

**From:** [Powers, Barb](#)  
**To:** [Stockwell, Hope](#)  
**Subject:** RE: Montana Veterinary Diagnostic Lab study  
**Date:** Tuesday, June 08, 2010 3:36:01 PM

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Dear Hope

Bill is correct, private labs in general do not do large animal testing as there is no profit in it. I know of no private labs that do any significant large animal work. An exception might be some private labs doing large volume of BVD testing, but the only way they will do this is if they are connected to large feedlots or dairies, or vaccine companies or the company that makes the test kits and can make a profit with very large volumes. This is never stable in large animal work however, when cattle prices fall this will decrease submissions, so it is not profitable and not sustainable. Here we either break even or take a loss on large animal testing, therefore many labs will charge an out-of state fee for submissions out of state (see California and Texas for example) so as to discourage out of state large animal submissions. We will not subsidize out of state large animal testing either, they pay full cost and so may not submit as it gets too expensive.

The government (USDA) will subsidize regulatory testing like Brucellosis, Tuberculosis, etc but the government will NOT delegate this type of work to private labs, only AAVLD accredited labs. I am also unaware of FDA working with private labs (your lab has a large FDA program in milk/dairy products). And you have a large Brucellosis program there that could NOT be sent to private labs.

There is also a large public health component that is very difficult to regulate in private labs, state government labs are much more reliable to collect and transmit data to the appropriate public health officials.

Then there is the whole accreditation issue and conflict of interest issues with private labs, state/university labs are viewed to be more unbiased and free of any conflicts.

Any attempts to privatize testing of large animal work in your state would be a huge disservice to the cattlemen of Montana, they could not afford it, services would be reduced and the health of your cattle would be in jeopardy. Your state being on the border with Canada could also affect trade, not to mention the need to be vigilant of introducing any foreign animal diseases. Have you noticed the Foot and Mouth Disease outbreak in Japan/Korea ?

barb

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**From:** Stockwell, Hope [mailto:HStockwell@mt.gov]  
**Sent:** Tuesday, June 08, 2010 2:56 PM  
**To:** Powers, Barb  
**Subject:** Montana Veterinary Diagnostic Lab study

Hi, Dr. Powers-

I continue working on the legislative study of Montana's Veterinary Diagnostic Lab. As the legislative oversight committee considers the options, some lawmakers have asked whether the testing services could be outsourced

or privatized, instead of having a state-run lab in Montana.

Dr. Bill Layton has testified to the committee that most private labs deal in small animal health and that most large animal testing is conducted by state/government labs. Are you aware of any private labs that conduct the type of large animal testing services as those provided by our VDL? If possible, I'd like to make a comparison of the testing services private labs offer, the fees, the time it takes to get results, etc.

I appreciate your time. Thanks for any suggestions you may have.

Best,

Hope

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