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FROM: Connie Vanacore, Delegate, Irish Setter Club of America

This long message in response to the reaction of many people to the "Petland Project."

Background: AKC has been registering puppies from pet shops and commercial breeders for over 50 years. Until the last 10 years AKC had registered 91% of the puppy market. When AKC began to put into place care and conditions, DNA identification and the Frequently Used Sires programs those commercial breeders who would not comply left AKC. At that point our registrations began to decline at about 6% per year. Today only 54% of total registrations come to AKC.

In 1992 AKC registered 1.5 million dogs. In 2005 the number had dropped to 950,000. In 2006 the decline has continued at the same rate. Overall to date AKC

has lost more than 550,000 registrations, 27% of which come from pet shops today.

This has resulted in a huge loss of income for AKC. An in depth market study showed that the majority of registrations are being siphoned off to the 23

other registries which have sprouted up to accommodate the breeders who have left AKC. They have done this by pirating AKC blue slips and changing them to other registries.

Solutions: AKC has embarked on a concerted effort to recoup some of the losses sustained by this flight from the registry. The fact is that registration revenue is essential to AKC's survival for several reasons.

It permits AKC to support the services demanded by the purebred dog fancy. These include, in addition to registration, the legislative department, inspections and investigations, judges, breeders and parent club seminars, publications, delegate meetings and committees, the web site and its services, all AKC

events (which last year cost \$10 million), the AKC Museum of the Dog, AKC CAR, including disaster relief, the AKC Canine Health Foundation (\$1.5 million).

AKC management knows that unless it raises registrations to 1 million dogs per year the following will occur: AKC will have its credit line with the Affinity card, which is now \$4 million, significantly reduced. AKC and its affiliates may lose sponsorship for its events, including Eukanuba, Iams and Purina. All the clubs which now depend upon commercial sponsorship will be in jeopardy, including AKC Canine Health Foundation. Advertising revenue in the Gazette

and Family Dog will decline. AKC's successful veterinary outreach to the veterinary community and AVMA will have to be reduced. AKC will lose

political and

legislative influence. All of the departments, including legislation, will sustain cuts in spending.

Petland: What will the alliance with Petland involve? It will encourage this chain of pet shops to register puppies eligible for AKC registration with AKC rather than one of the other registries. It will give their buyers an opportunity to register their new puppies with AKC right at the store on-line. The

buyers will receive their AKC registrations within a few days, thereby making them eligible to receive the benefits of AKC's puppy packets, including e-coupons, free veterinary visits with veterinarians participating in the Veterinary

Network (just beginning with 2500 veterinarians signed on), 60 days of free veterinary care with PetPartners, Inc. They will also receive all of the information sent to any new puppy owners. Being part of AKC will expose them to the

meaning of being a responsible owner of a purebred dog, possibly involving some in activities of which they were unaware. In exchange, Petland may charge a

fee for the service of registering the buyers' puppies on-line with AKC. The usual registration fee will be sent directly to AKC. AKC will not rebate money to Petland, whereas the other for-profit registries rebate between \$30 and \$50 per puppy to the shops.

This program will have NO effect on the sales, breeding ethics or practices of breeders within the fancy. AKC goes to great effort on its web site and

in all its public relations communications to encourage prospective buyers to seek out reputable breeders on-line through Parent Clubs and by visiting dog shows or other events in their areas. It will have NO effect on the number of dogs in rescue.

AKC Delegates and the fancy at large encouraged AKC to pursue more inspections, establish care and conditions, DNA identification for frequently used

sires and tighter restrictions on shady breeding practices. Many breeders welcome these measures and have accepted the fact that there will always be commercial breeders and puppies sold at pet outlets. The "fancy" cannot supply the

need of the buying public for a family pet. But they are unwilling for AKC to take the steps which will protect our fancy and the American Kennel Club.

There

is no difference between what has been going on for decades and the Petland deal, except that AKC has competition for registration dollars which it never had before. That is hurting the sport in all the ways enumerated above.

Ethical breeders will continue to do exactly what they have always done: breed for quality. There is a market for both ends of the spectrum, just as WalMart and Neiman Marcus appeal to different clientele.

I was appalled at the reactions of some of the Delegates at the quarterly meeting last week. The vituperative, hysterical reactions, name calling and finger pointing were disgraceful. Some complained that the Delegates had no input. This is a business deal, which could not be revealed until a contract was signed. That happened in the days before the meeting was held, when most Delegates were traveling. The Board has a fiduciary responsibility to keep AKC solvent and secure. Recognizing that registration is still its core business the current Board is attempting to run it as such.

Connie Vanacore, Delegate Irish Setter Club of America