



Congresswoman
Rosa L. DeLauro

Press Release

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Statement of Chairwoman Rosa DeLauro
*Subcommittee Markup: Fiscal Year 2009 Agriculture,
Rural Development, FDA Appropriations Bill*

Washington, D.C. – Congresswoman Rosa L. DeLauro (Conn.-3), chairwoman of the House Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Subcommittee, marked up the subcommittee’s fiscal year 2009 bill. The Chairman’s Mark includes \$20.6 billion in total discretionary spending – \$1.9 billion above the President’s request.

- The Department of Agriculture is funded at \$18.4 billion – \$1.6 billion above the budget request.
- The Food and Drug Administration is funded at \$2.1 billion – \$282 million above the budget request.
- The Commodities Future Trading Commission is funded at \$135 million - \$5 million above the budget request.

Below is DeLauro’s opening statement (as prepared for delivery).

Thank you I am delighted to present the subcommittee’s recommendations for the 2009 Agriculture FDA Appropriations Committee Markup. Thank you to Ranking Member Congressman Jack Kingston – I appreciate your collaboration over the last five months as this subcommittee has convened numerous hearings on the administration’s budget and heard from dozens of agency heads and directors. I also want to commend Ranking Member Lewis and thank Chairman Obey for their leadership during this important process. Thank you as well to both the minority and majority staff as well for all of your tireless work.

As always we cover a lot of ground with this Mark, but ultimately it is about helping those Americans facing almost no margin of error in a weakening economy. It is about meeting our obligation, as a Congress and a nation, to all those families feeling squeezed everyday by rising costs and greater risk – whether it is at the gas pump, the grocery store or paying the rent.

As you know the Fiscal Year 2009 Mark includes \$20.623 billion a \$2.5 billion increase over what was enacted last year and a \$1.88 billion increase over the president’s request.

That difference – \$1.88 billion – certainly might appear to be a significant sum, but let me tell you how we got there: The vast majority of that increase goes simply to restoring the president’s proposed drastic cuts and program terminations.

It is about simply helping people to literally stay afloat – roofs over their heads and food on their tables. We applied \$566 million just to keep critical programs from termination. We had to plug in another \$702 million just to restore cuts to essential programs. That alone accounts for \$1.26 billion in the Mark above the president’s request – restoring cuts and eliminated programs.

➤ **Section 502 Single Family Housing Direct Loans**

DeLauro Mark: \$75 million

President’s Request: 0

FY 2008: \$105 million

➤ **Section 515 Rental Housing Direct Loans**

DeLauro Mark: \$28.6 million

Pres. Request: 0

FY 2008: \$29.6 million

➤ **Mutual and Self-help Housing Grants**

DeLauro Mark: \$38.7 million

Pres. Request: 0

FY 2008: \$38.7 million

➤ **Farm Labor Housing Loans and Grants**

DeLauro Mark: \$21.5 million

Pres. Request: 0

FY 2008: \$21.8 million

➤ **Community Facility Loans and Grants**

DeLauro Mark: \$54 million

Pres. Request: \$23.8 million

FY 2008: \$68.5 million

This is an area that includes Community Facility Grants and the Rural Community Development Initiative – the administration tried to eliminate grants altogether move entirely to loans.

➤ **Broadband Loans and Grants**

DeLauro Mark: \$19.6 million

Pres. Request: \$11.6 million

FY 2008: \$29 million

and

➤ **Rural Business Loans and Grants**

DeLauro Mark: \$125.7 million (61% above Pres. Request)

Pres. Request: \$49.0 million

FY 2008: \$173.2 million

This includes Rural Business Enterprise Grants as well as Rural Business Opportunity Grants.

In addition, we were forced to look realistically at the Women Infants Children (WIC) program – another \$550 million that the president will not admit is currently needed with a budget amendment, choosing instead to overlook clear surges in participation and cost. In fact, for 2009, WIC participation is expected to rise to 8.9 million people, yet the President’s request estimated only 8.6 million. So we increased funding to meet the expected demand of an additional 300,000 women, infants, and children. At the same time, food costs are expected to rise to over \$45 per person per month. The President significantly underestimates these costs in the monthly reports to Congress.

We will continue to monitor this program as we move toward conference.

On top of requesting cuts and program eliminations, then underbudgeting WIC, the administration also made a recent request for an additional \$275 million for the FDA.

To be sure, this is a long overdue acknowledgment that the status quo is not working when it comes to our broken food safety system. So we are indeed, eager to fully fund that request and provide the critical resources necessary for reform. Still, the administration has not indicated how it intends to use these funds – and real reform requires real management – so this committee will convene hearings and require spending reports to ensure the money is used as effectively as possible.

Now, when you think about the allocation in those terms – meeting the soaring demand for food stamps, responding to the FDA’s additional request, and then making sure critical programs don’t face the chopping block, this year’s Mark is as back-to-basics as it gets.

Indeed, despite these numerous challenges, the Mark does focus on several key principles moving forward: Enhancing oversight of the energy futures markets, continuing to strengthen rural America – which begins by reversing the president’s significant cuts – investing in research, supporting conservation, protecting public health, and of course, improving nutrition for more Americans.

Enhancing Oversight of Energy Futures Markets

Clearly, on this subcommittee we address so many diverse issues that affect so many different regions, communities and interests. But sometimes, we have the opportunity to respond urgently to a matter that affects all Americans directly. When commodities prices for food and fuel are surging for example, everyday families end up paying the price. Today, we have a chance to prevent improper speculation, ensure real transparency, and bring oversight and enforcement to our energy and agricultural futures markets. That means enhancing the Commodity Futures Trading Commission’s (CFTC) staff and technical support and empowering the CFTC to do its regulatory job.

I would also like to mention that the subcommittee will hold a hearing after the July recess on this very issue. We will examine staffing and resources, and also whether the CFTC’s current response to market turmoil is adequate, whether we have done enough to close the “Enron” Loophole and what is the best way forward in closing the Foreign Board of Trade loophole. Our goal for the oversight hearing would be to determine how much relief could be expected from improved regulatory capacity at the CFTC.

While the President has called for a relatively large increase in the Commission's 2009 budget, the bill provides additional resources above the President's proposal to help the CFTC make the needed down payments to recover from years of under investment in its oversight infrastructure. \$135 million, \$5 million above the President, to overhaul the IT infrastructure and hire additional technical and legal staff to enhance CFTC's oversight and enforcement capabilities.

Investing in Research

Of course agriculture also occupies a position at the forefront of groundbreaking research, scientific discovery, and development.

If we want to maintain our role as a global leader we must maintain our lead in crop development, competitiveness, international trade, nutrition research, food safety and even homeland security.

This bill supports critical programs under the Cooperative State Research Education and Extension Service including generous increases for Hatch, Smith Lever, 1890 Institutions, and EFNEP.

- Veterinary Medical Services Act – \$1 million, the level requested by at least 64 Members.
- Hatch Act –\$213 million, an 8.8% increase over 2008.
- McIntire-Stennis –\$26 million, a 4.9% increase over 2008.
- National Research Initiative –\$202 million, a 5.8% increase over 2008. If the funds in the Integrated account are included, we are at \$244 million.
- Smith-Lever –\$290 million, a 5.6% increase over 2008.
- Expanded Food and Nutrition Education Program (EFNEP) –\$66 million, slightly above both 2008 and the NASULGC request.
- Evans-Allen (1890s) –\$44 million, a 7.2% increase over 2008.
- Capacity-building grants (1890's) –\$15 million, a 10.4% increase over 2008.
- 1890 Colleges –\$40 million, an increase of 11.6% over 2008.
- 1890 Facilities program –\$18 million, a slight increase over 2008.
- Native American Extension Activities – \$3 million, a slight increase.
- Hispanic Education Partnership Grants – \$6.2 million, 3.1 percent over 2008

Conservation

When it comes to Conservation, we want to ensure NRCS has the staff and resources to support delivery of the new 2008 farm bill while also continuing to provide valuable technical assistance to farmers and ranchers and address their natural resource management needs. The Mark rejects the

President's massive cuts to NRCS programs and provides almost \$168 million more than the President's request for 2009.

Some Examples

- **NRCS Conservation Operations:**
DeLauro Mark: \$847.9 million
Pres. Request: \$794 million
FY 2008: \$834.4 million

- **Watershed and Flood Prevention Operations:**
DeLauro Mark: \$29.8 million
Pres. Request: 0
FY 2008: \$29.8 million

- **Watershed Rehabilitation Program:**
DeLauro Mark: \$40 million
Pres. Request: 5.9 million
FY 2008: \$19.8 million

- **Resource Conservation and Development (RC&D):**
DeLauro Mark: \$50.7 million
Pres. Request: 0
FY 2008: \$50.7 million

Finally I want to touch on a few Policy Highlights:

In the aftermath of the Hallmark/Westland debacle we are fully funding FSIS at \$2 million and providing an increase for the enforcement of Humane Methods of Slaughter Act.

This Mark also maintains the past language prohibiting FSIS from going forward with its Risk-Based Inspection pilot program until they have fully implemented the recommendations of the IG on the proposal, which they are very committed to do. They have said that process will take them into fiscal year 2010, so we are keeping the prohibition in place for fiscal year 2009.

In addition we have decided to retain language that prohibits the importation of poultry products from China into the United States. We continue to see outbreaks of the deadly strain of the avian flu virus in poultry raised in China, including this week, and Hong Kong has banned imports of chicken from mainland China. There also is no indication that the sanitary conditions at poultry processing facilities in China have improved.

I know the Chinese government has expressed their concern to our domestic livestock industries about this language. It is unfortunate that the Department has not only placed the public health at risk by trying to allow for Chinese chicken to enter the U.S., but it also has also placed our domestic industries at a disadvantage.

We will also strengthen Animal ID and the National School Lunch Program including language to provide market-based incentives to strengthen both the National Animal Identification System (NAIS) and the National School Lunch Program. This proposal would increase participation in the animal ID program. Also, in a case such as the historic Hallmark/Westland beef recall earlier this year, we would know about the history of the animals involved which could help address public health concerns.

Beginning with the 2010 school year (that starts in July 2009), the bill includes language that requires USDA to purchase for the School Lunch Program meat products that are derived from livestock premises registered with National Animal Identification System.

Because AMS is a major purchaser of meat products through the School Lunch Program, this proposal would generate significant market-based incentives to strengthen the department's voluntary animal ID system and support livestock producers and other premises that sign up for USDA's system.

Importantly, the bill's purchasing requirements will not take effect until July 2009, the start of the next school year and over a year from now. This will provide time for schools, food vendors, and the livestock industry to prepare the upcoming higher standards.

The public has already made a massive investment in USDA's NAIS system – \$128 million since fiscal year 2004. Why not use the system that the public has paid for to support producers who voluntarily enroll in NAIS and to strengthen the animal traceability capability to provide better assurances for the National School Lunch Program.

The bill provides a total NAIS funding level of \$14.5 million or about \$4.8 million above 2008.

Congress has provided \$128 million to date in good faith to implement NAIS. Unfortunately, APHIS's delivery has been less than stellar.

- Out of 1.4 million livestock premises, APHIS has only registered to date about 469,000 premises. That's less than 33 percent of the agency's goal after four years. And one state – Wisconsin – comprises about one-eighth of the total nationwide registrations.
- At APHIS's current rate of enrolling about 1,500 premises per week, it will take APHIS another 13 years to achieve its goal of 100 percent registration.
- APHIS reports that it is years away from having 48-hour traceability for beef and dairy cattle.

The bill does two things.

First, it provides a sizable and reasonable increase in funding about 2008 of \$4.8 million.

Second, the bill follows the advice of one of our former Presidents trust, but verify. The bill's report details specific implementation milestones to shine the spotlight on APHIS's delivery of NAIS. The Committee worked in consultation with the agency, and we largely derived these performance measures from the agency's own NAIS business plan.

We are going to move well beyond tracking the number of premises registered and follow more closely how APHIS is using the money. The NAIS milestones include (1) 48-hour traceability standards for specific species; and (2) program administration deliverables.

With regards to Country-of-Origin Labeling (COOL), the bill fully supports USDA's efforts to implement the food labeling law by increasing the Agricultural Marketing Service's (AMS) budget by \$9.6 million to begin administering and auditing COOL.

Importantly, the bill pays for the program by providing an increase in appropriated funding instead of raising fees on food retailers, as the President proposed.

As far as oversight, the bill includes stringent milestones to ensure that USDA remains on track for the remainder of this year so that we will have no excuses – COOL will be fully implemented by September 30, 2008.

Finally, I just want to mention, that we will work closely with the agriculture community, the FDA and USDA on the implementation of the Farm Bill.

In Closing, there is more here and I look forward to working with all of you today, as we move toward full committee, to craft responsible legislation that honors working and middle-class Americans today, and reflects our priorities as a nation. Thank you.

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