

commentletters

From: Allison Mackenzie <amackenzie@babcocklabs.com>
Sent: Wednesday, November 25, 2015 10:57 AM
To: commentletters
Subject: 12/1/15 Board Meeting Item 7



Date: November 25, 2015

To: Chairperson, Felicia Marcus, and members of the California State Water Resources Control Board

Subject: Dec. 1 Agenda Item 7 of the CA SWRCB Meeting to Consider Increasing ELAP Fee Schedules

Thank you for the opportunity to provide comments on the proposed resolution to increase ELAP fees. As a private laboratory operating in the state of California since 1906, Babcock Laboratories, Inc. and our 73 employee owners are deeply concerned with all aspects of laboratory accreditation in the Golden State. Babcock Labs provides water, wastewater, and hazardous waste testing on thousands of samples for hundreds of clients each year. We are proud of the important contribution our employees make in the protection of the public health and the environment in California.

Equity & Fairness in Fees

Babcock Labs understands very well the economic impacts of increasing labor and benefits costs. To remain in business for over 100 years has taken a constant focus on technology, efficiency, and improvement. This has been particularly challenging over the last 20 years when the prices that can be charged for lab services have actually decreased while all other operating costs have risen. We can therefore appreciate the arguments in support of a fee increase.

Unfortunately, as proposed, the across the board increase is neither equitable nor fair and places an undue burden on the commercial sector and small California companies.

57.84% fails to reflect the true cost to an independent laboratory like Babcock Labs. We will realize a total fee increase of far more. Our Lab Accreditation cost increase will exceed 200%. Under the proposed increase our CA ELAP fees will grow from \$8,303 to \$13,105, but because California cannot currently provide us with credible, widely-recognized laboratory certification, we must also pay \$12,453 (plus auditor travel expenses) to the Oregon ELAP for accreditation to the National Laboratory Accreditation Program (NELAP) Standard. **Under the across the board fees increase, our fee costs will actually triple.**

We urge the Water Board to consider the more equitable and reasonable approach of a significant increase in the base fee and a more modest increase in the fees for FOTs. As has been noted by ELAP staff and the Expert Review Panel, the majority of the operating budget is consumed by administrative overhead rather than laboratory audits and review of FOTs. **Increasing the base fees spreads the burden of the program fairly between all laboratories, large and small, public and private.**

Fees Consistent with Expert Review Panel Recommendations

It remains troubling that the California fee increase is several years ahead of any substantive improvement in the CA Lab Accreditation Program. In the Expert Review Panel Report two important recommendations were 1) recognition of 3rd party accreditation and 2) collection of licensing fees to offer laboratories a reasonable credit. **Babcock Labs agrees with the Panel's report and notes that these findings also support the need to raise the base fees rather than the FOT fees.**

In conclusion, Babcock Laboratories strongly encourages the State Water Resources Control Board to reconsider the proposed increase. **We recognize the need for a fee increase and therefore ask that the Board significantly increase**

the base fee and modestly increase the FOT fees to reflect a fee structure that is equitable, fair, and consistent with the recommendations of the Expert Review Panel.

As a small commercial laboratory that has contributed greatly to the state of California's economy, public health, and environmental protection for the past century, Babcock Labs appreciates the opportunity to comment and looks forward to a favorable decision for all laboratories involved in the CA ELAP program.

Sincerely,

Allison Mackenzie | Chief Executive Officer

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