

Written Testimony Presented to the Agriculture Committee of the Michigan House of Representatives
on
HB 4849

January 24, 2024

Zoetis

Good morning, Chairwoman Reggie Miller and committee members. Zoetis was unable to testify this morning due to short notice and research obligations. Zoetis, however, did want to submit written testimony on HB 4849. Zoetis is opposed to HB 4849. Not only is the bill unnecessarily duplicative of and contradicts federal law, but if enacted, the bill will have dramatic impacts on Michigan's economy.

Zoetis Background

As the world's leading animal health company, Zoetis is driven by a singular purpose: to nurture our world and humankind by advancing care for animals. After innovating ways to predict, prevent, detect, and treat animal illness for more than 70 years, Zoetis continues to stand by those raising and caring for animals worldwide – from veterinarians and pet owners to livestock farmers and ranchers. The company's leading portfolio and pipeline of medicines, vaccines, diagnostics, and technologies make a difference in over 100 countries. A Fortune 500 company, Zoetis generated revenue of \$8.1 billion in 2022 with approximately 13,800 employees.

For several years, Zoetis has had a large footprint in Kalamazoo, Michigan. We currently have four major facilities in Kalamazoo and have a strong history of supporting local organizations in and around the city. In the past four years, Zoetis has contributed over \$400,000 to local community organizations including: Michigan After School Association, Big Brothers Big Sisters, KC Ready 4's, 4-H and Girl Scouts Horse Camp. Below are other key points about Zoetis' presence in Michigan:

- Zoetis employs **1,500+ colleagues in the state** – 99% in Kalamazoo County.
- ~800 colleagues are based in our research and development (R&D) facilities and ~700 colleagues in our manufacturing facilities. 300+ contract workers, representing a wide range of activities, also work at the four facilities.
- **+\$150 million in wages/salaries**, including bonuses, generated in Kalamazoo County. The average colleague annual base pay is \$95k.
- **Recently invested ~\$400 million in our Michigan sites**, including upgrades to our lab and office spaces and animal care facilities, to support our colleagues and their innovative work.
- Zoetis employs over 75 veterinarians across the country. Sixty-five of them reside in Michigan.
- Zoetis invests in a top-notch Intern Program each year **to retain talent in Michigan**.

Zoetis, as the world's leader in animal health care ensures that all our work with animals within Zoetis facilities or performed by our external partners is conducted with the highest standards of animal care and welfare. While **compliance with the 164-page requirements for care of animals detailed in the Federal Animal Welfare Act ("AWA")** is a priority, in many ways, Zoetis views these as minimum standards. Zoetis is committed to the gold standard of animal care as evidenced by our **voluntary accreditation with AAALAC** at all our U.S. sites with a goal of accreditation at all our global sites for which we are nearing the realization of this goal.

Zoetis is dedicated to helping animals live longer, healthier lives through the discovery and development of breakthrough medicines and therapies. Animal-based research in the pharmaceutical industry remains critical in the discovery, evaluation and regulatory processes that lead to the development of products designed to save or improve animal lives throughout the world. We remain **fully committed to the development and use of scientifically validated alternative testing** methods deemed acceptable to regulatory authorities and that do not compromise patient or user safety or the effectiveness of our medicines.

Oversight for all animal care and welfare programs begins with the Quality and Innovation Committee of our Board of Directors, with Executive Team members reporting at least quarterly to the Committee. Our policy is set by our Animal Welfare Board, comprised of Zoetis colleagues, and our Animal Care and Ethics Council ensures that the policy is implemented at all our sites that use animals. This policy is overseen by our Executive Team and applies to all colleagues, contractors and third-party affiliates who undertake any activity on behalf of Zoetis that involves animals. Zoetis conducts monitoring of animal welfare programs, both at onsite locations and with external partners around the globe. Regular welfare audits are conducted by individuals experienced in animal welfare regulations, auditing practices and sound professional judgment. The goal is to ensure compliance with local animal care and welfare standards and Zoetis policies. Site audits are conducted at least annually, and external third-party sites are audited based on the outcome of our third-party risk assessments.

As we further our commitment to animal welfare, our global animal welfare compliance function includes a Board-certified veterinary behaviorist to design our behavioral wellness programs which includes enrichment, enhanced animal housing and training of the individuals that work with the animals.

The guiding principles of the internationally established 3Rs underpin the humane use of animals in scientific research and testing. For as long as it remains necessary to use animals in the discovery, development and evaluation of new veterinary medicines and therapies, we embrace the principles known as the 3R's of animal research. The 3Rs include replacing animals with alternative methods whenever possible, reducing the number of animals required and refining studies to ensure humane conditions. To implement the 3Rs effort, Zoetis has an internal program called Transition Away from Animal Testing (TAFAT) where colleagues are committed to developing and validating in vitro tests as alternatives to traditional in vivo tests required by regulatory agencies for product release. We have targeted the reduction of the use of animals in product release testing as a vital aspect of adhering to the principles of the 3R's. In 2022, the TAFAT program has successfully gained regulatory approval for non-animal release tests for one of our Leptospirosis vaccines for dogs and our Rabies vaccines in the EU which will replace the use of animals for routine release testing, as well as progressed other tests in

development. Zoetis now also takes an “in vitro first” approach to potency test development for new vaccines.

The use of animals in research is a privilege, but it is also a regulatory requirement. We cannot deliver on our commitment to nurture the world and humankind by advancing care for animals without successful registration of the innovative solutions our scientists bring to the world. That innovation cannot have the global impact it was developed for without registration by the Federal Government and that registration process requires the use of animals. Because this is the reality, Zoetis invests in the best possible talent for the implementation and operation of our animal facilities and global animal welfare oversight programs. In addition to a global behavioral wellness function led by one of the few Veterinary Behaviorists in the United States, Zoetis employs Board Certified Veterinarians with the American College of Laboratory Animal Medicine to provide exceptional animal care and research use oversight to all our global sites. Zoetis Laboratory Animal Medicine Veterinarians are recognized global experts having published, contributed to American Veterinary Medical Association policy and guidance, and serving as consultants for AAALAC and members of AAALAC Council. It is this group of passionate and dedicated veterinarians that have the final say on all decisions that impact the experiences of our animals.

Zoetis Opposes HB 4849 as Unnecessarily Duplicative of and Contradictory to Federal Law

HB 4849 would permit the Michigan Department of Agriculture & Rural Development (MDARD) to inspect research facilities that use dogs or cats for experimental purposes. The auditing under HB 4849 is unnecessarily duplicative of federal law. Annually, Zoetis is audited by the USDA (on a surprise basis), is audited by AALAC to retain its voluntary accreditation, and is audited by itself both under its internal audit procedures and its mock-AALAC audit preparation. Another inspection will not increase animal care, but instead will **increase costs to the taxpayer** for additional inspection personnel, training and travel and **increase costs to Michigan businesses** to support these additional audits.

Additionally, research facilities in Michigan would not be able to use a dog or cat for experimental purposes “in a manner that causes pain or distress to the dog or cat.” This aspect of HB 4849 is vague and contradictory to federal law. Any procedure, including routine medical care, could be described as causing “pain or distress”. In fact, HB 4849 considers an animal to automatically be categorized as in “pain or distress” if the animal is administered “an experimental agent or drug”. Meaning, that this bill will not provide more protections for research animals (as the Animal Welfare Act strictly governs pain and distress in animals), but instead will result in the near (if not complete) prohibition of the use of dogs or cats in research. **And that prohibition would prevent the animal studies legally required to develop health care solutions for animals; and would significantly impact the economy with the necessary withdrawal of this work from Michigan.**

Moreover, this bill provides a blank page for an administrative agency to prohibit research with any animal, as it permits the agency to “establish standards pertaining to the use of animals, other than dogs and cats, for experimental purposes”. **These standards could eliminate all animal testing while avoiding the legislative process completely.**

Zoetis