



Donna Maria Coles Johnson
Founder & CEO
6121 Pumpnickel Lane
Monroe, NC 28110

Tel 704-291-7280
www.IndieBeautyNetwork.com
IndieBusiness@gmail.com

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Via Facsimile - 202-225-1919

The Honorable Joseph Pitts
House Energy and Commerce Committee
Chair, Subcommittee on Health
2125 Rayburn House Office Building,
Washington, DC 20515

Re: Testimony of Indie Beauty Network: "Examining the State of Cosmetics" Hearing

Representative Pitts,

On behalf of the Indie Beauty Network (IBN), a trade organization serving small and independent soap and cosmetics manufacturers, I hereby submit this testimony to be considered as part of the record of the hearing on the **Examining The State of Cosmetics** on March 27, 2012. IBN maintains a dues paying membership of 844 "micro-businesses," and a larger community of thousands of retailers, consultants, and packaging and supply companies.

IBN has served the "micro-cosmetics" industry since 2000. The core of our mission is to educate members about cosmetics laws and regulations in furtherance of their goal to make and sell safe cosmetics. Our members are niche manufacturers who are not "creating" ingredients, but instead are using standard, mostly food grade ingredients, to make handmade cosmetics in small batches.

Prior to the mid-1990's almost all cosmetics manufacturers were nationally known brand names. Today, Americans, and women in particular, are successfully pursuing their dreams of small business ownership in the midst of the most challenging economy we have seen in decades. Against the odds, they are responding to the lack traditional jobs by creating their own job. They are doing something they enjoy, and are providing consumers with safe alternatives to mass market cosmetics brands.

While micro-businesses operate in the same industry as their multi-million dollar counterparts, and are bound by the same laws, there are unique distinctions between them. IBN requests that you take these important differences into account as you examine the state of cosmetics.

1. **Micro-cosmetics companies manufacture in very small batches.** They frequently customize products for individual orders. For example, they may make a batch of 50 lip balm to celebrate a baby shower. They also tend to change ingredients (and therefore, product labels) more frequently than larger companies as they respond to customer requests. Manufacturing in small quantities like this leaves a

very slim profit margin, which can dissipate quickly if they must comply with paperwork, fees, and/or filings that do not affect their ability produce safe cosmetics.

2. **Micro-cosmetics companies use ingredients that are generally regarded as safe.** They are not in the business of creating, inventing or patenting ingredients. Instead, they use components like cocoa butter, olive oil, sugar, and essential oils, and also, preservatives that are proven effective and safe for use in cosmetics.
3. **Micro-cosmetics companies should not be expected to comply with a patchwork quilt of laws and regulations.** As recognized in the Committee's Background Memo, some states have recently introduced and/or passed cosmetics laws, and they sometimes differ from federal law. If states can pass laws that potentially disrupt the interstate flow of cosmetics, it will become increasingly harder for micro-businesses to focus on safety issues and plan for future growth. Tiny "Main Street" companies that produce a proportionately small number of cosmetics annually cannot and should not be expected to comply with 51 laws in order to remain in business.
4. **Any new legislation should take into account the unique experiences of our nation's smallest industry participants by exempting them from unnecessary requirements that do not have a corresponding public safety benefit.** Whether it's an annual fee, a registration requirement, or a filing requirement of any kind, new legislation should recognize and account for the fact that there may be some instances where requiring a tiny company to comply with a one-size-fits-all requirement that does not impact safety would be neither fair nor necessary. IBN asks that the Committee be mindful of these differences, and that any new law give the regulator the discretion to exempt or otherwise modify some requirements to account for micro-businesses.

The growth of the cosmetics industry in recent years has been exciting and vibrant. Consumers enjoy having a vast array of choices. These choices are made possible in large part because of the tenacity and innovative spirit of small, really "micro" business owners, mostly women, who are bootstrapping their companies in cities and towns across this nation. Crushing them under a wave of burdensome paperwork and compliance requirements that do not bolster safety would unnecessarily stifle their growth and put many of them out of business completely.

As you consider legislation to update the nation's cosmetics laws, we respectfully request that you create a framework that ensures safety while also preserving a level playing field for all market participants.

IBN and its members stand prepared to work with Congress, the FDA and the industry as a whole to achieve our shared goal of producing and enjoying safe cosmetics. Thank you for the opportunity to submit this testimony.

Very truly yours,



Donna Maria Coles Johnson
President