue the Animal Welfare Act's (AWA) present practice of exercising oversight in the wholesale market.

As a result of the recent Senate subcommittee hearing, chaired by Senator Santorum, the Senator has promised a "discussion draft" of the pending legislation within the next few weeks. When this language becomes available we will share it with you. He assures us that he wishes to "make sure we get a good piece of legislation" and plans to work with the groups represented at the hearing to get it adopted.

The success of any legislation in Congress is uncertain, but we will continue to represent the needs and voice the concerns of our breeders in this legislative process. We are proud to continue to sit at the table as an equal, as we have since the introduction of this legislation, and strive to make a real difference that benefits our responsible breeders and the welfare of all dogs.

There has been much misinformation on PAWS disseminated. I hope the attached "Frequently Asked Questions" sheet will help you separate the fact from the fiction. Please do not hesitate to contact me if you have any questions.

Sincerely,
Ron Menaker
Chairman

PAWS Senate Subcommittee Hearing Frequently Asked Questions

HEARING UPDATE

Q: What is the status of the proposed Pet Animal Welfare Statute of 2005 (PAWS) bill?

A: The Senate Committee on Agriculture, Nutrition and Forestry's Subcommittee on Research, Nutrition and General Legislation heard testimony on PAWS on November 8, 2005. Senator Rick Santorum chaired the meeting.

Q: How was the AKC involved in the hearing?

A: The hearing included seven witnesses. AKC Chairman of the Board Ron Menaker represented and testified on behalf of the AKC at the hearing. You can view his remarks here: http://www.akc.org/canine_legislation/paws_menaker.cfm

Q: What are the additional provisions to PAWS as announced at the Senate Subcommittee hearing on November 8, 2005?

A: During the hearing Senator Santorum announced his intention to include an additional provision to exempt "retailers" who are in compliance with kennel inspection standards of not-for-profit organizations, such as the AKC, as certified by the Secretary of Agriculture. The kennel standards certified by the Secretary must be at least as effective to those required by the United States Department of Agriculture (USDA) under the Animal Welfare Act (AWA). Dealers will also have the option of a third-party compliance inspection.

Q: When will the proposed changes to PAWS be available?

A: At the subcommittee hearing, bill sponsor Senator Santorum stated his desire to release a discussion draft of the proposed legislation within the next few weeks, incorporating these changes. He further noted his commitment to working with a variety of animal interest groups, including the AKC, to ensure the development and adoption of positive legislation that all parties can support. The AKC will provide updates as soon as draft language is available and encourages purebred dog breeders to monitor our web site closely.

THRESHOLD NUMBERS

Q: Has the exemption based on the number of dogs bred and sold changed?

A: No. The exemption remains the same, although the wording has been clarified to confirm Senator Santorum's original intent as noted in his floor statement to Congress on July 25, 2005. Read his statement at:

http://www.akc.org/canine_legislation/paws_QA.cfm?page=2#40
http://www.akc.org/canine_legislation/paws_QA.cfm?page=2

Q: Why do we need PAWS?

A: The AKC believes PAWS to be positive legislation that will address many serious problems faced by the breeding community, from the recent surge in importation of puppies for resale, to the large numbers of puppies and dogs being sold over the Internet each year. (One need only

read Mr. John Hoffman's article in the August 26 issue of Dog News or refer to several witness testimonies from the recent Senate subcommittee hearing to appreciate the scope of these problems.) As the premier advocate for the health and welfare of dogs, AKC believes the legislation will give the US Department of Agriculture (USDA) the tools it needs to bring into compliance those high-volume breeders who currently evade licensing and inspection. Existing laws and regulations are woefully insufficient at addressing these very troubling problems. At the heart of AKC's efforts to support PAWS is our strong belief that the legislation is in the best interest of the health and welfare of all dogs. AKC has always been a leader in this respect, and as such strives to develop and support good legislation that protects and advances their humane care and treatment. Simply put, AKC believes this legislation is good for dogs, and that is why we are supporting it.

Q: What will PAWS do to protect fanciers?

A: The legislation actually strengthens protections for responsible hobby breeders by exempting them from federal regulation as a point of law. Currently, hobby breeders are exempt only due to USDA's classification of them as a "retail pet store" (regardless of whether they breed and sell dogs as pets or for hunting and security purposes). USDA has the discretion to change that classification at any time. However, if PAWS is enacted the exemption will be put into statute and will not be open to any agency interpretation. Furthermore, that statute could be changed only by a new Congressional enactment, something that is very difficult to accomplish. Protection for fanciers has also been secured through the recent addition of a third-party inspection exemption.

INSPECTIONS

Q: How will AKC's Care and Conditions policy enable it to become an approved third-party compliance inspector?

A: AKC's current "Care and Conditions" policy and inspections program meets the broad standards as called for in the Act. AKC's concerns cover the health, safety, and welfare of the dogs and the environment in which they are kept. Inspectors look to see whether dogs are in good health, have appropriate and clean shelter, and access to food and water. In addition, the inspectors collect DNA samples to verify the parentage of AKC-registrable litters through its DNA Compliance Audit Program. In this regard, AKC's program is at least as effective as, and even exceeds through its DNA program, the broad standards of the Act itself. Not-for-profit organizations certified to do inspections by the USDA will not be required by the new PAWS language to have the same standards as in the existing USDA regulations governing large wholesale breeding establishments, but merely standards that are "at least as effective" in meeting the broad requirements listed in the Act.

Q: Does this mean the AKC will be conducting inspections for the USDA?

A: No. The AKC will continue to independently enforce its well-established inspection program to ensure the integrity of its registry and the proper care and conditions of dogs. Retailers who can show proof of compliance with kennel inspection standards of not-for-profit organizations, such as AKC, as certified by the Secretary of Agriculture, will be exempt from USDA regulation.

Q: Does the third-party exemption mean that a representative from an animal rights organization will be able to forcibly inspect my home?

A: No. If an AKC registrant (regardless of how many litters he or she breeds) is inspected by AKC, that registrant may choose to have the AKC inspection replace a USDA inspection. This will apply to USDA-licensed dealers and will also establish an exemption for retailers so they will not be classified as a dealer. There is nothing that will force breeders to allow inspectors from an animal rights organization onto their premises.

Q: Will I have to build a commercial kennel if I am inspected by AKC?

A: No. Qualified breeders who voluntarily elect to be inspected by AKC will be subject to our own Care and Conditions policy. Furthermore, Senator Santorum has stated on multiple occasions that he has no desire to remove whelping boxes from kitchens or in any way target responsible breeders.

Q: What if a new Secretary of Agriculture decides not to permit AKC to be a third-party inspector? Will that make all AKC registrants who exceed the threshold numbers subject to USDA requirements?

A: The statute language does not permit the Secretary of Agriculture to do this. The language in the new version of the statute requires the Secretary of Agriculture to establish guidelines for inspection; it does not give authority to the Secretary to determine who the third-party inspectors are. This type of change would require a new statute.

Q: Is AKC receiving special treatment?

A: No. Any not-for-profit organization that establishes an inspection program, as certified by the Secretary of Agriculture, may also conduct inspections if they desire. It is completely up to the breeder to choose who they want to be inspected by. AKC's Inspection program has been mentioned in recognition of its effectiveness and because no other organization has invested the time, effort and resources to create such a program.

Q: Will AKC be obligated to share its registration information with the USDA?

A: No.

Q: I raise dogs for fun and a little profit. I do not consider myself a "retail pet store" like the pet stores that sell puppies in the local shopping mall. How will the revised PAWS help distinguish me from the pet shop?

A: It will distinguish you by virtue of the number threshold or by the fact that you have been inspected by AKC. PAWS will give specific hobby breeder exemptions that do not rely on the "retail pet store" definition. Today you are exempt from USDA dealer requirements only because you are considered a "retail pet store" as interpreted by the USDA. Current laws classify everyone who sells one or more dogs as a dealer except "retail pet stores."

Q: What if I have five litters, but sell 30 puppies in a year? Will this subject me to USDA inspection?

A: No. You are still below the six litters or less exemption, regardless of how many dogs you sold.

Q: I co-own several dogs with other people, some of whom may be over the threshold numbers. Will I also be subjected to inspections?

A: No. A co-owner who sells under the threshold will not be inspected. In fact, PAWS is not as restrictive as AKC's own standards in this matter. Under current AKC inspection criteria, co-owned dogs do count toward your numbers. This will not change. However, under the PAWS language, co-owned dogs do not count.

Q: Can I ask AKC to do my inspection in order to avoid a USDA inspection?

A: Yes. If an individual with AKC-registered dogs requests an inspection from AKC, we will honor that request. AKC will have to examine and possibly establish new policy to determine who we will inspect going forward.

Q: Will AKC charge me a fee for asking to be inspected? What if I fail an AKC inspection?

A: No. If your dogs are registered with the AKC, we do not charge for the initial inspection. We do charge a fee only if you fail the inspection and must be re-inspected.

Q: Where can I find AKC's inspection requirements?

A: On the AKC's web site at www.akc.org

Q: Is AKC going to hire more inspectors?

A: AKC will hire as many inspectors as necessary in order to meet our responsibility and keep our current standards of inspecting all AKC kennels that exceed our threshold of more than seven litters produced annually. PAWS will not increase AKC's inspection burden because the PAWS criteria is less stringent than the criteria AKC already uses. Those individuals who will be brought under inspection by PAWS are already inspected by AKC if they are AKC registrants.

Q: What if this program ends up costing AKC a significant amount of money because of the need to hire, train, and cover the expenses of its inspectors? Will AKC drop its involvement? Raise its fees?

A: AKC will not drop its involvement. We will continue the rigorous inspection requirements that it has under our current policies. AKC already inspects all its registrants who will be required to be inspected under PAWS. AKC is not being mandated by the PAWS statute to inspect anyone. We have had our own strict standards for many years because AKC is concerned with the well-being of dogs.

Q: How will the USDA know that I have exceeded the threshold numbers of more than six litters bred and more than 25 dogs sold?

A: Currently, the USDA relies on voluntary compliance with their licensing requirements. One possible way the USDA might know if you exceed the threshold is if your name appeared as a wholesaler on a source record for a retail pet store or if someone filed a complaint against you with the USDA.

Q: How will the USDA know that I have already been inspected by AKC before they come knocking at my door?

A: They would not know if you have been inspected by the AKC. If a USDA inspector knocks on your door, you may show them the proof of inspection certificate from the AKC.

Q: I exceed the threshold numbers one year, but not the next? Will I still be subjected to inspection?

A: For AKC, yes, because you will be in our databases; for the USDA, no, because you are only subjected to an inspection in the year that you exceed the threshold.

Q: Is an AKC inspection only good for one year?

A: It is good until re-inspection, whether that be within the period for re-inspection after a failure or within the 18-month cycle currently used for AKC inspections.

Q: Is AKC doing this in order to make a profit?

A: No. We do not charge for initial inspections of those who register their more than seven litters annually. AKC charges for inspections only after a failed inspection with major deficiencies.

Q: I raise a breed of dog that is not recognized by AKC with either full status or its Foundation Stock Service Program. Will AKC be able to help me avoid USDA requirements?

A: Current AKC inspection policy does not cover AKC's FSS breeds. This is an issue the AKC Board will need to review and address.

RESCUE

Q: Will the new PAWS provisions address rescue groups' concerns with the bill?

A: Senator Santorum also announced at the subcommittee hearing his intention to include an explicit exemption for animal shelters, rescue organizations or individuals as long as they do not import dogs for resale or operate for profit.

Q: What will happen to my rescue organization that does make more money from the placement of dogs than it spends on rescuing and caring for them?

A: Shelter and rescue organizations that are classified as having C3 or C4 tax status are truly not-for-profit businesses and will be exempt under the statute. If the organization is truly a for-profit business, they would have to continue to do what they must do today. Shelters and rescues that do not have to have tax-exempt status still will qualify for the exemption under PAWS as long as they do not make a profit at the end of the day.

IMPORTS

Q: If I import a dog and then later sell it for whatever reason, will that make me subject to a USDA inspection?

A: No, unless you sell 25 or more dogs that year which were bred or raised on your own premises and sell an additional 25 more a year that you did not breed or raise on your premises.

Q: If I sell that imported dog and transfer the ownership, will AKC have to advise USDA that I sold an imported dog?

A: No. AKC is not a reporting agency to the USDA.

HUNTING and SECURITY DOGS

Q: How will the new PAWS provisions impact sportsmen?

A: Witness testimonies and comments from Senator Santorum at the hearing provide clear evidence that there is no intent for this legislation to target responsible breeders of hunting dogs. However, sportsmen will be pleased to know that the third-party inspection exemption noted above will apply to any "retailer," including breeders of hunting dogs, who is in compliance with kennel inspection standards of not-for-profit organizations, such as the AKC, as certified by the Secretary of Agriculture.

Q: I own a hunting breed, which I train and hunt with. Will I be affected?

A: No. The PAWS statute treats people who sell dogs for hunting, breeding and security the same way as it treats people who breed pets. The individual would require inspection for the same reasons that a person who breeds pets would; if they sell at wholesale or if they meet the numbers threshold in the statute.

Q: I raise and train German Shepherds to sell as guard dogs? How am I affected?

A: The same way as the person who breeds pets is effected. You must be inspected if you sell at wholesale or meet the numbers threshold of PAWS.