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AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS FOR 2002

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HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

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NOTE: Under Committee Rules, Mr. Young, as Chairman of the Full Committee, and Mr. Obey, as Ranking Minority Member of the Full Committee, are authorized to sit as Members of all Subcommittees.

HENRY E. MOORE, MARTIN P. DELGADO, MAUREEN HOLOHAN, and JOANNE L. ORNDORFF, *Staff Assistants*

PART 3

TESTIMONY OF MEMBERS OF CONGRESS AND OTHER INTERESTED INDIVIDUALS AND ORGANIZATIONS

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TESTIMONY BY REP. DOUG BEREUTER
HOUSE SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS
FISCAL YEAR 2002

Chairman Bonilla, Congresswoman Kaptur, and members of the Agriculture Appropriations Subcommittee: Thank you for the opportunity to submit this statement in support of funding for several programs of national importance and for programs of special interest to my constituents and the citizens of Nebraska. I certainly understand the difficult budgetary constraints under which the Agriculture Appropriations Subcommittee will be operating. In order to assist you in the consideration of my requests, I would like to focus on several priority requests.

I. NEBRASKA-SPECIFIC REQUESTS

1. Proteomics for Assessing the Safety of Biotech Crops (New Project) –$200,000

I am requesting $200,000 for a new project at the University of Nebraska-Lincoln to establish a state-of-the-art proteomics laboratory to assess the safety of biotechnology enhanced crops. Proteomics allows the characterization of the complete protein complement of an organism. The insertion of a new gene into a plant results in the expression of a specific protein but it is critical from a safety standpoint whether the expression of other proteins are altered. Proteomic analysis will identify all changes in the plant's protein. This ensures that no toxic or allergenic proteins are present in the biotechnology enhanced plants produced from seed to Nebraska farmers.

2. Drought Mitigation – $300,000

I am requesting $300,000 for the National Drought Mitigation Center (NDMC) at the University of Nebraska-Lincoln. This project is in its fourth year and has assisted numerous states and cities in developing drought plans and developing drought response teams. The NDMC received $200,000 in FY2000, but I believe that an increase to $300,000 is clearly necessary. Given the nearly unprecedented levels of drought in several parts of our country, this effort, while too long delayed in initiation, is obviously important.

In addition Mr. Chairman, I would also like to express my support for the following agricultural research and extension projects (Cooperative State Research, Education, and Extension Service State-Specific Special Grants) currently being conducted at the University of Nebraska-Lincoln. The University of Nebraska-Lincoln is conducting valuable research and extension work in important agriculture and ag-related fields. These projects and my appropriations funding request for each project are as follows:

- Industrial agricultural products ($64,000);
- Value-added processing ($42,000);
- Sustainable agriculture ($59,000);
- Alliance for Food Protection (a joint effort with the University of Georgia) ($300,000); and
- Agricultural Telecommunications Program ($900,000)

AGRICULTURAL RESEARCH SERVICE

1. Sorghum Fungal Pathologist – $350,000

A fully funded USDA-ARS position at Lincoln, Nebraska, in **sorghum fungal plant pathology** is needed to provide scientific capability to adequately address the problem of the emerging fungal diseases of sorghum. The scientist and associated geneticists would concentrate on the identification, isolation, transfer of genes for resistance to sooty stripe, grey leafspot, stalk-rot, and ergot to adapted, productive lines. **This position would fill a critical need for fungal pathology for sorghum in the central Great Plains and the U.S.** The funding level required to conduct the needed sorghum pathology and genetics research would be **$350,000** per year. I would request either additional funding for this position or a reallocation of existing funds.

2. Wheat Fungal Pathologist – $350,000

A fully funded USDA-ARS position at Lincoln, Nebraska, in **molecular wheat pathology** is needed to provide scientific capability to adequately address the problem of the emerging fungal diseases of wheat. The scientist would concentrate on the isolation and characterization of genes for resistance to tan spot, take-all, root and crown rots, and *Cephalosporium* stripe. **This position would fill a critical need for a fungal pathologist in Nebraska, and would contribute to wheat breeding programs throughout the Great Plains and the U.S. through the identification of new genes for resistance to fungal diseases.** The funding level required to conduct the needed pathology and genetics research would be **$350,000** per year.

I would also like to take this opportunity to express my support for an adequate level of funding for agricultural research. These funds are needed to support personnel and provide operating support to address research and extension needs identified in each state. Research funds offer a long-term and far-sighted approach to supporting producers and improving our nation's food supply. Clearly, the success of agriculture in the future depends on

the research we support now. As a result, I believe it is important to strengthen base programs for research and extension, such as Hatch Act and Smith-Lever, as well as increase funding for the National Research Initiative.

In addition, I would like to specifically express my support for an additional $4 million for the ARS Floriculture and Nursery Research Initiative. This is not a Nebraska-specific request and the initiative is not expected to directly benefit the state's research institutions. However, this proposed increase in research funding would recognize the efforts of the floriculture and nursery industry and maximizing the overall benefits of this important and rapidly expanding industry. The initiative is designed to assist rural economies, increase international competitiveness, improve pest and disease control and protect the environment.

II. REQUEST FOR FUNDING OF MULTI-STATE AREA PROJECTS

1. IMPROVED GRAZING SYSTEMS FOR BEEF CATTLE PRODUCTION – $1,000,000

I would like to request **$1 million** for the University of Nebraska-Lincoln to help develop an **improved forage-livestock grazing system for the four-state region of Nebraska, Missouri, Iowa and Kansas.** This research program involves four universities in the region, each of which is requesting $1 million. Together, these four states contain nearly 20 percent of the nation's beef cow herd and finish about 43 percent of the nation's cattle. About 38 percent of the states' combined farmland acres consist of pasture and range. **An improved grazing system could have a positive effect on environmental quality and increase profitability for producers.**

In order to develop and test appropriate forage-beef production systems, several disciplines must contribute to this effort. Designing proper grazing systems for beef production requires examination of not only the animal and plant components of the systems, but also the interface between the two. The resulting production output must then be evaluated by engineers, agricultural economists, sociologists and environmentalists in terms of sustainability, profitability and risk. This project proposes collaborative efforts in each of these components. The long-term goal is to produce nutritious and palatable beef with systems that optimize profitability, stabilize the rural economy of the region and improve environmental quality.

2. MIDWEST ADVANCED FOOD MANUFACTURING ALLIANCE (12 UNIVERSITIES) (USDA-CSREES State Specific Special Grant) – $500,000

Last year, the Midwest Advanced Food Manufacturing Alliance (MAFMA) received $423,000 in funding; this year MAFMA is requesting **$500,000** to keep up with the increasing demand for the program and I support their request. MAFMA is an association of 12 leading research universities and corporate partners.[1] **Its purpose is to develop and facilitate the transfer of new food manufacturing and processing technologies.**

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[1] The Alliance is comprised of the following Universities: Illinois, Indiana, Iowa State, Kansas State, Michigan State, Minnesota, Missouri, Nebraska, North Dakota State, Ohio State, Purdue, and South Dakota State.

MAFMA awards grants for research projects on a peer review basis. These awards must be supported by an industry partner willing to provide matching funds. During the seventh year of competition, MAFMA received 39 proposals requesting a total of $1,382,555. Eleven proposals were funded for a total of $348,147. Matching funds from industry for these funded projects total $605,601 with an additional $57,115 from in-kind funds. These figures convincingly demonstrate how successful the Alliance has been in leveraging support from the food manufacturing and processing industries.

IV. NATIONAL RURAL HOUSING PROGRAMS

1. Section 502 Unsubsidized Loan Guarantee Program

Since its inception as a pilot program in 1991, the Section 502 single-family loan guarantee program has facilitated over $10.2 billion in lending in rural areas. **This translates into over 151,000 loans to families and individuals who now own homes which they otherwise would not have been able to purchase. In Nebraska in 1999, for example, $32 million in loans were guaranteed under the Section 502 Loan Guarantee Program alone.**

2. Section 538 - Rural Rental Multi-Family Housing Loan Guarantee Program

Also, I urge the Subcommittee to include sufficient funding for the **Section 538 Rural Rental Multi-Family Housing Loan Guarantee program**. As the initiator also for the authorization of this housing program, I believe this program has great potential for providing rental housing for low and moderate income families. **The Department of Agriculture has indicated that they agree that this program is both effective and a well-received supplement to direct lending programs.**

The Section 538 Rural Rental Multi-Family Housing Loan Guarantee program provides a Federal guarantee on loans made to eligible persons by private lenders. Developers make an initial investment of ten percent of the cost of the project, and private lenders provide the remaining 90 percent. The lenders will be given a 90 percent Federal guarantee on the loans they make. Unlike the current Section 515 direct loan Program, where the full costs are borne by the Federal Government, the only costs to the Federal Government under the Section 538 Guarantee Program will be for administrative costs and potential defaults. Thus, the Federal dollars go much further in leveraging the construction of additional housing units.

Again, Chairman Bonilla, Congresswoman Kaptur, and members of the Subcommittee, thank you for the opportunity to submit this testimony.

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Request of Rep. Bart Stupak
Appropriations Subcommittee on Agriculture and Rural Development
Fiscal Year 2002 Appropriations
April 10, 2001

Mr. Chairman, thank you for the opportunity to submit my requests to the Subcommittee on the Fiscal Year 2002 Agriculture and Rural Development Appropriations. I appreciate your willingness to allow me to discuss two projects that are extremely important to the people of my district and the nation.

Michigan State University Study to Manage Armillaria Root Disease in Cherry Production

Michigan produces 75% of the nation's tart cherry crop and a significant percentage of its sweet cherries. Armillaria, an invasive root disease, is present on an estimated 75% of the farms growing cherries in Michigan's two major cherry growing regions, and the problem keeps getting worse. I am asking the Subcommittee to provide $400,000 to fund the first year of a five to seven year project at Michigan State University which will be known as the Armillaria Task Force. This project will develop a management strategy to control this virulent disease and keep prime cherry sites in Michigan and other states from becoming permanently nonproductive or permanently lost to residential development.

Last year the cherry crop was worth more than $333 million to the U.S economy, based on value-added dollars through processing and shipment Michigan's share of that productivity exceeded $217 million. Virtually all of Michigan's cherry farms are family businesses that preserve not just a landscape of beautiful views, but a treasured way of life. We cannot afford to ignore the social consequences of losing family farms and orchards, in addition to the economic and environmental benefits they provide.

Armillaria is a soilborne fungus that attacks the roots of cherry and other stone fruit trees. It is known in stone fruit regions worldwide, but losses are greatest in North America. It occurs most commonly in sandy soil where stone fruits have been grown in the past. Currently, there is no known method to adequately control this disease. When orchards are found to be infected, annual loss of trees will continue until the orchard is abandoned or removed. Without a scientific solution, replanting to stone fruit is not an option, even after trees are removed, because Armillaria stays in the soil for many years.

Most of Michigan's cherry orchards are located in northern Michigan, where soil and a short growing season limit alternatives to stone fruit production. Therefore, the loss of an orchard to Armillaria often leads to selling agricultural land for residential development, with attendant social and environmental impacts.

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The Michigan State University (MSU) project will screen domestic and foreign rootstocks to find plants with high resistance Once suitably disease resistant sources are identified, the best means of incorporating the resistant strains into commercially acceptable rootstocks will be developed. Methods may involve direct use of the resistant plant as rootstock, or identifying and transferring resistant genes into new commercial rootstocks.

Scientists at Michigan State have the expertise to accomplish this final step. Dr. Al Jones, an internationally acclaimed expert on apple and cherry genetics, will lead the study. Armillaria has been the industry's highest research priority for the past five years, and initial work on identifying the strains of Armillaria present in Michigan cherry orchards has already been done. MSU has the only cherry rootstock selection program in the United States, and MSU already has developed a genetic linkage map of cherry MSU scientists can build on this expertise and information, effectively leveraging the requested funding. The research team will also seek biological and/or cultural solutions, determining if biological agents, soil ecology, soil amendments or soil carbon structure can reduce the severity of Armillaria.

Industry-wide monetary contributions to the research are being supported by check off programs in cherry-growing states, including Michigan, Utah, New York and Wisconsin.

The scientific team is in place. The problem has been identified, and initial work in tracking Armillaria already done at MSU would give a jump start to the project. The research is vital to preserving the viability of agriculture in northern Michigan, and has the potential to have benefits far beyond the limits of my District. I ask your help in funding this important work

City of Negaunee, MI Wastewater Treatment Plant

My second request is the provision of $4,576,000 toward funding an upgrade to the City of Negaunee, Michigan's Wastewater Treatment Plant and related infrastructure The upgrade is required to meet newly applicable Federal and State standards

Funding of other portions of the project are being sought from programs that require a local cost-share ranging from 25 to 45%, ensuring the local community's participation.

Negaunee is a very small town in Michigan's Upper Peninsula, with declining population and aging wastewater infrastructure originally built in the 1950's Negaunee's geology has made system construction and maintenance unusually expensive. Portions of the existing sanitary system actually run across an area pocked with underground caves from abandoned mines, which creates an increasing risk of collapse of aging lines.

Negaunee's current sewer rates already exceed the EPA and State benchmarks for affordability, even without increased capital costs for the new system improvements. No one in the Upper Peninsula pays more for sewer service than Negaunee's residents. It costs a typical household more than $1,000 a year for water and sewer service, out of an annual per capita

income of $23,345 The City has had declining overall population, a trend to smaller, lower- and fixed-income households and several business closures in the past few years The population of Marquette County declined by 9.6% in the 2000 Census, and the City of Negaunee fell even more I expect the new Census income data to show that Negaunee's affordability problem has become even more serious, even as its ratepayer base is declining in absolute numbers.

The need is great, and simple demographics show that local resources just cannot do the job alone Negaunee is in desperate need of the funding requested.

DUNCAN HUNTER
52D DISTRICT, CALIFORNIA

COMMITTEE ON ARMED SERVICES

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TESTIMONY OF CONGRESSMAN DUNCAN HUNTER (CA-52)

HOUSE APPROPRIATIONS SUBCOMMITTEE ON AGRICULTURE & RURAL DEVELOPMENT
April 10, 2001

Mr. Chairman, I would like to begin by congratulating you on your recent chairmanship of this subcommittee. As you are all too aware, our national agriculture industry faces many challenges, I am confident that you and the members of your subcommittee will ensure that our family farms are given the support necessary to prosper and to continue feeding the world. In addition, I want to thank you for allowing me the opportunity to provide testimony to this subcommittee.

My remarks concern the budget for the United States Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) and Agricultural Research Service (ARS) for Fiscal Year 2002. Specifically, I would like to express my support for funding the following six initiatives: 1) preserving personnel and providing additional funding for general repair and upgrading at the USDA-ARS Irrigated Desert Research Station at Brawley, California (USDA-ARS, Brawley); 2) maintaining current funding levels for research of the Silverleaf Whitefly and direct the monies to include additional pests; 3) research funding for the Pink Bollworm; 4) research funding for the Pink Hibiscus Mealybug; 5) Salvinia Aquatic Weed control; and 6) a regional rearing facility for biological control agents feasibility study.

USDA-ARS BRAWLEY STATION

Mr. Chairman, I would like to take this opportunity to articulate how critical the USDA-ARS Brawley Station is to my district and, in fact, the entire Southwest region. In 1991, Imperial County (the home of the Brawley Station) lost over $130 million and over 5,000 jobs when 98% of the fall melon crop was destroyed by a Silverleaf Whitefly (SLW) infestation. With 12,000 acres devoted to the growing of this produce, Imperial County was the leading melon-producing region in the country at that time. Nine years after the infestation of the SLW, however, this area remains incapable of sustaining this lucrative crop. This represents a staggering loss of $100 million in potential revenue to a region that perpetually faces many difficult economic challenges.

The personnel at USDA-ARS, Brawley are continuing their efforts to curb the infestation of the SLW and other invasive species through the use of effective biological control agents and other integrated pest management (IPM) means. As you are aware, these approaches have proven to be the most reliable methods to achieve control of destructive pestilence. Many pests

rapidly develop a resistance to pesticides and chemicals usually only provide a short-term solution to these problems. Entomologists at this facility have indicated that a long-term stable solution will most likely involve a creative integration of cultural, chemical and biological control methods. As a result, they have conducted extensive research to help incorporate native natural enemies of the SLW into their efforts. These studies include the release of parasitic insects that show great potential as an environmentally safe whitefly control measure.

In addition, the Brawley Station has taken a lead role in aiding Imperial Valley farms faced with the production challenges resulting from high salinity land and irrigation water. Additional programs taken on by the Brawley Station include: salt tolerance studies on food crops, new crop management studies using high salinity waters, virus transmission and ecological genetics of Silverleaf Whitefly populations, biological control programs and IPM programs using parasites and predators in conjunction with microbial pesticides.

The Brawley Station, due to its close proximity to the Salton Sea, has also been involved in the challenge of tailwater nutrients along with salinity to irrigation farmland. The proposed research program is expected to focus on agricultural production and sustainability and water quality concerns in and around the Salton Sea. This would make more fresh water available for urban and environmental use, maintaining a productive sustainable irrigated agriculture and improving the quality of aquatic habitats. The proposed research will consist of field studies of farm production units that examine irrigation, drainage, salinity and crop management.

Furthermore, knowledge attained through the Brawley Station's efforts to fight the Silverleaf Whitefly have proven beneficial not only for the local area, but for other regions as well. For example, research has been conducted in the development of a whitefly trapping device which, after a peer review by international researchers, received very favorable responses. As a result, there are currently hundreds of orders to obtain this instrument for use in other areas. The station also conducts community-oriented programs to bring awareness to the area's local farmers regarding planting sequences, pesticide use and other whitefly suppression practices. As this demonstrates, the subcommittee's previous decision to appropriate funds for the continued research at this station has produced significant results and I am confident that the station will continue to make significant research contributions.

Mr. Chairman, this research would be difficult and expensive to duplicate elsewhere and because of the station's convenient location in an intensive farming area, a close association has developed with local farmers and the station's ongoing programs. This relationship results from a strong vested interest in the work conducted at USDA-ARS, Brawley since 1951. Excluding significant gifts and time, members of the Imperial Valley farming community have also contributed several million dollars toward the operating costs of this research facility, whose acreage was originally purchased by local producers.

I firmly believe that the vital research of agricultural issues, conducted through combined efforts of USDA on site personnel and local agricultural interests, is moving in a positive direction. The Brawley facility has served as an ideal prototype of collaborative efforts between federal, state, and local governments and the private-sector. Considering this very unique private industry and government relationship, a small commitment of $395,000 from the federal government for station operations, general repair and core maintenance will ensure that this important work can continue at this critical station. If this efficient relationship is suspended, the

invaluable strides in pest control and agricultural research may be lost. It is also possible that years of promising advances, many of which have already proven successful in providing farmers vast savings from pest-related damages, will never be fully realized.

FUNDING FOR SILVERLEAF WHITEFLY AND OTHER NEWLY IDENTIFIED PESTS

Research to control the SLW is also essential to the well-being of our nation's agriculture industry. Since introducing itself as a major threat to American agriculture in 1986, this pest continues to be responsible for excessive crop damage and, consequently, numerous jobs and much revenue. It has been estimated that crop losses in the United States, as a result of SLW infestations, exceed $500 million per year. This includes the destruction of ornamentals, high cash value vegetable crops, staple crops such as cotton and important forage crops such as alfalfa.

Imperial County is not the only area to experience the disastrous effects of the SLW. Since 1991, this pest has migrated 750 miles north, permeating the greenhouses and agricultural fields of 36 California counties. Three of these counties, Kern, Tulare and Kings, represent more than 75% of the total cotton acreage in California. Understanding that the SLW has infested between 64-92% of survey sites in these counties, coupled with the destruction this pestilence has caused in the past, the SLW must be considered an immediate threat to California's vital agriculture industry.

As you are aware, APHIS is the principal contributor in the area of agricultural pest control. In the past, the priority level of the SLW has been maintained by APHIS through their commitment to a five-year national research and action plan that was implemented when this pest first became a threat. More recently, APHIS has lent support through the Technology Transfer and New Research and Action Plan which works as a focal point for the coordination and facilitation of cooperative research between government agencies and the agricultural industry. Since 1997, and until this year, participants of the Technology Transfer and New Research and Action Plan have worked to implement the scientific findings the original five-year plan produced. This includes research, method developments, education, extension and technology transfer. These efforts have resulted in valuable discoveries and continue to provide researchers with useful knowledge. I commend the effort APHIS has put forth to date, unfortunately research results show that the SLW can develop immunities to pesticides used to control its infestation. As a result, I urge this committee and the Department of Agriculture to provide sufficient funding to support a SLW maintenance fund. Now that we are beginning to control the SLW, it is imperative that we continue to evaluate this pest and ensure that current practices employed by our farm communities are the most effective in guaranteeing future control.

In addition, Mr. Chairman, I request that APHIS's biological control budget remain at the FY01 level. Further, I support $1 million being directed to the Western Region Bio Control program in order to support additional research on the Silverleaf Whitefly, the Pink Hibiscus Mealybug, the Citrus Leafminer and the Glassy-winged Sharpshooter.

FUNDING FOR PINK BOLLWORM *(Pectinophora gossypiella)*

As this subcommittee is aware, American agriculture has fallen victim to the destructive presence of the Pink Boll Worm (PBW). Again, using my district as an example, Imperial County once devoted an average of 70,000 acres to cotton during the mid-1970's. PBW infestation, however, caused this production to fall to less than 12,000 acres by 1989. The impact of this 83% crop decrease resulted in a loss of $50 million for Imperial County's local economy.

In 1990, local growers combined their efforts to create an eradication plan that combined bio-rational technology with a well regulated growing system. This technology implemented the introduction of transgenetic Bt cotton, sterile insect technique and pheromone disruption. While still battling the strong presence of PBW in the nearby agricultural fields of Mexico, this plan has effectively decreased PBW population levels in Imperial County to near elimination, thereby enhancing cotton production and quality.

With a commitment of $6.1 million to PBW eradication in their annual budget, APHIS would be equipped to achieve two important objectives: 1) promote strategies for region wide eradication of the PBW in California, Arizona, Texas and Northwest Mexico; and 2) maintain efforts to prevent this pest from developing populations in the cotton fields of the San Joaquin Valley. Specifically, this includes extensive mapping and trapping, use of transgenic Bt cotton varieties, application of pheromones, sterile PBW moth releases, bloom and boll trap survey, data analysis and enforcement of plowdown regulations.

Aside from the economic benefits, this research will also assist farmers in complying with the restricted pesticide usage as required by the Food Quality Protection Act by providing alternative strategies and maintenance plans. Extensive cotton producer involvement, coupled with APHIS' technical coordination and management, will allow America's cotton industry to reach its full potential.

FUNDING FOR PINK HIBISCUS MEALYBUG (*Maconellicoccus hirsutus*)

In late 1999, the Pink Hibiscus Mealybug (PHM) was discovered for the first time in the United States in some areas of Imperial County. This mealybug has the potential to cause serious economic damage to agriculture in Imperial County and the rest of the Southwest. Existing international quarantines could have a dramatic impact on the local farming community's ability to export fresh produce abroad, specifically to the Pacific Rim. Surrounding farming interests are required to certify that its produce is free from PHM, even if the pest was not found in the county's agricultural areas. In an effort to combat this new threat expeditiously, Imperial County Agricultural Commissioner, Steve Birdsall, is helping to coordinate a PHM program that would involve participation by the county, state, ARS and APHIS.

A funding commitment of $50,000 is needed to hire a project coordinator to provide the project with a necessary focal point where all participating agencies could funnel information to while at the same time providing external sources a single contact point to retrieve information and status of the project.

FUNDING FOR GIANT SALVINIA (Salvinia molesta)

The Salvinia Aquatic Weed has infested areas of the Colorado River at the Yuma-

Imperial County line and the Imperial Irrigation District canal system. This renegade water weed not only threatens agriculture and the irrigation water delivery system, but is a menace to the whole fish and wildlife complex in the desert valleys.

This weed is currently being eradicated by agencies implementing two strategies. First, a herbicide is used to reduce the surface size of giant salvinia mats, and secondly, a weed-eating beetle is used to complete the task. Releasing these predacious beetles on salvinia is not only time consuming, but could take several years to accomplish. A facility will be required to rear these beetles over a large period time.

A funding commitment of $50,000 for the Office of the Imperial County Agricultural Commissioner is necessary for the development of an expanded and expedited survey of the Salvinia Aquatic Weed, as well as a detection program, which is a necessary first step to the complete eradication of the weed.

FUNDING FOR REGIONAL REARING FACILITY FOR BIOLOGICAL CONTROL AGENTS FEASIBILITY STUDY

The desert southwest has become a revolving door for the introduction of new exotic pests such as the pink hibiscus mealybug, citrus leaf minor, whitefly, and giant salvinia. In light of the restrictions imposed by the Food Quality Protection Act regarding the availability of pesticides, the most logical method by which to combat these new pests is through the introduction of biocontrol agents. The vast majority of these biocontrol agents are small parasitic and predacious insects. In order to quickly respond and attack the continued influx of exotic pests, we will require the ability to rapidly raise and release known biological control agents, which have been evaluated by either the University of California, Riverside (UCR) or the APHIS Plant Protection Centers.

In an effort to more effectively combat these exotic pests, I support a commitment of $100,000 to fund a feasibility study which would identify the resources, partners, and personnel necessary to establish a mass rearing facility for biological control in southeastern California. This facility would work in cooperation with the University of California and USDA to serve the entire southwestern United States and northwest Mexico. This joint effort would utilize the combined expertise of professionals from UCR, APHIS, ARS, and Imperial County. The ability to rapidly respond to a wide range of voracious exotic pest threats ensures confidence in our ability to perform pest management/eradication.

Again, Mr. Chairman, I urge this subcommittee to increase federal funding for Pink Boll Worm, Pink Hibiscus Mealybug, Salvinia Aquatic Weed control, and Silverleaf Whitefly research and that you consider the important role that the USDA-ARS, Brawley Station is fulfilling at a very small cost. The unique cooperation between the government and private-sector in maintaining this vital operation certainly warrants our continued support.

Thank you again for the opportunity today to provide the subcommittee testimony on these important matters.

Agriculture Subcommittee
Committee on Appropriations
U.S. House of Representatives

Testimony of U.S. Representative Peter J. Visclosky

April 10, 2001

Mr. Chairman, Ms. Kaptur, thank you for giving me the opportunity to submit my testimony to you regarding my agriculture funding priorities.

As you know, I am a fierce defender of the American steel industry and its workers. Indiana's First Congressional District produces more steel than any other district in the U.S., and steel is the economic backbone of Northwest Indiana. However, the steel industry is threatened by the surge of illegally dumped foreign steel, and has been fighting to stay viable for the past three years. As jobs in traditional manufacturing industries in the State of Indiana continue to be threatened, it is critical that the state and its resources work to attract high-technology businesses and companies. Purdue University, the only land-grant school in the state, is interested in assisting the State of Indiana with the creation of high-tech companies, as well as with identifying and targeting high-tech agricultural businesses for recruitment, particularly in Northwest Indiana. The proximity of this area in the corridor between Chicago and Indianapolis, and its link to the Purdue main and regional campuses, provides an attractive setting for high-tech companies who seek to benefit from Purdue faculty expertise in engineering and technology disciplines.

Purdue University has considerable experience in working with high-tech companies on resolving problems in several fields, including agricultural engineering. With campuses in both West Lafayette and Calumet, Purdue researchers and faculty offer the ability to develop partnerships in the region with many high-tech industries. What is needed to spur this activity is an incubator or regional technology center to provide support for the creation and recruitment of high-technology companies and the increase of high-technology jobs in the region. Purdue has developed a model incubator system at its Research Park located on the West Lafayette campus, which is currently home to 16 companies. This high-tech business development model will serve as the model for the Northwest Indiana regional center. The success of the Purdue model rests on the business development support services provided through a development system called Purdue Gateways.

I ask that the Subcommittee include $2 million for the Department of Agriculture's Rural Economic and Community Development Program to assist with the development of the Purdue Regional Technology Center to accommodate research and technology ventures in Northwest Indiana. This funding will allow the center to enter into partnerships with high-tech industries in the agricultural engineering sector. The facility would offer many opportunities for collaboration between research teams and high-tech agriculture companies. Additionally, the Center will support and conduct technology transfer activities with industry, and operate in partnership with the Calumet campus with guidance by a board of local business, industry and government officials. Purdue will supply the leadership and technical support to provide the Center with maximum potential for success. Operating costs will be provided by the local community for the first four years, after which the Center would be self-sustaining. The Purdue Regional Technology Center is vital to the residents of Northwest Indiana, and I hope that the Subcommittee advances this project for the future of my constituents.

Additionally, a devastating disease has been identified which has contributed to economic losses in the swine industry. This disease, Porcine Circovirus type 2 (PCV2), is becoming widespread in the United States and is characterized by pneumonia, diarrhea, jaundice, wasting, and eventually death. PCV2 is also being identified in swine fetuses, which are then born PCV2-infected. The PCV2 virus threatens to severely disrupt the production of pork in the United States and its infection in the national swineherd will negatively impact pork exports. Some nations are beginning to set import policies that prohibit the importation of PCV2-infected swine.

Recognizing the importance of pork production to the State of Indiana, Purdue University researchers are working with seed money from the National Pork Producers Council (NPPC) to develop vaccines against this virus. Purdue researchers are leaders in the field of PCV research and are positioned to further develop strategies for eradication of the disease. However, the seed money is not enough to allow for a timely solution. There is currently no federal initiative to support research into PCV2 control or eradication. Therefore, I ask that the Subcommittee include $500,000 to support the expansion of the current research efforts funded by the NPPC. The health of our nation's pork industry is integral to the well being of the State of Indiana and to many of my constituents.

Finally, the Indiana St. Joseph River Watershed Initiative is working with America's Clean Water Foundation (ACWF) and the Agriculture Research Service (ARS) to research water quality and pesticide use in their watershed through the ACWF's national Source Water Protection Initiative (SWPI). The St. Joseph River Watershed Initiative is a not-for-profit organization working to improve water quality in the St. Joseph River Watershed, the primary source of drinking water for Ft. Wayne, Indiana, by promoting economically and environmentally compatible land use practices. It conducts its activities in the Indiana counties of Allen, DeKalb, Noble, and Steuben with the day-to-day assistance of the Bear Creek Soil and Water District. To ensure that safe, quality water is available to the citizens in Ft. Wayne and surrounding areas, the St. Joseph River Watershed Initiative proposes to work with the USDA-ARS National Soil Erosion Laboratory in West Lafayette, Indiana, to implement the SWPI in the St. Joseph River Watershed.

The SWPI is a five year project beginning in 2002 that will work in three watersheds in three states, including the St. Joseph River Watershed, to complete the following: design and implement sound voluntary, incentive-based, watershed-scale projects to accelerate the adoption of key pesticide best management practices (BMP's) at the watershed level on sufficient cropland acres to permit proper evaluation; objectively monitor and evaluate the effects on pesticide loading and water quality of the BMP's using generally recognized and accepted scientific techniques; and report the results to the general public.

The expertise of the National Soil Erosion Laboratory will be needed to understand and address the problem of surface runoff and transport of sediment and agricultural chemicals and nutrients from fields and agricultural landscapes. The responsibilities for the Laboratory include assisting with the following: designing the watershed scale monitoring and evaluation program; locating monitoring sites within these watersheds and the expected sampling intervals required to capture the most relevant information; and analyzing the data collected from the selected sites. ARS will help ensure that this project will result in integrated field and watershed data and modeling that maximize the interpretation of the data collected.

To successfully implement the SWPI, the USDA-ARS National Soil Erosion Laboratory needs to employ an additional researcher. I would like to request that the Subcommittee include $380,000 for ARS to provide an additional water quality researcher as well as much needed technical assistance to support the SWPI. Water quality is extremely important to the residents of Ft. Wayne, and funding this research is imperative to maintaining the integrity of drinking water supplies in the area.

I thank you for your consideration of my funding priorities.

MINORITY WHIP-AT-LARGE

DEMOCRATIC CAUCUS
EDUCATION TASK FORCE
Co-Chair

COMMITTEES:
EDUCATION AND THE WORKFORCE
SUBCOMMITTEES
21ST CENTURY COMPETITIVENESS
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TESTIMONY BY CONGRESSWOMAN PATSY T. MINK
for the Appropriations Subcommittee on
Agriculture, Rural Development, Food and Drug Administration
and Related Agencies

April 10, 2001

Patsy T. Mink

Chairman Bonilla, Ranking Member Kaptur, and Members of the Subcommittee:

I am grateful for this opportunity to request support for funding of urgently needed programs under the Agricultural Appropriations bill. I also want to express my support for continued funding of the many valuable programs funded by this Subcommittee in past years.

NATURAL RESOURCES CONSERVATION SERVICE (NRCS)

Kauai Irrigation System Inventory and Analysis. Please provide new funding of $2.4 million for NRCS to fund an assessment of nine major agricultural water systems on the island of Kauai and preparation of reuse plans and Environmental Impact Statements for three systems identified through the assessment. **This project is my highest priority**. In recent years, several large sugar plantations have gone out of business in our islands due to disastrously low sugar prices. Because these plantations were struggling to survive, they did not invest in maintaining their irrigation infrastructure. Since the closures (two more in the year 2000), the situation has gotten even worse. Many small farmers and displaced sugar workers would like to farm on these lands, but the irrigation systems they must rely on for water are in disrepair. We need a study documenting the current state of these systems, their potential to contribute to the growth of diversified agriculture on these islands, an estimate of what it would take to rehabilitate the systems, and options for future management. $1.2 million is for inventory and analysis of the nine systems and $1.2 million is for preparation of reuse plans for three systems.

Wailuku-Alenaio Watershed Flood Control. Continue funding for this ongoing PL 83-566 project of $350,000 in FY2002 to enable NRCS to prepare a supplemental plan/ Environmental Impact Statement and begin design work for the Wailuku-Alenaio Watershed flood control project. This project will help provide flood control protection to Hilo communities that suffered from a devastating flood in November 2000.

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Conservation Technical Assistance. Provide an increase in funding in the amount provided for salaries and benefits of $600,000 (from the current $4.5 million to $5.2 million) to enable the Hawaii NRCS to increase its staff to meet the urgent demand for Technical Assistance Services in Hawaii. Due to the transition from large-scale plantation agriculture to small-scale diversified farming, the demand for NRCS Technical Assistance services has far outstripped what their limited staff can provide in Hawaii. On the island of Hawaii, one plantation (which had a good deal of in-house expertise) has been replaced by 200+ small farmers. The Conservation Technical Assistance program needs a substantial increase on a national level to address the needs of landowners and operators in planning and applying conservation techniques, but Hawaii's situation is particularly desperate.

Hawaii Plant Materials Center. Increase NRCS funding for this continuing project from $50,000 to $100,000 in FY2002 to improve the Hawaii Plant Materials Center's capability to propagate native plants to support the federal clean up of the island of Kaho'olawe and to facilitate the start up of native plant nurseries. The federal government has made a commitment to restore Kaho'olawe, which the U.S. Navy used for target practice for several decades.

Molokai Agricultural Development. Continue to provide $250,000 in FY2002 (level funding) through the NRCS to support agricultural development and resource conservation on the island of Molokai and the transition from small-scale conservation projects to those benefitting the community at large through sustainable economic impacts.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE (CSREES) PROJECTS

Tropical and subtropical research. Continue funding of $3,862,000 in FY2002 (level funding) for research on tropical and subtropical agriculture in the United States. There are only limited cases where research performed in other parts of the United States apply to the tropical regions. Our unique challenges include plant disease pressure in a year-round growing season, controlling exotic pests and weeds in tropical agro-ecosystems and natural ecosystems, and post-harvest processing to extend shelf-life and preserve quality.

Agriculture Development in the American Pacific. Continue funding of $564,000 for FY2002 (level funding) for the American Pacific Land Grant Directors to continue client-driven applied research and other activities to support sustainable agricultural development in the region. This project addresses common Pacific Island-based agriculture and community issues through cooperative research, extension, and instruction programs that are culturally appropriate, socially acceptable, economically viable, and environmentally compatible.

U.S. Marine Shrimp Farming Program. Increase funding from the current $4,177,000 to $5,000,000 in FY2002 for this collaborative research project involving the University

of Arizona, the Oceanic Institute (Hawaii), Tufts University (Massachusetts), the University of South Mississippi and the Gulf Coast Research Laboratory (Mississippi), Waddell Mariculture Research Center (South Carolina), and Texas A&M University. This successful program develops and transfers technologies, products, and services necessary for domestic shrimp farming to become competitive in the world market. The additional resources will be directed to accelerate the transfer of high technology biosecure systems to the commercial industry, to assist the industry in retrofitting existing production systems, and to strengthen research in biosecurity and disease control technologies.

Floriculture Research. Increase funding in FY2002 from the current $250,000 to $500,000 to support the industry-directed research approach to enhancing the competitiveness of the floriculture industry of Hawaii. The ornamental crops industry in Hawaii, particularly cut flowers, has emerged as one of the most viable components of Hawaii's diversified agriculture. Developing new varieties of tropical flowers for appearance, disease resistance, or shelf life is the key to maintaining global competitiveness. Accomplishments during the past year include development of "hot cinders," potting components that contain pesticides that are slowly released during the crop production cycle; development of herbicide treatment protocols for potted export plants that meet export quarantine requirements (transferred to the industry 11 months after project initiation); introduction of 17 new protea cultivars that are disease resistant and lighter in weight (lower shipping costs); release of 19 new orchid cultivars to three grower associations; and much more.

Center for Tropical and Subtropical Aquaculture (CTSA). Continue funding of $750,000 in FY2002 for CTSA, one of five regional aquaculture centers supported by CSREES. Co-administered by the University of Hawaii and the Oceanic Institute, CTSA's activities have had positive impacts on aquaculture development in the Pacific region. Existing aquaculture farms have benefitted from disease diagnosis services, extensions services, and access to new information provided by CTSA. Examples of recent success include developing a freshwater ornamental industry, moi farming (moi is a high-value species that has been depleted due to overfishing), and sponge and giant clam culturing.

Hawaiian Fishpond Aquaculture. Continue funding in FY2002 of $127,000 to support the water quality approach to restoring and commercializing ancient Hawaiian fishponds.

Agricultural diversification. Continue funding of $131,000 for expanding diversified agriculture in Hawaii with an emphasis on seeking efficiencies in post-harvest handling and processing.

AGRICULTURAL RESEARCH SERVICE (ARS) PROJECTS

Hawaii Agriculture Research Center (HARC). Continue funding of $936,000 for FY2002 of HARC, which provides invaluable research into a variety of agricultural

problems that are often unique to Hawaii as a result of its tropical climate. HARC works on classical pest and disease control programs, genetic engineering for resistance and tolerance, and determining appropriate use of chemicals. HARC's research is very important to Hawaii's agriculture and economy, especially in light of the decline in Hawaii's sugar industry.

Tropical Aquaculture Research. Continue funding of $1,603,000 in FY2002 for the Oceanic Institute of Hawaii for continuation of its comprehensive research program focused on feeds, nutrition, and global competitiveness of the domestic aquaculture industry. The Aquaculture Feeds Program assists in the expansion of the U.S. aquaculture and feed-manufacturing sectors and develops new products, processes, and markets for U.S. grains. Recent achievements include development of new feed formulations that enable the production of market size shrimp in only 8 weeks.

Papaya Ringspot Virus and Pineapple Nematode Research. Continue funding in FY2002 of $293,000 for the University of Hawaii College of Tropical Agriculture and Human Resources to monitor and refine control of the papaya ringspot virus and to expand the techniques and knowledge obtained from this program to other papaya diseases and pests and to other crops such as taro, ginger, and herbal plants, and $293,000 to the Pineapple Growers Association of Hawaii to coordinate a dedicated research program to induce nematode resistance and flowering control in commercial pineapple cultivars and to seek funds from the private sector to complement federal funds.

Fruit fly research. Continue funding in FY2002 of $278,200 for the University of Hawaii College of Tropical Agriculture and Human Resources for collaborative work on developing efficacious and nontoxic methods to control Tephritid fruit flies.

Minor crop pests. Continue funding in FY2002 of $285,000 for the University of Hawaii College of Tropical Agriculture and Human Resources to develop environmentally compatible methods to control pests and diseases in small-scale tropical and subtropical agricultural systems. Provide new funding of $250,000 for the University of Hawaii College of Tropical Agriculture and Human Resources to develop integrated pest control practices in pineapple cultivation.

Subterranean termite. Restore funding by ARS of $141,500 in FY2002 for subterranean termite research in Hawaii to devise and test control methods that are consistent with public health and environmental preservation goals.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE (APHIS)

Pest and Disease Management. Increase funding from the current $700,000 to $800,000 in FY2002 for Wildlife Services in Hawaii under the Animal and Plant Health Inspection Service (APHIS). Of this amount, $300,000 is for continued operation of a State Wildlife Services Office in Hawaii and for on-site coordination of prevention and control activities in Hawaii and the American Pacific. The additional $500,000 is

specifically for the Hawaii Department of Agriculture to coordinate and operate a comprehensive brown tree snake prevention and detection program for Hawaii. The brown tree snake has virtually eliminated the indigenous bird and lizard population on Guam: its introduction into Hawaii would be a major ecological disaster.

Rodent control. Continue funding of $240,000 in FY2002 for a cooperative agreement with the Hawaii Agriculture Research Center for rodent control in active agricultural areas.

I thank the members of the Subcommittee for your attention to my long list of requests. I know that funds are scarce and needs are great throughout the nation. I believe, however, that Hawaii is in a special situation. The transition from an agricultural economy based on two major crops—sugar and pineapple—to small-scale diversified agriculture, large numbers of displaced sugar workers due to the rash of plantation and factory closings in recent years coupled with an economy that is only now beginning to show signs of recovery after almost a decade of decline has caused severe strains on our rural communities. And Hawaii's tropical environment imposes unique requirements—from protection of endangered species (half of U.S. endangered species are only found in Hawaii) to export issues related to some of our tropical pests. Nonetheless, the promise of Hawaii's agriculture remains great. Entrepreneurs are discovering and developing markets for new diversified crops. We need help in this transition period to put Hawaii's agriculture back on firm footing.

WRITTEN TESTIMONY SUBMITTED TO THE AGRICULTURE APPROPRIATIONS SUBCOMMITTEE CONCERNING THE FY 2002 AGRICULTURE APPROPRIATIONS BILL

JOINT STATEMENT OF U.S. REPRESENTATIVES TONY HALL AND FRANK WOLF APRIL 9, 2001

Thank you for the opportunity to submit testimony for your consideration. We realize that you have a difficult task in allocating money for the various programs funded by the fiscal year 2002 agriculture appropriations bill. We support your efforts to strengthen the federal nutrition safety net, through the Food Stamp Program, child nutrition programs and the commodity assistance programs. We look forward to working with Committee members as Congress reviews all of these critical programs over the next two years. We are encouraged that last year these essential programs received necessary increases, such as the full funding of TEFAP and the enhancements of the Food Stamp Program. We especially appreciate the committee's support for Representative Walsh's amendment to include provisions of the Hunger Relief Act. But, we also realize that programs alone will not solve the problem. Creative leadership is essential if we are to meet the changing needs in this post-welfare environment. Therefore, we are asking that the committee continue to fund the Bill Emerson-Mickey Leland Hunger Fellows Program with a two million dollar appropriation. We are extremely pleased that President Bush has included this request in his USDA budget. This program of the non-profit, non-partisan Congressional Hunger Center is an indispensable tool in our national and international fight against hunger. The Fellows Program's unique contribution is that it is the only program to combine frontline community-based service with national policy training.

We are convinced that hunger is a problem we can solve. In our time of unprecedented prosperity, it is shameful that hunger still exists in America. More than 31 million people are not sure whether they will have enough to eat this month. The number of people requesting food from emergency providers continues to increase, according to America's Second Harvest, Catholic Charities and the U.S. Conference of Mayors. Most of the 26 million Americans who visit food banks and feeding programs are working, or unable to work due to age or disability. Across the globe, hunger continues to plague more than 1 billion of our neighbors. Tragically, almost 34,000 people, mostly women and children, die EVERY DAY from hunger and related diseases.

Our experiences overseas have shown us that hunger exists for a myriad of reasons. Sometimes natural disasters, such as floods or drought, cause crop loss and subsequent famine. Often civil strife and war force people to flee and large migrations of refugees lead to massive starvation. In our own country, there are some people who go hungry because they do not have the ability or will to work, but far more often, hunger persists because workers do not have enough money to feed their families adequately. In confronting these problems, we face both the short-term need to feed people and the long-term need to end hunger.

As the Bible teaches, "the harvest is plentiful but the laborers are few." America needs committed and trained leaders who will work to serve those in need. We need people who have garnered the exposure, expertise and experience to make a real difference. By developing emerging leaders, the Congressional Hunger Center is making progress in the fight against hunger. More than 100 people have completed the Bill Emerson/Mickey Leland National Hunger Fellows Program, a year-long fellowship that combines direct, hands-on service at sites around the United States with placements that give them first-hand experience in public policy. Twenty-two more fellows will complete their service this August in our National Program, while ten new fellows will commence our first International Hunger Fellows class this June. These individuals will carry their experiences with them for the rest of their lives, no matter where their careers lead them.

Allow us to share with the committee some of the accomplishments of these outstanding young people:

- Laura Strickler worked with the Community Hunger Outreach Warehouse (CHOW) in Binghamton, New York to expand its Broome Bounty food rescue program. A previous Hunger Fellow started Broome Bounty, which collects surplus food from stores and restaurants for serving at various feeding programs. From its humble beginnings, it has served almost 2 million meals. Laura currently works with the Children's Alliance in Washington State, where she promotes child nutrition programs, especially school breakfast and the summer feeding program.

- Will Stott of Carmel, California also watched his life change because of the program. After completing his fellowship, he worked with Bread For the World, a faith-based anti-hunger organization. He now works at KPMG, a major private sector, consulting group where he continues his personal commitment to assist poor and hungry people, also challenging his employer to make a greater commitment to ending hunger.

- R.P. Eddy has served as the executive assistant for the former U.S. Ambassador to the United Nations, Richard Holbrooke. He is currently employed as an assistant to UN Secretary General Kofi Annan. Prior to his service at the United Nations, he worked at the Department of State and National Security Council.

- Bhavna Patel is a public health associate for Catholic Relief Services. She is stationed in Albania assisting Kosovar refugees. She received this position after completing her Master's in Public Health at Johns Hopkins University.

- Halley Torres Aldeen of Illinois is working with America's Second Harvest as the Research Coordinator, compiling the nationwide survey of their member agencies. She wrote the national guide on TEFAP. She recently completed her Masters in Social Work and spent a year working with the Houston Food Bank.

- Jim Stipe worked with Kentucky River Foothills, Inc. and helped to run the Hunger Fellows Program. He has worked for the past five years with Bread for the World, a Christian citizen's group against hunger, as a program director and regional coordinator.

- Alison Goldberg graduated from the Fellows program and went on to complete her Masters in Community Nutrition at Cornell University in Ithaca, NY. She is currently a director of a foundation, focusing on supporting hunger relief initiatives, and is starting her own non-profit organization.

- Javier Silva of Connecticut worked with La Fondita de Jesus in Puerto Rico, and then with the Corporation for Enterprise Development in D.C. He was then hired by CFED to work on their microenterprise and asset development initiatives.

These are just a few of the people who have completed the Hunger Fellows Program. Having met with members of each class, we are encouraged by their dedication and commitment. Like Peace Corps Volunteers, they are able to contribute to their host communities in the short-term and carry valuable lessons with them in the long-term that enable them to contribute immeasurably to the collective wealth of our country. In addition, the public policy component gives the Fellows and their sponsoring organizations a more complete experience and opportunity to formulate realistic solutions leading to the end of poverty and hunger. Sixty-two percent of our program graduates, who currently are not in graduate school, are working in non-profit, community development and social services agencies. One quarter of our program graduates went on to work at an organization dealing directly with huger issues at some point after the Fellowship.

We see these people as a worthwhile investment, a valuable national asset, whose experience in this program will continue to produce dividends for years to come. The problems of hunger are complex; to solve them, we need people in every field to contribute. Even more than that, they are a living memorial to two great former colleagues – Bill Emerson and Mickey Leland. Their dedication is a fitting tribute to these men who spent so much of their Congressional careers working together to alleviate the scourge of hunger. Their friendship and leadership demonstrated that public service can overcome partisanship, and that this noble goal was worthy of their best efforts. There is no better legacy to these two leaders than the Hunger Fellows Program established in their memory.

Currently, we are seeking passage of the Congressional Hunger Fellows Act of 2001. This would authorize the program as a living memorial to the late Bill Emerson and Mickey Leland. This is appropriate, given the many precedents of congressionally funded fellowships and scholarships, such as the Truman, Eisenhower, Goldwater, Cochran and Udall programs and the $50 million John Chafee Environmental Fellowship Program in honor of the late Senator from Rhode Island.

The Congressional Hunger Center currently operates the programs at a cost of approximately $800,000 each year. Fellows receive a poverty-level stipend of about $10,000 for the year, transportation to and from their sites, health insurance, training, and an end-of-service award of $3,500 at the successful completion of the program. Additional funding would allow for the endowment of this unique program and assist expansion to sites overseas so that it might continue to train future leaders in the fight against hunger. As co-chairmen of the board of directors of the Congressional Hunger Center, we are confident that this is a wise and worthwhile investment.

Therefore, we are requesting a two million dollar appropriation for FY 2002 from the Agriculture Appropriations Subcommittee for the Congressional Hunger Center and the Bill Emerson-Mickey Leland Hunger Fellows Program.

Thank you very much for considering this program that is of great personal importance to us. We are convinced that this modest investment in training leaders will yield great returns for hungry people across the country and the world. Graduates of the Hunger Fellows Program are already making substantial contributions to our communities and country. This request would allow the program to continue its excellent job of serving those most in need.

Congressman Wes Watkins (OK-03)
Statement Before the
House Appropriations Subcommittee on
Agriculture, Rural Development, Food and Drug
Administration and Related Agencies
April 10, 2001

Mr. Chairman, I would like to thank you and the members of this Committee for allowing me the opportunity to testify about several projects that are of great importance to me, my constituents, and the State of Oklahoma. I am submitting these requests because each holds a tremendous possibility to aid agricultural research, farmers and producers, and rural development.

The following requests are continuing projects, and it is my hope that the Committee will maintain funding at or above previous funding levels.

I respectfully request that **$290,000** be included for Oklahoma State University to continue research focusing on the **development of vegetable production systems** for markets in the Dallas, Oklahoma City, Kansas City, and Saint Louis regions. Last year your committee provided $180,000 for Oklahoma State University to continue this important research. This initiative fulfills the three purposes of the USDA Special Grants program – excellence in research on a national level, promotion of the development of regional research centers, and promotion of the research partnership between USDA and State Agricultural Experiment Stations. The research of expanding markets for vegetable production would provide great benefits to Oklahoma producers. Recent changes in federal price support programs allows producers the flexibility to shift into more profitable vegetable production while retaining basic support. The potential for producers to shift into fresh market vegetable production programs is great. This grant would give the producers the research needed to do that.

Also, I ask that **$250,000** is included for Oklahoma State University's Preservation and **Processing of Selected Fruits and Vegetables** research initiative. This project researches the development of systems and processes to support the growth of the fruit, nut, and vegetable production industry, and encourage growth of the U.S. agriculture products processing industry. Last year your committee provided $226,000 in continued funding for this important program. The Preservation and Processing of Selected Fruits and Vegetables research initiative has concentrated on factors currently limiting quality and shelf life of Oklahoma-grown produce, and on attraction of new industries to the state for value-added processing to enhance marketing opportunities for Oklahoma horticultural products. Technological improvements in fruit, nut, and vegetable harvesting, handling and processing are critically needed to supply domestic markets and to support continued U.S. participation in international commerce. We must provide Oklahoma producers with the resources they need to be competitive in both production and processing of fruit, nuts, and vegetables.

Another very important research initiative is a wheat/stocker cattle project better known as **Expanded Wheat Pasture**. I ask that a **USDA/CSREES grant of $350,000** is allocated for Oklahoma State University to continue researching methods to improve the efficiency of production and increase the profitability of wheat/stocker cattle enterprises and further decrease production risk and income variability from the wheat/stocker cattle enterprise, thereby increasing growth of the industry. Last year your committee provided a similar USDA/CSREES grant of $293,000 in continued funding

for this important research. This is a multi-disciplinary research and education program involving scientists from the Departments of Animal Science, Plant and Social Sciences, Agricultural Economics, and Entomology and Plant Pathology. Excellent facilities for grazing studies on wheat pasture, small-plot variety studies, laboratories, and beef cattle feeding facilities are available in support of this research. The potential of this project for improving the economics of many rural communities in Oklahoma and the southern Great Plains is enormous. By improving the technical efficiency and increasing the number of cattle that are grazed on wheat pasture in Oklahoma, annual income in the state could potentially increase by almost $131 million. This research has similar potential impacts on wheat pasture stocker cattle in the states of Texas, Kansas, New Mexico, and Colorado.

Research is needed to develop the best management practices to maximaize beneficial nutrient use and minmize odor in semiarid agroecosyetem production systems, and therefore I submit a request of **$400,000 for Animal Waste Management** research through Oklahoma State University. It is essential that economical, sustainable, and environmentally prudent, waste management principles and practices be developed for the rapidly expanding animal industry in the Oklahoma Panhandle area. The semiarid agroecosystem is unique, which renders much of the management information gained from more humid environments inapplicable.

In order to support a consortium between Oklahoma State University and Mississippi State University, **$3.2 million is needed to conduct research on Biomass Based Energy.** It is important to continue the development of the unique gasification-bioconversion process that OSU utilizes to process biomass materials into a viable and competitive energy source. Oklahoma State will focus on production, harvest, and transportation of vegetation common on the tall grass prairie. It is estimated that successful completion of this project would result in five 100 million gallon per year bio conversion plants in Oklahoma.

I respectfully request that **$350,000 be included for the Pilot Technology Transfer**, a cooperative effort between Oklahoma State University and Mississippi State University. Last year your committee provided a similar USDA grant of $326,000 for this important research. In addition to the challenge of product and process technologies, the small rural manufacturer must not meet head-oh the challenges and opportunities of advanced manufacturing management systems. During the next decade these issues will have an equal, if not greater, impact on competitiveness as do the engineering challenges of today. Unlike manufacturing technologies, larger and wealthier urban manufacturers do not have a 20-year lead on their rural counterparts. Now is the time for small rural manufacturers to learn about and adopt advanced manufacturing management systems. The USDA-CSREES OCES Technology Transfer Project is well positioned to re-focus its efforts and begin providing leadership in the development of methodologies to address these new challenges. The Technology Transfer Specialists will continue to work closely with the Applications Engineers, the Oklahoma Alliance for Manufacturing Excellence, and Rural Enterprises of Oklahoma as an integral part of the program. Some client projects will be solely advanced manufacturing management systems issues, while others will be joint projects involving the Application Engineers and the Alliance field-based personnel. Financial and business planning services and business incubator support are provided by specialists from Rural Enterprises of Oklahoma, Inc.

Additionally, I request that you include an earmark of **$300,000** for the **Marketing and Implementation of a Rural Infrastructure Tax-Exempt Loan Pool**, an initiative executed by **Rural Enterprises Inc. (REI)** of Durant, Oklahoma. Last year, the committee was kind enough to provide

language for the funding of REI through the Rural Development Agency. However, due to the lack of earmarks within this language, funding for REI was left to the discretion of state RDA officials. Budget constraints at the state level prevented funds to be directed to REI, and I ask that the committee lend consideration to these constraints while developing the bill for FY02.

This program is an innovative tax-exempt loan pool to assist rural communities with capital improvements, and it improves life in rural Oklahoma by meeting identified infrastructure needs. Oklahoma's small cities and towns face enormous challenges in funding their capital needs for water, sewer, street improvements and police and fire protection equipment. Community infrastructure is a vital part of economic development, especially in rural areas. Without proper infrastructure, communities will not grow and prosper, thereby affecting the economic condition of the entire state. Through a tax-exempt bond issue, REI will develop a loan pool to meet these needs. USDA funding will allow REI to develop, market and implement the program on a statewide basis, thereby creating pooled borrowing (multiple borrowers joining together), which will result in lower borrowing costs and a user-friendly application process. The benefits of the program include:

- The quality of life for small rural communities will be enhanced.
- Jobs will be created through loans made to improve infrastructure of communities.
- Other REI programs and services will be marketed to the communities, which will foster economic growth through business financing and technical assistance.
- New partnerships will be built throughout the state of Oklahoma.

The following requests were not funded in Fiscal Year 2001. However, this does not diminish the importance or need of the projects. I sincerely ask that you give each of the following serious consideration while preparing the Fiscal Year 2002 Agricultural Appropriations bill.

The South Central Agricultural Research Laboratory was developed in response to the need for new and improved agricultural enterprises and economic development in southeastern Oklahoma and the region. It is operated jointly by the Oklahoma State University Division of Agriculture and the Agricultural Research Service of the USDA. ARS and OSU scientists work individually and collectively, providing world-class research and information on horticultural and specialty crops. The addition of a Distance Learning Center at the OSU/ARS site in Lane, Oklahoma for the purpose of facilitating a technology transfer between the Center and producers, students, scientists, and other interested parties would greatly enhance the capabilities of the site and the role that the research station can play in rural Oklahoma, Texas, and surrounding states. I respectfully request that language be included allocating **$2,800,000** for the planning/construction of a **Distance Learning Center at the South Central Agricultural Research Laboratory**, located in Lane, Oklahoma.

The Agricultural Research Service's interests are primarily in developing integrated production systems for horticultural crops for the south central region of the United States. Oklahoma State University efforts at the Center include research, extension, and youth and adult educational programs. The scientific community, farmers and producers, and students all greatly benefit from the work done at the Center. However, the Center's capabilities could be greatly enhanced through a technology transfer program facilitated through a Distance Learning Center and the use of the Internet.

This technology transfer program would allow for the timely dissemination of information and data discovered through research taking place at the Center. The computer and Internet capabilities of the Center matches or surpasses that of major universities; however, the Center's ability to communicate with producers, nearby communities, scientists, and other interested parties is hampered

by the absence of classroom space or an auditorium for meetings. Currently, the Center can provide video conferencing, distance education, and seminars via the Internet. The addition of classroom space or an auditorium would allow the Center to capitalize on the technologies that are already available. Given current constraints on space, any conferences or workshops sponsored by the Center must be held away from the site at locations that can provide adequate room. Likewise, seminars or information acquired through use of the current video-conferencing capabilities cannot be utilized by more than a few people at a time.

The severe respiratory disease known as Shipping Fever is the major cause of clinical disease and death loss (~90%) in stocker and feedlot cattle in Oklahoma and other Midwestern states. Many of these cattle originate from Southeastern states. Nationwide, this disease results in an economic loss to producers estimated at $1 billion. The disease results from the stress of shipping cattle along with the transmission of viruses and bacteria among those cattle. Two viruses and two bacteria are of particular importance: Infectious Bovine Rhinotracheitis Virus, Bovine Viral Diarrhea Virus, Pasturella haemolytica, and Pasteurella multocida. Viral and bacterial vaccines for the control of Shipping Fever have been used for many years. Vaccine technology has improved; however, currently available vaccines still do not control Shipping Fever. Recently the concept of "metaphylaxis", the indiscriminate treatment of all cattle with antibiotics upon the arrival at a feedlot, has become a common practice to reduce Shipping Fever. In addition, when cattle develop Shipping Fever, they are intensely treated with antibiotics. The extreme use of antibiotics to control Shipping Fever increases the possibility of antibiotic residues in meat and development of drug-resistant bacteria in cattle including those with potential impact on human health such as Salmonella and E. coli O157:H7. Therefore, I respectfully request that **$500,000** be included in the FY 2002 Agriculture Appropriations bill for Oklahoma State University to research **Shipping Fever of Cattle: Control Without Antibiotics.** The Shipping Fever Project is a multi-disciplinary, multi-institutional project designed to develop improved methods of control so that antibiotics use can be greatly reduced or eliminated. And specific objectives would include:

- Understand the key pathological processes in the development of Shipping Fever in cattle prior to arrival and while they are in Midwestern feedlots. Determine predictors of illness in Shipping Fever so that disease-intervention strategies can be instituted early in the disease
- Develop new methods of vaccine-medicated control through recombinant-DNA technology focusing on the four major viruses and bacteria associated with the disease
- Improve management practices to control Shipping Fever without the use of antibiotics to protect consumers by eliminating the risk of antibiotic residues in meat, preventing development of antibiotic-resistant bacteria, and enhancing profitability for the beef cattle industry

This research initiative compliments ongoing research in a consortium of universities including Auburn University, OSU, Kansas State University, Mississippi State University, University of Missouri, and the University of Tennessee and will develop a coordinated effort to enhance Shipping Fever control measures, protect human health and increase profitability in the beef cattle industry. The OSU College of Veterinary Medicine, in conjunction with the Oklahoma Agricultural Extension Service has been a leader in Shipping Fever research for many years. The CVM and OAES support for Shipping Fever research is at a level of about $150,000 per year by cost-sharing of salaries, facility maintenance, and direct research support, and the Noble Foundation in Ardmore, Oklahoma, is a private collaborator.

I respectfully request that language be included allocating **$300,000** through the USDA-Cooperative Extension for the **Rural Economic Development and Community Development Project**, a project executed by Rural Enterprises, Inc. of Durant Oklahoma. The project would continue and expand rural economic development programs including:

- Financial Services

- Business Development/Business Incubators/Equipment Program
- Technological Services/Resources
- Rural Housing Financing/Community Infrastructure Program
- Rural Export Assistance Center

The demand from rural Oklahoma entrepreneurs and small businesses for the economic development services and programs listed above demonstrates the need for continued funding. The demand is evidenced by total financing secured of $15,139,733 for 60 Oklahoma small businesses in 2000, which helped to create or retain 613 jobs in Oklahoma. The REI-managed business incubator program created 24 jobs in 2000, and eight rural Oklahoma businesses were able to obtain needed equipment to improve their operations, leading to an additional 21 jobs. Also, requests from entrepreneurs for engineering and technological assistance are on the rise, which has resulted in an Oklahoma Cooperative Extension Service (OCES) engineer being housed at REI. This has further solidified the need for continued partnership with the OCES.

And finally, I ask that language be included allocating **$1 million in a CSREES Special Research Grant for AgWINDS: The Center for Agricultural Weather Information and Decision Support.** Agricultural producers and natural resource policy makers face many difficult management decisions. Because of economic and environmental pressures, errors in those decisions can have serious ramifications. Weather and climate are extremely important, but frequently overlooked, variables impacting virtually all production and policy decisions. Decisions-makers need access to comprehensive, weather-based information products that are timely, reliable, and scientifically based.

Oklahoma State University and the University of Oklahoma are partners in the effort to create the Center for Weather-Based Decision Support for Agriculture and Natural Resources. For more than a decade, OSU and OU have cooperated closely as equal partners in designing, building, operating, and maintaining the Oklahoma Mesonet. The Oklahoma Mesonet is an internationally recognized resource featuring:

- A statewide network of 110 automated observing stations with an array of weather and soil sensors
- Telecommunications of over 1 million data observations per day, at 15-minute intervals
- Timely dissemination of quality-assured data and value-added products
- A proven information infrastructure meeting diverse needs in both the public and private sectors

The proposed center would significantly enhance Oklahoma's ongoing efforts to utilize the Mesonet to serve the agricultural and natural resource communities. By developing and disseminating a variety of decision support products, and demonstrating their value, the proposed center would provide a prototype for better integrating weather information into decision making. In addition to the un-paralleled Mesonet, Oklahoma has considerable climatic, soil, and land-use diversity. Thereby facilitating regional and national extension of what is learned. Decision support systems utilizing the Oklahoma Mesonet will enable weather/climate information to be integrated with other relevant databases so that tailored products can be developed and effectively disseminated to producers and policy makers. The goal of the proposed center is to close the gap between *data* and *optimum decisions*.

Mr. Chairman, I look forward to working with you and the members of the Committee to secure funding for these projects, and as always, I stand ready to answer any questions you might have in this regard. Thank you again for your time and consideration of these important requests.

Testimony Submitted to

U.S. House Subcommittee on
Agriculture, Rural Development,
Food and Drug Administration and Related Industries

April 10, 2001

Concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

Prepared Statement By

James T. Michaels II
Stolt Sea Farm California LLC
9149 East Levee Road
Elverta, California 95626

Mr. Chairman and Members of the Subcommittee: My name is Jim Michaels. I am the Operations Manager of the sierra Site of Stolt Sea Farm California LLC. Our company grows white sturgeon for meat and caviar production. Our company operates four locations in the Sacramento, California area. I am Vice President of the California Aquaculture Association. I am a board member of the Sacramento County Farm Bureau. I am also on the Industry Advisory Council for the Western Regional Aquaculture Center (WRAC).

I have been professionally involved in aquaculture for 20 years and am familiar with the culture of many finfish species. I have been growing sturgeon for the past 16 years. During this time period I have seen tremendous growth in our national aquaculture industry. This growth is the result of hard work, commitment, innovation, and research.

Aquaculture is an extremely large industry worldwide, where more than 20 million metric tons of fish and shellfish are produced each year. The U.S. lags far behind many other countries such as China, India, and Russia in aquaculture, producing only a small fraction (about 2%) of the world's total supplies. The majority of U.S. production involves freshwater fish, primarily catfish, trout, tilapia, and striped bass. Aquaculture has become a one billion dollar industry in the U.S., providing nearly 15% of our seafood supplies. Aquaculture production in the U.S. in rapidly approaching 450 million kg annually. Annual production of catfish in the U.S. is estimated to be about 200 million kg, with trout

between 22 and 27 million kg, salmon over 9.0 million kg, domestic tilapia production at 7.0 million kg, and hybrid striped bass at nearly 4.5 million kg.

Aquaculture is expanding an annual rate of 20% and is the fastest growing sector of the agriculture industry. Predictions from independent surveys of the food industry indicate that aquaculture could become the most productive sector of food production in the U.S. within the next two decades. Furthermore, these studies suggest that most of the additional production will come from intensive culture, and that the culture will focus on luxury species using innovative technologies. However, these advances can only occur if a coordinated effort is made to provide the technical and engineering breakthroughs needed to allow this new industry to develop.

Unfortunately, foreign competition is having a major impact on some U.S. aquaculture operations. More than 60% of our seafood supplies are now imported, resulting in a large annual trade deficit of $7 billion. Many of the competing countries are located in tropical and sub-tropical climates, where large quantities of warm water are available for aquaculture. Also, land costs are low, there are few competing uses for water resources, semi-skilled labor is widely available for a fraction of U.S. costs, and often there are few controls on the quality of water discharges to the environment or the use of antibiotics and other disease treatments illegal in the U.S.

Foreign competition also is beginning to have an impact on our segment of the industry, the culture of striped bass. In the last three years, competition from Taiwan has increased significantly. Foreign farmers are now purchasing more than 200 million striped bass juveniles each year, which is about 20% of all of the fingerlings available from the U.S. hatcheries. The only means of protecting and fomenting the U.S. industry is to develop significant technological improvements in the culture process, so that U.S. producers will not be at a disadvantage.

Although aquaculture offers extremely high potential, some observers liken the status of our technology to the status of land-based agriculture in the 1050's. There is a real need for the development of high-tech solutions for many problems we face, such as the development of methods to treat and reuse wastewater, improved feed formulations, controlled reproduction and genetic improvements, and the testing of new medications to maintain healthy fish populations in culture systems. Well-planned aquaculture research programs could have extremely important commercial applications in the U.S. Almost every major review of aquaculture has described the critical need for improved culture technologies if this new industry is to continue to expand in the U.S. The Nation Aquaculture Act and

the revised National Aquaculture Plan highlight the importance of aquaculture research and development. The Congressional Joint Subcommittee on Aquaculture and the national research Council promote a "national agenda to encourage the development of advanced aquaculture technologies and environmentally sound, renewable resources", as part of the Presidential Initiative on Sustainable Development. Similar emphasis is placed on the topic by the Cooperative States Research, Education, and Extension Services (CSREES) Program, and the Sustainable agriculture Research and Education Program (SARE). Aquaculture has been declared a National Need having top priority by the Agriculture in Concert with the Environment (ACE) Program, a joint effort of the USDA and the EPA.

This increase in domestic aquaculture production cannot happen without government research assistance through programs such as the Regional Aquaculture Centers. This program has helped crease numerous success stories within the aquaculture industry. It's practical approach via an academic/industry consortium to answer questions that would be difficult for either entity to answer individually has leveraged grant dollars to many multiples.

The west coast white sturgeon industry is just such a success story. This industry started out in the early 1980s as a dream of several entrepreneurs and several academic researchers. The goal was a lofty one. Identify and solve the problems associated with the spawning and domestication of white sturgeon in order to develop a broodstock population that could support the ongoing domestic production of sturgeon. Through a series of grants administered through WRAC and other institutions, the creativity of researchers throughout the Pacific Northwest, and the hard work of the cooperating private farms, white sturgeon aquaculture production is now a reality. As an industry, we have gone from zero pounds produced, to more than one million pounds of meat production per year. In addition as an industry, we now have the opportunity to take the next step i.e. caviar production. It is entirely possible with the collapse of the Caspian Sea caviar industry, that the United States could become a world leader in aquaculture raised caviar.

The unique method that the Regional Aquaculture Centers use i.e., industry driven research objectives coordinated in a multi-state fashion utilizing the best available research talent has allowed for many success stories similar to the sturgeon story. It is imperative that this approach be continued The challenges that will face this industry's needed expansion are many. Granting institutions such as the Regional Aquaculture Centers are absolutely essential in helping our industry meet these challenges.

I therefore urge you to continue supporting the five Regional Aquaculture centers with the fully authorized funding level of $7.5 million dollars. It will be some of the best spent dollars that the U.S. government can provide.

Thank you for he opportunity of providing written testimony on such an important subject.

Jim Michaels
6012 Viceroy Way
Citrus Heights, CA. 95610

Occupational History

- Operations Manager: Sierra Site, Stolt Sea Farms California LLC 1998 - Present
- Co-Owner: JCM Enterprises 1997 - Present
- Vice President: Sierra Aquafarms, Inc. 1989- 1997
- Vice President: California Sunshine Fisheries 1986-1989
- Operations Manager: California Sunshine Fisheries 1985-1986
- President: Cherry Snapper Fish Farms, Inc. 1984-1985
- Manager: Natural Systems, Inc. 1982-1984

Organization Participation

- California Aquaculture Association; Board of Directors; 1995 - Present
- California Aquaculture Association; Vice President; 1998 - Present
- Sacramento County Farm Bureau; Board of Directors; 1995 - Present
- Sturgeon Broodstock Development Committee; Vice Chairman; 1990 - 1997
- Western Regional Aquaculture Center; Industry Advisory Council; 1999 - Present

Education

- Bachelor of Science, Loyola College, 1977
- Master of Science, Biological Oceanography, Old Dominion University, 1980

I am not receiving federal funding. I have not received federal funding during my career.

Jim Michaels



Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name:

1. Are you testifying on behalf of a Federal, State, or Local Government entity?	(Yes)	No
2. Are you testifying on behalf of an entity other than a Government entity?	Yes	(No)

3. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1999:

4. Other than yourself, please list what entity or entities you are representing:

Western Regional Aquaculture Center

5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your representational capacity with the entities disclosed in question number 4:

6. If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships whom you are not representing?	Yes	No

7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) which were received by the entities listed under question 4 since October 1, 1999, which exceed 10% of the entities revenue in the year received, including the source and amount of each grant or contract to be listed:

Signature: _____ Date: March 28, 2001



Defenders of Wildlife

Written Statement of Proposed Testimony for FY2002

Appropriations Subcommittee on Agriculture, Rural Development, FDA and Related Agencies

April 9, 2001

Please see attached testimony and curriculum vitae of Dr. C. Franklin Casey.

Neither Defenders of Wildlife nor Dr.Casey have received Federal grants or contracts during the current fiscal year or during the two previous fiscal years.

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Written Testimony of C. Franklin Casey, Defenders of Wildlife
Before the House Appropriations Subcommittee on
Agriculture, Rural Development, FDA and Related Agencies

Fiscal Year 2002
April 10, 2001

On behalf of our 425,000 members and supporters nationwide, Defenders of Wildlife thanks you for the opportunity to submit testimony on the FY2002 Agriculture Appropriations bill. Defenders is a national, non-profit organization dedicated to the protection of wild animals and plants in their natural communities. We focus our efforts on what scientists consider two of the most serious environmental threats to the planet: (1) the accelerating rate of extinction of species and the associated loss of biological diversity, and (2) habitat alteration and destruction. Consequently, we have a very special interest in the U.S. Department of Agriculture's natural resource protection programs. These programs include the Conservation Reserve Program (CRP), the Conservation Reserve Enhancement Program (CREP), the Wetland Reserve Program (WRP), the Environmental Quality Incentives Program (EQIP), the Wildlife Habitat Improvement Program (WHIP), and the Farmland Protection Program (FPP). We also have a special interest in the recently introduced Conservation Security Act (CSA) and its potential beneficial impacts on wildlife habitat and ecosystem quality.

Most farmers who volunteer to participate in the USDA's natural resource protection programs are turned away due to lack of funding. Defenders of Wildlife therefore strongly supports the FY2002 appropriation of $2.2 billion for CRP and CREP combined, $275 million for WRP, $1 billion for EQIP, $500 million for WHIP, $500 million for FPP, and adequate funding for other natural resource protection programs offered through the USDA. We also strongly support the Conservation Security Act, H.R. 1321, introduced in the U.S. House of Representatives on March 29, 2001 by Congressman Thune. The CSA represents an exciting opportunity to combine natural resource and farm income improvement objectives. The program should receive full funding.

Effective implementation of USDA conservation programs requires increased technical assistance at the field level. Nominal funding levels for resource conservation technical assistance and research have remained practically unchanged over the last few years, despite a USDA mandate to implement more conservation programs over a broader geographical area. In real terms, federal funding for technical assistance to deliver conservation programs, and for the research and development of new conservation technologies, has actually declined over the last ten years. This situation has resulted in the inability of reduced staffs to provide effective and efficient service to the growing numbers of producers waiting to participate in conservation programs. Defenders of Wildlife therefore supports the FY2002 appropriation of $1,710,000 for Conservation Technical Assistance.

A major constraint to improving the effectiveness and efficiency of existing USDA conservation programs is the lack of adequate monitoring and evaluation of field level projects and their impacts on natural resource quality, especially native wildlife and their habitats. Defenders of Wildlife believes that $5 million should be allocated to defining and implementing a pilot monitoring program(s) over the next two years to evaluate conservation program impacts toward achieving

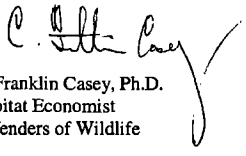
improved native wildlife habitat, water and air quality, and soil health. Defining and implementing a pilot monitoring program(s) would be a cooperative effort involving the United States Department of Agriculture, the United States Environmental Protection Agency, the United States Fish and Wildlife Service, the National Marine Fisheries Service, and the United States Geological Survey. The experience from this pilot effort would be used in designing a permanent monitoring and evaluation program.

Applied research is lagging behind increased regulatory requirements that mandate producers to improve the environmental and ecological performance of their operations. Defenders of Wildlife proposes that producers receive incentives for research, development, and testing of new conservation management practices. Such a program would require an FY2002 appropriation of $10 million.

The Land Grant Universities and the USDA Agricultural Research Service also require increased financial support for research and development of production practices that, to the extent possible, simultaneously meet profit and production goals and reduce adverse environmental impacts on wildlife habitat, water, air, and soil resources. Defenders of Wildlife supports funding of this program at $20 million for FY2002.

In FY2002, the USDA has a tremendous opportunity to assist agricultural producers to be effective stewards of natural resources on their lands. The appropriations amounts recommended this testimony would make realization of that opportunity possible.

On behalf of Defenders of Wildlife, I thank you again for this opportunity to submit testimony.



C. Franklin Casey, Ph.D.
Habitat Economist
Defenders of Wildlife

Resume for
Frank Casey, Ph.D.

Current Position:

Habitat Economist at Defenders of Wildlife. Activities include (1) developing a comprehensive taxonomy of existing economic incentives at the federal and state level for wildlife habitat and biodiversity conservation; (2) assisting the wildlife community, Congress, and relevant government agencies in understanding how to select between different incentive alternatives for the conservation and protection of wildlife habitat and biodiversity; and (3) leading an internal Defenders of Wildlife working group to review, analyze, develop and promote specific changes to the conservation title of the Farm Bill that will better protect native wildlife habitat or biodiversity on private lands.

Areas of specialty include agricultural and natural resource economics (wildlife habitat and biodiversity conservation, soil fertility, water allocation), the economics of regulation and technology adoption, and natural resource conflict resolution. Lead editor for a book entitled, *Flexible Incentives for the Adoption of Environmental Technologies and Agriculture*. (Kluwer Academic Press, August 1999).

Currently serving on the Croplands Working Group for The H. John Heinze III Center's *State of the Nation's Ecosystems* project and on the National Policy Advisory Group of the Land Stewardship Project's (Minnesota) *Multiple Benefits from Agriculture* initiative.

Education:

Ph.D., Food and Resource Economics, 1996
University of Florida

Primary research projects included: (1) evaluating public preferences and determining socioeconomic impacts of restoration plans for the South Florida Everglades ecosystem; (2) assessing socioeconomic impacts of negotiated water allocations on the Apalachicola-Chattahoochee-Flint river basin among the states of Alabama, Florida, and Georgia; and (3) the adoption of resource conserving technologies in agriculture.

M.S., Agricultural Economics, 1984
Cornell University

Masters of Professional Studies, International Agriculture, 1983
Cornell University

B.A., Political Science and International Relations, 1979

California State University

Prior Experience:

Economic Consultant
United States Agency for International Development/Michigan State University

Economic analysis of the Natural Resource Management strategy for Sahelian West Africa Region, 2001-2050, including conservation of biodiversity and wildlife habitat.

Senior Economist
Northwest Economic Associates
Vancouver, Washington

Major project and research activities included: (1) an analysis of land use and recreation for a BIA/FERC hydro power re-licensing project in Central Oregon; (2) a socioeconomic analysis for a General Management Plan EIS as part of the establishment of the Tallgrass Prairie National Preserve [Kansas] (National Park Service); (3) financial analyses for crop, livestock, and economic development opportunities for American Indian Tribes; (4) analyzing and comparing economic methodologies for determining optimum in-stream and agricultural consumptive water use; (5), analyzing economic methods for estimating the benefits of flood protection; and (6) reviewing socioeconomic impacts of land retirement plans on agriculture.

Post-Doctoral Associate
Food and Resource Economics Department
University of Florida

Senior editor of a book entitled "Flexible Incentives for the Adoption of Environmental Technologies in Agriculture." (Kluwer Academic Press, August 1999).

Economic Analysis for a USDA/ERS funded study on "Public Preferences and Economic Valuation for Restoration of the South Florida Everglades Ecosystem." Led development of an informational video for a personal survey, and assisted with developing multi-attribute survey instruments, and conjoint analysis of survey results.

Assessment and delineation of socioeconomic and game theoretical models of equitable water allocations, application findings to ongoing negotiations over allocations, and assessment socioeconomic impacts of bargaining solutions between the riparian states of Alabama, Florida, and Georgia of the Apalachicola-Chattahoochee-Flint river basin. This was an interdisciplinary, tri-state project with colleagues from the University's of Alabama and Georgia.

Conceptualization and principal organizer/investigator for a USDA/ERS/NRED funded symposium on "Flexible Incentives for

the Adoption of Environmental Technologies in Agriculture," held in Gainesville, FL, June 8-10, 1997.

Economic Consultant,
The World Bank
Washington, D.C.

Economic analysis of constraints and policies to improve soil fertility management through technology adoption in Sub-Saharan Africa. Analysis of economic methodologies to evaluate investments in improved soil fertility management. Development of an economic action plan for addressing soil fertility constraints in Sub-Saharan Africa.

Economic Analyst, Department of Food and Resource Economics
The University of Florida

Development and administration of a grower survey instrument to solicit micro-level on-farm production information and water conservation strategies and attitudes. Economic production analysis of the factors affecting the adoption of water conserving irrigation technologies in the Florida strawberry, tomato, and potato industries, and policy alternatives to promote water conservation and improved water quality. Agricultural water demand analysis for North Florida row and vegetable crops.

Economic Policy Advisor,
Center for Research on Economic Development
University of Michigan

Republic of Niger, Ministry of Agriculture. Economic analysis of subsidy reduction, price reform and privatization in agricultural factor and product markets, and natural resources management. Assessment and improvement of national agricultural data collection, management, and publishing system for policy analysis. Analysis of institutional constraints to agricultural policy reform. Training in survey design and data collection, management, and analysis. On occasion, Team Leader for four U.S. researchers.

Senegal, Burkina Faso, and The Gambia. Farming Systems Research/Production Economist. Ex-Ante analysis of socioeconomic impacts in agriculture from dam construction. Survey design, collection, and analysis of farm level household data for income and expenditures, production, and marketing. Enumerator/supervisor training. Design and implementation of FSR surveys on farming and marketing systems. Design of producer and trader Rapid Reconnaissance surveys for grain marketing systems research. Team leader on occasion for seven U.S. researchers.

Reviewer: *Journal of the American Water Resources Association*
Journal of Production Agriculture

Languages: Native English speaker, good speaking and reading ability in French (FSI2+), Wolof (FSI2).

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Food and Drug Administration FY 2002 Appropriation
Recommendations of the American Society for Microbiology
April 6, 2001

The American Society for Microbiology (ASM) wishes to submit the following recommendations for increased funding for the critical public health programs of the Food and Drug Administration (FDA). Included in the FDA's jurisdiction are public health areas of concern to the ASM: microbially contaminated food products, drug treatments for infectious diseases, clinical laboratory test standards, expanding antibiotic resistance, and global trade as it affects public health. The responsibilities of the FDA have rapidly expanded and as a result, there is an urgent need for more resources.

The FDA is responsible for both scientific evaluation and regulatory enforcement, and must respond to a daunting array of challenges quickly and carefully, while maintaining the public's trust in its ability to do so. To protect public health, the agency oversees the safety of both new and on-the-market products by performing and collaborating in a diverse spectrum of research. The results of such research directly improves product safety, quality and effectiveness. This research also facilitates product development in areas of new and emerging technology. In addition, the FDA communicates to the public and other agencies the best information available on safe use of products. The FDA is part of each American's life, every day through its assessment of medical and food products as well as consumer goods and the FDA is expected to be a highly competent, independent gatekeeper of public safety. The ASM urges Congress to recognize the essential nature of this responsibility and the high standards with which the FDA responds to its challenges.

Science at FDA

The ASM strongly supports a budget increase to improve the FDA's scientific base. Increasing numbers of products are being presented to the agency to ensure their safety and effectiveness prior to marketing, challenging it to recruit and retain high-quality personnel to undertake rigorous, science-based evaluation. New resources will be needed to safeguard fully the American public, through well-informed decision-making based on leading-edge scientific knowledge. In this century, accelerated changes in science and technology will complicate further the approval processes overseen by the agency. This will press the FDA to stay not only current, but at the forefront, in fast-moving scientific specialties. Good science is the foundation of good regulatory decisions. With U.S. research funding expanding, it is clear that, if the FDA is to maintain its role as a trusted guardian of public health, science at the agency must receive additional support from Congress and the Administration.

Not only will scientific information become more complex, but related social and economic issues will further expand and complicate FDA's responsibilities. Last year's announcement of the successful mapping of the human genome epitomizes the FDA's expanding challenge. Experts predict that there will be gene-based drugs to treat diseases

such as diabetes and hypertension, as well as cancer therapies tailor-made against each tumor's own genetic profile. Genetic science will result in potential benefits, problems, and products heretofore unknown. The swirling ethical controversy also underscores the importance of the FDA's tradition of educating the American public about new products as well as monitoring the safety and effectiveness of new products after they are approved. At present, there are hundreds of genetic tests in development in the United States, but thus far fewer than a dozen have been submitted to and approved by the FDA. It is important that the FDA be given sufficient resources to make possible timely and fair evaluation of the expected flood of gene-based products and procedures. In addition, the FDA needs to be able to take full advantage of the new fields of toxicogenomics and pharmacogenetics to better predict drug toxicity and responsiveness to therapies, respectively.

Food Safety

Vigilance by FDA and other public health agencies has significantly improved the safety of the nation's food supply over the past several years. During 1996-1999, there was a 20 percent decrease in illness due to the nine most common food pathogens. Multi-agency program efforts such as the Food Safety Initiative and the current fight against importation of meat products contaminated with the mad cow disease pathogen, have contributed to such victories. But the rising percentage of food prepared outside the home and the global nature of our food supply – along with new emerging infectious diseases and antibiotic resistant pathogens – are creating a more demanding environment for food safety. Each year, an estimated 76 million Americans get sick, more than 300,000 are hospitalized, and 5,000 die as a result of foodborne illnesses. As a result, medical expenses and lost productivity annually cost an estimated $8 billion. The FDA carries a large share of the federal responsibility to protect even more Americans from foodborne illnesses.

FDA personnel consistently respond to changing needs, while maintaining the high standards of scientific excellence necessary in peer-review of products submitted for FDA approval. This year, the FDA plans to increase the percentage of high-risk domestic food establishments inspected once every year to 100 percent. Within the past year, the FDA approved irradiation for shell eggs and for sprout seeds and approved use of UV radiation for apple juice, both as a result of an expedited review process now in place for new technologies. The FDA, in cooperation with the Centers for Disease Control and Prevention, is working to reduce by 50 percent cases of illness due to *Salmonella* in eggs by 2005, and eliminating them by 2010. This January the FDA directed fruit and vegetable juice processors to begin operating under Hazard Analysis and Critical Control Point (HACCP) principles during production. HACCP requires a science-based analysis of potential hazards in all steps of processing and implementing control or corrective measures as needed. The rule responds to foodborne illness outbreaks associated with fruit products over the past several years, like those caused by *E. coli* and *Salmonella* bacteria. The FDA estimates there are between 16,000 and 48,000 cases of juice-related illnesses each year. The new HACCP rule is expected to prevent at least 6,000 cases.

New challenges to food safety include situations previously unknown, such as bioengineered foods and antibiotic resistance. Over 50 bioengineered foods are now marketed in this country, and many more are expected. Collaborative federal oversight of these foods includes FDA evaluation of safety and nutritional aspects of each food product. Recently, the agency issued a proposed rule to make mandatory the now-voluntary process of consulting with FDA scientists by bioengineered-food marketers. The FDA also assesses the safety of antimicrobial drugs used in food-producing animals primarily as growth promotors, a practice suspected as one cause of the alarming rise of antibiotic resistance among microbial pathogens. Since 1996 the FDA, CDC and USDA have collaborated on the National Antimicrobial Resistance Monitoring System, which includes monitoring health-care acquired resistant infections in 300 hospitals in 15 states. Inappropriate use of antimicrobials by health care providers also contributes to the problem. This January, the partner agencies released their final action plan to combat antimicrobial resistance. The FDA needs a significant increase in funding in order to implement the recommendations of this final action plan. Within that plan, the FDA will help develop systems to monitor patterns of antimicrobial drug use in human medicine, in agriculture, and in consumer products.

Product/Consumer Safety

As protector of the American consumer, the FDA oversees the efficacy and safety of new health care products and procedures, as well as on-going review of those already approved. Strains placed on the U.S. health care system by growing costs and patient numbers also affect those working to regulate health care. Each year the FDA reviews more than 350,000 reports of suspected product adverse reactions, each of which has to be investigated, analyzed and acted upon in a timely manner. An estimated 44,000 to 98,000 Americans die each year from preventable medical errors, at a cost as much as $29 billion. The FDA has established a Patient Safety Task Force with the goal of reducing medical errors by fifty percent over 5 years, through better data collection, coordinated analysis efforts, and collaboration with health care providers to include an easy-to-use confidential reporting system.

During the past year, the agency's three medical product centers reviewed more than 17,100 marketing applications for drug, biologic, and device products. About 16,600 were approved, 160 of which were new types of medications or medical devices indicative of leading-edge medical research. Among them were the first drug approved from a new class of antibiotics designed to treat vancomycin-resistant bacterial infections and the first drug approved in a new class of anti-fungal agents for patients unresponsive to traditional therapy. Also approved was a pneumococcal vaccine for infants and toddlers that will help combat blood infection found in about 35,000 U.S. youngsters each year and meningitis diagnosed in about 17,500 annually. A new diphtheria-tetanus-pertussis vaccine will lessen children's exposure to mercury by reducing or eliminating particular preservatives through different production methods. Yet much remains undone due to resource shortages, including personnel needed to review products and inspect facilities, that must be remedied by increased funding. For example, each year the FDA is able to inspect only 28 percent of drug-manufacturer facilities, and only 16 percent of

high-risk medical device facilities. Efficient and accurate science-based expert review of products and facilities is likely to result in appropriate reactions to product safety and effectiveness. Thus, competence in basic and clinical science creates a balanced environment that is both protective of public health, yet understanding of the product development process and the data truly needed to assure that safe and effective products become available to patients in a timely manner.

Last year, the FDA also assumed a responsibility formerly held by the CDC: to categorize commercially marketed diagnostic tests as part of a process established by the 1988 Clinical Laboratory Improvement Amendments (CLIA). Designed to create quality standards for all laboratory testing, the categorization component of the CLIA will be done by the FDA's Center for Devices and Radiological Health. Tests are grouped based on their potential risk if misused. Support for a strong science base will enable FDA to understand the complexity of tests and ensure the accuracy of test results so that tests can be properly categorized.

Global Issues

Globalization clearly will stress and strain resources at the FDA. International trade in foodstuffs, pharmaceuticals, and medical devices expands the already impressive breadth of FDA responsibilities. This can create serious challenges to federal agencies charged with protecting human health. Dramatic headline examples include the struggles against importation of animals or animal products contaminated with mad cow disease (BSE, or bovine spongiform encephalopathy). Since 1986, there have been more than 176,000 cases of BSE confirmed in cattle in Great Britain. Health officials now believe that the fatal disease is transmitted to humans through ingestion of contaminated beef-containing products. To date, it has not been detected in cattle in the United States, but the FDA is on high-alert against that possibility. If an outbreak did occur here, economic losses in U.S. beef industries are expected to exceed $15 billion. Slaughtered infected cattle may be incorporated into animal feeds, a common mode of spread for BSE, and the FDA needs to be vigilant in stopping shipments of contaminated products from Europe. The agency and state officials intend to inspect an estimated 9,500 feed mills to enforce the ban on feeding animal proteins in this country. Other FDA-oversight products like drugs, vaccines, dietary supplements and cosmetics also contain beef-derived substances, further complicating the inspection process.

Responding to international trade in therapeutics, the FDA has formulated more than 50 drug production guidances agreed upon with the European Union, Canada and Japan. Countries also have agreed upon electronic formats to speed regulatory processes and communications among national agencies and production companies, as well as accepted an international terminology to expedite transfer of safety data around the globe. Recent attendees at the International Conference on Harmonization reached agreement on methods to standardize the format of product marketing applications. The FDA has been a leader in international harmonization related to food and product safety, but coming years will create greater challenges as trade relationships evolve. The globalization of

product development, testing, and trade is one of the very compelling reasons to maintain a strong FDA through sufficient funding.

Finally, in the interest of national security, resources are required for FDA to ensure the development and licensure of new vaccines, for smallpox, anthrax and other biological agents that might be weaponized for use in a biological attack against American citizens. It will be critical to have Congress' support for the development and approval of vaccines, diagnostics, therapeutics and anti-toxins necessary for response to certain biological or chemical agents. FDA has been working in conjunction with CDC, NIH, DOD, academia and private industry to move this effort forward. Additional resources will enable FDA's momentum on counter bioterrorism to continue.

Conclusion

This new century will present the FDA with new challenges – as science and technology change even more rapidly, consumers expect even more protection, and global trade and production further strain agency resources. There always will be hundreds of new products and processes awaiting FDA approval, some of which will transform public health. Emerging infectious diseases, the threat of bioterrorism, antibiotic resistance among microbial pathogens, and controversies around issues such as genetic medicine and human experimentation will redefine the FDA's day-to-day activities. No matter what changes occur, however, solid science must continue to be the basis of whatever the FDA does to ensure America's public health. The ASM urges Congress to recognize the importance of the FDA in so many areas of consumer protection. The high level of public trust in the FDA is the result of sustained Congressional support in recent years. To remain so vigilant, the FDA must be expanded and strengthened as regulatory challenges themselves expand and change.

Northwest Indian Fisheries Commission
6730 Martin Way E., Olympia, Washington 98516-5540
Phone (360) 438-1180 FAX # 753-8659

WRITTEN TESTIMONY TO THE
HOUSE AGRICULTURE, RURAL DEVELOPMENT AND RELATED AGENCIES APPROPRIATIONS SUBCOMMITTEE
ON THE FY 2002 BUDGET FOR THE DEPARTMENT OF AGRICULTURE
BY BILLY FRANK, JR., CHAIRMAN
NORTHWEST INDIAN FISHERIES COMMISSION
APRIL 4, 2001

Mr. Chairman and Members of the Committee, I am Billy Frank, Jr., Chairman of the Northwest Indian Fisheries Commission (NWIFC), and on behalf of the twenty-Western Washington member Tribes, I submit this request for appropriations to support the research, sanitation and marketing of Tribal shellfish products. We request the following:

- $500,000 to support commercial harvests costs which will assist the tribes in fulfilling the demands for their shellfish products both domestically and abroad;
- $1,000,000 to support water and pollution sampling, sampling and research for paralytic shellfish poisoning and coordination of research projects with State agencies; and,
- $1,000,000 to support data gathering at the reservation level for the conduct of shellfish population surveys and estimates.

TREATY SHELLFISH RIGHTS

As with salmon, the tribes' guarantees to harvest shellfish lie within a series of treaties signed with representatives of the federal government in the mid-1850s. In exchange for the peaceful settlement of what is today most of Western Washington, the tribes reserved the right to continue to harvest finfish and shellfish at their usual and accustomed grounds and stations. The tribes were specifically excluded from harvesting shellfish from areas "staked or cultivated" by non-Indian citizens. Soon after they were signed, the treaties were forgotten or ignored.

The declining salmon resource in the Pacific Northwest negates the legacy Indian people in Western Washington have lived by for thousands of years. We were taught to care for the land and take from it only what we needed and to use all that we took.

We depended on the gifts of nature for food, trade, culture and survival. We knew when the tide was out, it was time to set the table because we live in the land of plenty; a paradise complete. Yet, because of the loss of salmon habitat which is attributable to overwhelming growth in the human population, a major pacific coastal salmon recovery effort ensues. Our shellfish resource is our major remaining fishery.

At least ninety types of shellfish have been traditionally harvested by the Tribes in Western Washington and across the continent Indian people have called us the fishing Tribes because of our rich history of harvesting and caring for finfish and shellfish. Our shellfish was abundant and constituted a principal resource of export, as well as provided food to the Indians and the settlers which greatly reduced the living expenses.

Clams, crab, oysters, shrimp, and many other species were readily available year round. The relative ease with which large amounts could be harvested, cured, and stored for later consumption made shellfish an important source of nutrition – second only in importance to salmon.

Shellfish remain important for subsistence, economic, and ceremonial purposes. With the rapid decline of many salmon stocks, due to habitat loss from western Washington's unrelenting populous growth, shellfish harvesting has become a major factor in tribal economies.

The tribes have used shellfish in trade with the non-Indian population since the first white settlers came into the region a century and a half ago. Newspaper accounts from the earliest days of the Washington Territory tell of Indians selling or trading fresh shellfish with settlers. Shellfish harvested by members of western Washington's Indian tribes is highly sought after throughout the United States and the Far East. Tribal representatives have gone on trade missions to China and other Pacific Rim nations where Pacific Northwest shellfish – particularly geoduck – is in great demand. Trade with the Far East is growing in importance as the tribes struggle to achieve financial security through a natural resources-based economy.



Treaty language pertaining to tribal shellfish harvesting included this section:

"The right of taking fish at usual and accustomed grounds and stations is further secured to said Indians, in common with all citizens of the United States; and of erecting temporary houses for the purposes of curing; together with the privilege of hunting and gathering roots and berries on open and unclaimed lands. Provided, however, that they not take shell-fish from any beds staked or cultivated by citizens."

(TREATY WITH THE S'KLALLAM, JANUARY 26, 1855)

In exchange for the peaceful settlement of what is today most of western Washington, the tribes reserved the right to continue to harvest finfish and shellfish at all of their usual and accustomed grounds and stations. The tribes were specifically excluded from harvesting shellfish from areas "staked or cultivated" by non-Indian citizens.

Tribal efforts to have the federal government's treaty promises kept began in the first years of the 20th Century when the United States Supreme Court ruled in U.S. v. Winans, that where a treaty reserves the right to fish at all usual and accustomed places, a state may not preclude tribal access to those places.

Sixty years later, the tribes were again preparing for battle in court. After many years of harassment, beatings and arrests for exercising their treaty-reserved rights, western Washington tribes took the State of Washington to federal court to have their rights legally re-affirmed. In 1974, U.S. District Court Judge George Boldt ruled that the tribes had reserved the right to half of the harvestable salmon and steelhead in western Washington.

The "Boldt Decision," which was upheld by the U.S. Supreme Court, also re-established the tribes as co-managers of the salmon and steelhead resources in western Washington.

As a result of this ruling, the tribes became responsible for establishing fishing seasons, setting harvest limits, and enforcing tribal fishing regulations. Professional biological staffs, enforcement officers, and managerial staff were assembled to ensure orderly, biologically-sound fisheries.

Beginning in the late 1970s, tribal and state staff worked together to develop comprehensive fisheries that ensured harvest opportunities for Indian and non-Indian like, and also preserved the resource for generations to come.

It was within this new atmosphere of cooperative management that the tribes sought to restore their treaty-reserved rights to manage and harvest shellfish from all usual and accustomed areas. Talks with their state counterparts began in the mid-1980s, but were unsuccessful. The tribes filed suit in federal court in May 1989 to have their shellfish harvest rights restored.

The filing of the lawsuit brought about years of additional negotiations between the tribes and the state. Despite many serious attempts at reaching a negotiated settlement, the issue went to trial in May 1994.

In 1994, District Court Judge Edward Rafeedie upheld the right of the treaty tribes to harvest 50 percent of all shellfish species in their Usual and Accustomed fishing areas. Judge Rafeedie also ordered a shellfish Management Implementation Plan that governs tribal/state co-management activities.

After a number of appeals , the U.S. 9th Circuit Court of Appeals let stand Rafeedie's ruling in 1998. Finally, in June 1999, the U.S. Supreme Court denied review of the District court ruling, effectively confirming the treaty shellfish harvest right.

ASSIST THE TRIBES IN FULFILLING THE DEMANDS FOR THEIR SHELLFISH PRODUCTS, $500,000

Shellfish harvested by members of Western Washington's Indian tribes is highly sought after throughout the United States and the Far East. We request $500,000 which will assist Tribes in promoting our shellfish products, in both domestic and international markets. We are now at a point in time when telecommunicating is both cost effective and timely when marketing products. Tribal fishers are not capable of supporting such an effort individually, but, could collectively benefit if such a network could be developed through the Northwest Indian Fisheries Commission and the Northwest Indian College in Bellingham, Washington. This institution is capable of providing the technology needed to implement such a marketing program for Tribal shellfish products.

WATER AND POLLUTION SAMPLING, SAMPLING AND RESEARCH FOR PARALYTIC SHELLFISH POISONING AND COORDINATION OF RESEARCH PROJECTS WITH STATE AGENCIES, $1,000,000

Shellfish growing areas are routinely surveyed for current or potential pollution impacts and are classified based on the results of frequent survey information. No shellfish harvest is conducted on beaches that have not been certified by the tribes and the Washington Department of Health. Growing areas are regularly monitored for water quality status and naturally-occurring biotoxins to protect the public health.

However, both Tribal and non-Indian fisheries have been threatened due to the lack of understanding about the nature of biotoxins, especially in subtidal geoduck clams. Research targeted to better understand the nature of biotoxins could prevent unnecessary illness and death that may result from consuming toxic shellfish, and could prevent unnecessary closure of tribal and non-Indian fisheries.

DATA GATHERING AT THE RESERVATION LEVEL FOR THE CONDUCT OF SHELLFISH POPULATION SURVEYS AND ESTIMATES, $1,000,000

Very little current data and technical information exists for many of the shellfish fisheries now being jointly managed by state and Tribal managers. Thi2s is particularly true for many free-swimming and deep-water species. This lack of information can not only impact fisheries and the resource as a whole, but makes it difficult to assess 50/50 treaty sharing arrangements. Additionally, intertidal assessment methodologies differ between state and tribal programs, and can lead to conflicts in management planning.

Existing data systems must be enhanced for catch reporting, population assessment and to assist enhancement efforts. Research on methodology for population assessment and techniques also is critical to effective management.

Onsite beach surveys are required to identify harvestable populations of shellfish. Regular monitoring of beaches also is necessary to ensure the beaches remain safe for harvest. Additional and more accurate population survey and health certification data is needed to maintain these fisheries and open new harvest areas. This information will help protect current and future resources and provide additional harvest opportunities.

CONCLUSION

We ask that you give serious consideration to our needs. We are available to discuss these requests with committee members or staff at your convenience.

Thank you.

STATEMENT PREPARED FOR THE SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FDA, AND RELATED AGENCIES OF THE HOUSE COMMITTEE ON APPROPRIATIONS

JOHN F. O'NEAL
GENERAL COUNSEL
NATIONAL RURAL TELECOM ASSOCIATION

April 10, 2001

SUMMARY OF TESTIMONY REQUESTS

Project involved: Telecommunications lending programs administered by the Rural Utilities Service of the U.S. Department of Agriculture

Actions proposed:

- Supporting loan levels for FY 2002 in the same amounts as those contained in the FY 2001 Agriculture Appropriations Act for hardship, cost-of-money, Rural Telephone Bank and guaranteed loan programs and the associated subsidy to fund those programs at the existing level. Opposing the budget recommendation to not fund new Rural Telephone Bank loans in FY 2002.

- Supporting continued funding in the amount of $27 million in loan and grant authority designated for distance learning and telemedicine purposes, $2 million of which to continue to be made available to finance broadband transmission and dial-up Internet service in rural areas.

- Supporting an extension of the language removing the 7% interest rate ceiling on cost-of-money loans.

- Supporting continuation of the restriction on retirement of Rural Telephone Bank class A stock at the level contained in the FY 2001 Agriculture Appropriations Act and an extension of the prohibition against the transfer of Rural Telephone Bank funds to the general fund. Opposing the proposal contained in the budget to transfer funds from the unobligated balances of the liquidating account of the Rural Telephone Bank for the bank's administrative expenses.

Mr. Chairman, Members of the Committee:

My name is John F. O'Neal. I am General Counsel of the National Rural Telecom Association. NRTA is comprised primarily of commercial telephone companies which borrow their capital needs from the Rural Utilities Service of the U.S. Department of Agriculture (RUS) to furnish and improve telephone service in rural areas. Approximately 1000, or 71% of the nation's local telephone systems borrow from RUS. About three-fourths of these are commercial telephone companies. RUS borrowers serve almost 6 million subscribers in 46 states and employ over 22,000 people. In accepting loan funds, borrowers assume an obligation under the act to serve the widest practical number of rural users within their service area.

Program Background

Rural telephone systems have an ongoing need for long-term, fixed rate capital at affordable interest rates. Since 1949, that capital has been provided through telecommunications lending programs administered by the Rural Utilities Service and its predecessor, the Rural Electrification Agency (REA).

RUS loans are made exclusively for capital improvements and loan funds are segregated from borrower operating revenues. Loans are not made to fund operating revenues or profits of the borrower system. There is a proscription in the Act against loans which would duplicate existing facilities providing adequate service and state authority to regulate telephone service is expressly preserved under the Rural Electrification Act.

Rural telephone systems operate at a severe geographical handicap when compared with other telephone companies. While almost 6 million rural telephone subscribers receive telephone service from RUS borrower systems, they account for only four percent of total U.S. subscribers. On the other hand, borrower service territories total 37 percent of the land area -- nearly 1½ million squares miles. RUS borrowers average about six subscribers per mile of telephone line and have an average of more than 1,000 route miles of lines in their systems.

Because of low-density and the inherent high cost of serving these areas, Congress made long-term, fixed rate loans available at reasonable rates of interest to assure that rural telephone subscribers, the ultimate beneficiaries of these programs, have comparable telephone service with their urban counterparts at affordable subscriber rates. This principle is especially valid today as the United States endeavors to deploy telecommunications "information superhighway" technology and as customers and regulators constantly demand improved and enhanced services.

At the same time, the underlying statutory authority which governs the current program has undergone significant change. In 1993, telecommunications lending was refocused toward facilities modernization. Much of the subsidy cost has been eliminated from the program. The subsidy that remains has been targeted to the highest cost, lowest density systems. Other loans are made at Treasury's cost-of-money or greater, and, in fact, involve negative subsidies.

We are proud to state once again for the record that there has never been a default in the RUS/REA telephone program! All loans have been repaid in accordance with their terms—over $10.5 billion in principal and interest by the end of this fiscal year.

Need for RUS Telecommunications Lending Continues

The need for rural telecommunications lending is great today, possibly even greater than in the past. Technological advances make it imperative that rural telephone companies upgrade their systems to keep pace with improvements and provide the latest available technology to their subscribers.

These rapid technological changes and federal policies of competition and deregulation in the telephone industry, as evidenced by passage of the "Telecommunications Act of 1996", underscore the continuing need for targeted assistance to rural areas. The inherently higher costs to serve these areas have not abated. Regulatory trends encouraging competition among telephone systems increase pressures to shift more costs onto rural ratepayers. Interstate

subscriber line charges continue to shift substantial costs to local exchange customers. Pressures to recover more and more of the higher costs of rural service from rural customers to foster urban competitive responses will further burden rural consumers.

1996 Telecommunications Act Effect on Rural America

Congress passed the Telecommunications Act of 1996 as the culmination of more than a decade of debating national telecommunications policy and balancing many diverse needs and interests. The 1996 Act responded to a number of rural needs and differences with a series of safeguards to ensure that rates, services and network development in rural America will be reasonably comparable to urban telecommunications opportunities.

The process of implementing the new law continues to raise troubling uncertainties and concerns about whether the FCC and the states will honor the balance Congress achieved in its policy, as regulators (a) radically revise the mechanisms for preserving and advancing "universal service," (b) adjust the cost recovery responsibilities and allocations of authority between federal and state regulation, (c) effectuate the Act's somewhat different urban and rural ground rules for how new companies and incumbent universal service providers connect their networks and compensate each other and (d) peel back layers of regulation developed over a century. So far, the FCC has been overzealous in expanding the Act's market-opening provisions to give new entrants a regulatory head start and advantage at the expense of the Act's rural development and universal service provisions. The FCC is trying to usurp the role of competition by dictating a whole new -- and wholly inadequate -- way to measure the costs of modern, nationwide telecommunications access to information. The FCC needs to reorder the sequence of its proceedings to ensure that rural Americans are not denied the ongoing network development and new services the Act requires. Rural telephone systems with universal service obligations must not be thwarted in their efforts to upgrade and provide rates and services reasonably comparable to urban offerings.

Expanded Congressional Mandates for Rural Telecommunications

Considerable loan demand is being generated because of additional mandates for enhanced rural telecommunications standards contained in the authorizing legislation enacted in 1993 by Congress in P.L. 103-129. These mandates coupled with the need for stable financing sources to meet the infrastructure demands envisioned for rural areas by the 1996 telecommunications act amply demonstrate the continuing need for this important program at the following levels:

5% Hardship Loans:	75,000,000
Cost-of-Money Loans:	300,000,000
Guaranteed Loans:	120,000,000
Rural Telephone Bank Loans:	175,000,000
Total	$670,000,000

These are the same levels established in the FY 2001 appropriations act for the hardship, cost-of-money, Rural Telephone Bank and guaranteed loan programs. The authorized levels of loans in all programs were fully obligated in FY 2000 and we expect these levels to be met in FY 2001. We believe that the needs of this program balanced with the minimal cost to the taxpayer argue for its continuation at enacted levels.

Rural Telephone Bank Loans

The administration proposes to not fund new Rural Telephone Bank (RTB) loans in FY 2002.

The Rural Telephone Bank was established by Congress in 1971 to provide supplemental financing for rural telephone systems with the objective that the bank ultimately would be owned and operated by its private shareholders. The bank's mission is not complete - far from it! If Rural Americans are to be full participants with their urban neighbors in the *Information Age*, that job is just beginning! Economists agree that modern telecom infrastructure is the key to rural economic development which generates jobs and tax revenues for the government. Also, the RTB was one of only three USDA agencies to receive an unqualified financial opinion from USDA's Inspector General in FY 2000!

The administration proposal will not "generate increased member and borrower support for statutorily authorized privatization", as suggested. That already exists! Privatization of the RTB began in 1995 under the current law and is proceeding annually at the rate of approximately $25 million per year. The Bank has now retired $115.4 million, or almost 20%, of the government's $592 million investment. Not funding new loans in FY 2002 could actually impede privatization of the Bank since the law requires that the Bank annually retire government stock at the rate of at least 5% of the amount of new loans. If no new loans were made, there would be no minimum requirement for retirement of additional government stock.

The current loan level of $175 million has remained the same for many years. As a matter of fact, after factoring in the eroding effect of inflation, loan levels over the years have actually been reduced systematically. Despite this fact, we believe that the $175 million level is adequate to meet current program needs and strikes a cost effective balance for the taxpayer. This amount was fully obligated in FY 2000 and we expect it to be met again this year. If no bank loans were made in FY 2002, at current loan levels, the budgetary outlay savings would amount to less than $26,000 not the $3 million quoted by the administration because RTB loans are funded over a multi-year period. Therefore, continuing to fund $175 million of infrastructure investment will cost less than $26,000 in FY 2002! Moreover, if administration interest rate predictions are accurate, RTB loans could actually generate a profit for the government because of the minimum statutory interest rate of 5%!

Specific Additional Requests

- Continue the Removal of the 7% Cap on Cost-of-Money Loans

Again this year we are supporting removal of the 7% ceiling on cost-of-money loans even though long-term Treasury rates are currently below this level.

- Continue the Restriction on Retirement of Class A Government Stock in the Rural Telephone Bank (RTB) and also Continue the Prohibition Against Transfer of RTB Funds to the General Fund and Require the Payment of Interest

The Committee should continue the restriction on retirement of the amount of class A stock by the Rural Telephone Bank in FY 2002. The Bank is currently in the process of retiring

the government's stock as required under current law. We believe that this process which began in FY 1996 should continue to be an orderly one as contemplated by the retirement schedule enacted six years ago and continued in last year's bill to retire no more than 5% of the total class A stock in one year. We also urge the Committee to continue the prohibition against the transfer of any unobligated balance in the bank's liquidating account which is in excess of current requirements to the general fund of the Treasury along with the requirement that the bank receive interest on those funds. The private Class B and C stockholders of the Rural Telephone Bank have a vested ownership interest in the assets of the bank including its funds and their rights should be protected. Previous appropriations acts (FY 1997 through 2001) have recognized the ownership rights of the private class B and C stockholders of the bank by prohibiting a similar transfer of the bank's excess unobligated balances which otherwise would have been required under the federal credit reform act.

- Reject Budget Proposal to Transfer Funds from RTB Liquidating Account for Administrative Costs

The President's budget proposes that the bank assume responsibility for its administrative costs by a transfer of funds from the unobligated balances of the bank's liquidating account rather than through an appropriation from the general fund of the Treasury. This recommendation is contrary to the specific language of Sec. 403(b) of the RTB enabling act and would require enactment of new authorizing legislation as a prerequisite to an appropriation.. **It would not result in budgetary savings and has been specifically rejected by this Committee in previous years.** No new justification is contained in the budget.

- Loans and Grants for Telemedicine, Distance Learning and Internet Access

We support the continuation in FY 2002 of the $27 million in loan and grant authority provided in FY 2001 for telemedicine and distance learning purposes. Loans are made at the government's cost-of-money. The purpose is to accelerate deployment of telemedicine and distance learning technologies in rural areas through the use of telecommunications, computer networks, and related advanced technologies by students, teachers, medical professionals, and rural residents. We also support making available $2 million of the above amount for continuation of the pilot program to finance broadband transmission and local dial-up access to the Internet in rural areas. This $2 million allocation is providing $100 million in rural infrastructure improvements in FY 2001.

Conclusion

Thank you for the opportunity to present the association's views concerning this vital program. The telecommunications lending programs of RUS continue to work effectively and accomplish the objectives established by Congress at a minimal cost to the taxpayer.

LAW OFFICES OF

JOHN FRANKLIN O'NEAL

SUITE 800
ONE MASSACHUSETTS AVENUE, N.W.
WASHINGTON, D.C. 20001

(202) 628-0210

April 9, 2001

The Honorable Henry Bonilla
Chairman, Subcommittee on Agriculture, Rural
Development, FDA and Related Agencies
House Appropriations Committee
2362 Rayburn House Office Building
Washington, D.C.

Re: Statement in Compliance with Clause 2(g)(4) of Rule XI of the Rules of the House of Representatives

Dear Mr. Chairman:

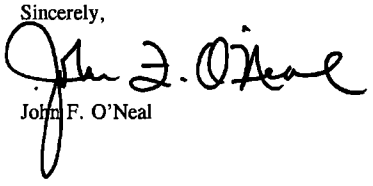
In connection with your consideration of the FY 2002 agriculture appropriations legislation, please accept herewith for the record a written statement submitted on behalf of my client, the National Rural Telecom Association, Inc. in support of the telecommunications lending programs administered by the Rural Utilities Service of the U.S. Department of Agriculture. In compliance with Clause 2(g)(4) of Rule XI of the Rules of the House of Representatives, neither my client nor I have been the recipient of any Federal grant or sub-grant thereof or Federal contract or subcontract thereof during the current fiscal year nor the two previous fiscal years.

The National Rural Telecom Association, Inc. is a business trade association which is composed of approximately 300 members. Members are local rural telephone systems which receive loans from the Rural Utilities Service of the U.S. Department of Agriculture in connection with lending programs authorized by the Rural Electrification Act of 1936, as amended. While I do not directly represent these individual entities, some members of the association may have been the recipient of federal grants, sub-grants, contracts or subcontracts during the period requested but that information is not practicably available to me in my capacity as general counsel to the association.

Attached is my *curriculum vitae* in accordance with the Committee's request. If you require any additional information in satisfaction of this rule, please contact me at the above address.

Thank you very much for the opportunity to express our members' views on this important rural development program administered by the Rural Utilities Service of the Department of Agriculture

Sincerely,



Attachment

John F. O'Neal

JOHN F. O'NEAL
ATTORNEY AT LAW

CURRICULUM VITAE

A native Texan, Mr. O'Neal graduated from Baylor University in Waco, Texas with Bachelor of Business Administration (1959) and Juris Doctor (1962) degrees. He is admitted to the Bar of the State of Texas (1962) and the District of Columbia (1969).

After practicing law in Texas for a number of years, he moved to Washington, D.C. to become Administrative Assistant to Congressman Bob Poage (D-TX), and later served as General Counsel of the House Agriculture Committee during the 93rd Congress.

In 1975, he returned to private law practice in Washington, D.C. where he has represented agricultural and telecommunications interests as an attorney before Federal Departments and Agencies and the Congress to the present time.

TESTIMONY OF
FRIENDS OF THE NATIONAL ARBORETUM

Submitted by

Woodruff M. Price, Chairman

to the

**Subcommittee on Agriculture,
Rural Development, FDA, and
Related Agencies
House Committee on Appropriations
U.S. House of Representatives**

F.Y. 2002 Request

Chairman Bonilla and members of the Subcommittee, thank you for the opportunity to submit testimony in support of the U.S. National Arboretum (USNA) on behalf of Friends of U.S. National Arboretum (FONA)

In 1997 the Agricultural Research Service (ARS) commissioned development of a new Master Plan for the USNA. The new Master Plan was developed under contract with the ARS by a noted outside consultant and was essentially completed by mid-1999. Since Fiscal Year 2000, FONA and key Members of Congress have been urging implementation of the new Master Plan, which should start with the capital funding for the design and implementation of such long lead-time items as the new entrance from Bladensburg Road and the new visitor's center. In its Committee Report for Fiscal year 2001 the House Appropriations Committee expressed disappointment that the budget request did not include funding for implementing the Master Plan and asked that the project be included in the budget request for Fiscal year 2002. **FONA respectfully requests $3,000,000 for planning, design and construction of the new entrance off Bladensburg Road and $110,000 for planning and design of the new Education and Visitors Center.**

FONA is advised that starting in FY 2002, the Gardens Unit as well as the Education and Visitor Services Unit will have to decrease staff because of budgetary constraints at the very time that the success of the facility and interest in horticulture is bringing increased number of visitors to the site. These units have not had a program increase since FY 1996 and are further threatened by having funds diverted to meet increased utility and service costs. **FONA strongly urges an increase in the USNA's operating budget equivalent to 7 FTE's for these key functions in FY 2002.**

The Congressionally mandated purposes of the USNA are research and education. As part of the ARS, the USNA has a strong research program. Yet an independent consultant recently found that is was not very visitor friendly. Its Gardens Unit as well as its Education and Visitor Services Unit are chronically underfunded, and these components of the education function cannot compete favorably against research projects for program funding within the ARS. It has been the urgent recommendation of FONA that funding of the facilities component of the USNA, including specifically the Gardens and Education and Visitors Services Units, should be removed from within the Plant, Microbial, and Insect Genetic Resources, Genomics and Genetic Improvement (301) program area and established as a stand-alone program area. **FONA urges implementation of this recommendation in the appropriation for FY 2002.**

FONA respectfully requests that the attached letter to Secretary Veneman be included as part of the Record.

Thank you for your continued support of the national treasure that is our U.S. National Arboretum.

Congress of the United States
Washington, DC 20515

March 7, 2001

Honorable Ann M. Veneman
Secretary
Department of Agriculture
14th and Independence SW
Washington, D.C. 20250

Dear Secretary Veneman:

We want to congratulate you on becoming the Secretary of Agriculture, and welcome you back to Washington, D.C. We all wish you well in your new assignment.

We also want to take this opportunity to bring to your attention our support for the United States National Arboretum (USNA), a hidden treasure which falls under the jurisdiction of your agency with the potential to become the "Smithsonian of Horticulture." We believe that there are several provisions which you can include in your Fiscal Year 2002 budget submission due in April. Officials of the Agricultural Research Service (ARS) have advised that they do not object to these actions.

First, as you know, the Congressionally mandated purposes of the USNA are research and education. As part of the ARS, the Arboretum has a strong research program. Yet an independent consultant recently found that it was not very "visitor friendly." The Gardens Unit and the Education and Visitors Services Unit are both chronically underfunded, and these components of the education function cannot compete favorably against research projects for program funding within ARS. It has been the recommended by the Friends of the National Arboretum (FONA) that funding of the facilities component of the USNA, including specifically the two units mentioned above, should be removed from within the Plant, Microbial, and Insect Genetic Resources, Genomics and Genetic Improvement (301) program area and instead become a new, stand-alone program area. We hope you will implement this recommendation in your revised FY02 budget.

Second, we are advised that, starting in FY02, the Gardens Unit and Education and Visitors Services Unit will have to

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decrease staff because of budgetary constraints at the very time that the success of USNA and interest in horticulture is bringing an increased number of visitors to the site. We strongly urge an increase in the USNA's operating budget for these key functions for FY02.

Finally, in 1997 the ARS commissioned development of a new master plan for the USNA. The new master plan was developed under contract with the ARS by a noted outside consultant and was essentially completed by mid-1999. Since FY00, FONA and the undersigned have been urging implementation of the new master plan, which should start with the capital funding for the design and implementation of long-lead items as the new entrance from Bladensberg Road and the new visitor's center. As you may know, the House Appropriations Committee, in the FY01 Agricultural Appropriations Conference Report, expressed disappointment that the budget request did not include funding for implementing the master plan, and urged that the proper funding be included in USDA's FY02 budget request. We hope that you will include this critical funding to implement the new master plan in your FY02 budget submission.

We stand ready to work with you on the above issues, and hope you will look favorably upon our request. We also would appreciate the opportunity to meet with you personally in the near future to discuss these and other issues of importance to the National Arboretum.

Again, congratulations on your new role.

Sincerely,

Rodney P. Frelinghuysen (NJ)

Doug Bereuter (NE)

Porter Goss (FL)

Calvin Dooley (CA)

Thomas Petri (WI)

TESTIMONY SUBMITTED TO

THE U. S. HOUSE OF REPRESENTATIVES

APPROPRIATIONS SUBCOMMITTEE ON

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION

AND RELATED AGENCIES

Washington, DC

submitted by

THE UNIVERSITY OF ILLINOIS

James J. Stukel, President

David L. Chicoine, Dean
College of Agricultural, Consumer, and Environmental Sciences

Steven G. Pueppke, Associate Dean for Research
College of Agricultural, Consumer, and Environmental Sciences
Director, Illinois Agricultural Experiment Station

THE UNIVERSITY OF MISSOURI

Manuel T. Pacheco, President

Thomas L. Payne, Vice Chancellor for Agriculture and Dean,
College of Agriculture, Food and Natural Resources
Director, Missouri Agricultural Experiment Station

Kenneth Schneeberger, Professor of Agricultural Economics, Program Manager

SOUTHERN ILLINOIS UNIVERSITY

John Theodore (Ted) Sanders, President

David Shoup, Dean
College of Agriculture

MR. CHAIRMAN AND DISTINGUISHED MEMBERS OF THE APPROPRIATIONS SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES:

Our testimony is on behalf of the federally funded project entitled the **Illinois-Missouri Alliance for Biotechnology (IMBA)**. We much appreciate the strong, continuing support of the committee for this effort, which began in FY95. The project continues to produce valuable results and open new options for the corn and soybean industries in the Midwest and for the nation as a whole.

REQUEST: In order to enhance this productive and strategically essential program, we request that $3.0 million be appropriated for IMBA for FY2002. It is particularly important to push this initiative forward at this time because of the race among nations to capitalize on dramatic findings in the field of genomics. Powerful tools are now available to determine the function of genes in microorganisms, plants, animals, and humans. Knowledge of gene function will allow much better targeting of projects on genes of major economic, health, and social promise. The increased appropriation will allow us to fund a larger proportion of worthy proposals, expand use of the powerful tools of genomics, and include more socioeconomic research that addresses stakeholder concerns about product quality and safety as well as economic and social impacts of biotechnology. An increased appropriation will provide significant economies of scale and scope, thus disproportionately increasing funds directly available for research and increasing annual leveraged contributions to about $9 million.

NEEDS AND OPPORTUNITIES: IMBA is focused on the world's most important agricultural challenge, meeting the nutritional needs of a growing population. Rapidly growing population, urbanization, and affluence, especially in Asia, are causing a dramatic increase in the consumption of animal protein. These changes are leading to unprecedented growth in large animal production facilities and in global markets for animal products. Corn and soybeans are economically and nutritionally superior to other grain crops for feeding swine, beef, dairy, poultry, and confined fish. These classes of livestock are increasingly being produced in large-scale, confinement facilities around the world. With superior technology, Illinois, Missouri, and surrounding Midwestern states can be principal global suppliers, not only of corn and soybeans, but also of value-added livestock and other food products produced from these crops. To capture these emerging markets, however, the U.S. will have to compete vigorously against sophisticated foreign producers and will have to address consumer concerns about quality, safety, and efficacy of products containing genetically modified corn and soybeans.

MISSION, OBJECTIVES, AND STRATEGY: IMBA seeks to maximize the benefits of biotechnology for the American agriculture and food sector and the American consumer by improving the quality, safety, affordability, and acceptance of agricultural and food products. It accomplishes this mission by supporting competitively funded, cutting-edge biotechnology research conducted as part of research programs organized around clearly defined, practical objectives. IMBA scientists are strongly encouraged to work closely with the private sector to assure that promising new discoveries move rapidly to practical application in Midwest agriculture.

After approval by Congress, program funds are transferred by USDA-CSREES to the Illinois Agricultural Experiment Station, which serves as repository until the funds are dispersed within the program. To avoid spreading the IMBA research investment too thinly, the scope of the program is limited to the corn and soybean industries; geographical scope to Illinois, Missouri, and other Midwestern states; and disciplinary scope to biotechnology, including technical, economic, and social dimensions of that subject.

IMBA-funded biotechnology research grants are awarded competitively, based on relevance to IMBA objectives, soundness of proposed research strategy, and scientific merit. Proposals are evaluated by scientific peers to assure that the best strategies are brought to bear on agricultural problems and opportunities that are important to the region. A Program Manager located at the University of Missouri works with an Executive Management Committee to design and develop a biotechnology research investment portfolio that addresses the following objectives: 1) develop new and improved uses for corn and soybeans and increase the value of these crops as raw material for manufacturing various products, 2) lower the cost of producing, processing, and utilizing these products, 3) maximize positive and minimize negative impacts of the corn and soybean industries on the environment and conserve nonrenewable resources that are consumed by the corn and soybean industries, 4) anticipate and understand the economic and social impacts of agricultural biotechnology and capture as many benefits as possible for the American agriculture and food sector, 5) define the roles of experts and knowledge systems in resolving social conflicts over agricultural biotechnology so as to understand and manage agricultural biotechnology risks as perceived by consumers, and 6) understand and improve economic, organizational, and institutional approaches to value-enhancement and identity preservation.

In designing the IMBA research portfolio, the Executive Management Committee defines and seeks an appropriate balance among the above objectives, among projects with varying degrees of uncertainty and risk, and among goals that can be achieved in relatively short and long periods of time. Provision is made for some high risk funding of promising but unproven scientists with good ideas. Overall program evaluation is performance-based, in accordance with the principals of the Government Performance and Results Act.

RECENT ACHIEVEMENTS OF IMBA RESEARCH: IMBA-supported projects continue to progress on several broad fronts. To foster rational discourse on biotechnology, IMBA supported the initial development of *AgBioForum,* a unique, web-based, peer-reviewed journal designed to reach and educate a broad audience on issues of central importance. *AgBioForum* articles are widely reproduced in the classroom, by the media, and as references in academic journals. Total readership has surpassed 175,000 and include people from universities, industry, government, international organizations, and commercial sites, among others. Major themes in 1999 and 2000 issues of *AgBioForum* include: public acceptance of agrobiotechnology, industry consolidation, private-public interactions in agricultural biotechnology, farm level economics, agrobiotechnology in less developed countries, biotechnology and functional foods, regulatory approval of biotech products and functional foods, and economics of animal biotechnology.

IMBA scientists produced genetically transformed soybeans that are 20 to 60 percent higher in oil. Linkage maps and fast oil analysis procedures developed by this group will simplify selection of soybean lines for oil and protein content. Nucleotide sequence information they have collected is revealing the specific genes involved in protein and oil synthesis in soybeans and how these genes differ among lines with different oil quantity and quality. Progress is being made toward project goals of producing lines with increased total oil content and better fatty acid composition than major competing oils.

Drawing on support from IMBA, a scientist is making excellent progress on several fronts toward greater soybean resistance to sudden death syndrome (SDS) and soybean cyst nematode (SCN). He identified new markers for the most important SDS resistance genes, thus facilitating selection for these genes. One hundred thousand cultivars from 10 public and private breeding programs were screened in one season with these markers, yielding 10 with potential for superior resistance to both SDS and SCN. Two patents were generated by this project. The rapid selection tools are being commercialized. Private firms are developing varieties using this method. These varieties will be identified with a SDS-Guard trademark.

IMBA scientists pioneered nitrogen-related genetic changes that increase corn yield by 10 percent and reduce leaching of nitrogen into ground water. Seeds of six promising transgenic lines were provided to ICI Garst, Inc. to plant three field trials. Monsanto is also planting transgenic lines in four environments. Both companies are already developing second generation transgenics with enhanced performance. This project also generated two patents.

With support from IMBA, scientists are assessing the efficacy of adding isoflavones to corn foods as a way to reduce the incidence of breast tumors in animal models. The ultimate goal is to create transgenic corn that produces one or more of these unique compounds so that corn products are healthier for humans. Wild-type mice and mice lacking estrogen receptor alpha have been fed diets containing two isoflavones, namely, genistein and daidzein. In both cases, a link between activity of the gene and availability of the isoflavone has been established. The study was extended to include colon tumors. The research reveals an extremely complex relationship in which isoflavones may reduce or increase tumors depending on the genetic makeup of the animal. Knowledge gained in this research will allow scientists to predict negative and positive effects depending on an animal's or person's genetic makeup.

IMBA-supported scientists identified more than 8,000 diet-regulated genes, 33 of which map to locations associated with diabetes. Ultimately, it should be possible to identify each individual's unique food-related genetic profile, anticipate certain responses to food, and adjust eating habits accordingly. These tests will also facilitate treatment of various chronic and acute food-related disorders, including obesity, some forms of cancer, and heart disease. Results of this work are being commercialized by Electropharmacology, Inc., in partnership with major pharmaceutical and biotechnology companies.

IMBA-funded scientists are studying the process of apomyxis, which allows seed to be produced in the absence of sexual reproduction. If hybrid corn plants could be produced that produce seed through apomyxis, that seed would produce plants genetically identical to the hybrid parents,

unlike seed produced on current hybrid plants. This would enable farmers to save seed from hybrid parents for use as seed the next year. The goal is to reduce seed production costs while enhancing hybrid purity.

Phytic acid contains much of a plant's phosphorus. It is relatively undigestable to non-ruminant animals, including humans. Thus, much of the phosphorus is passed into ground and surface waters, creating pollution. IMBA scientists working to produce soybeans with low levels of phytic acid identified a bacterial gene that produces an enzyme, phytase, that breaks down phytic acid, making it digestible. They introduced this gene into a model plant, Arabidopsis, producing plants that store phytase in their seeds. Seeds are being ground and processed with corn meal to see if the soybean phytase will break down the phytic acid in corn meal. Phytase genes are also being introduced directly into soybeans. This opens up two possibilities: 1) a method to produce phytase as a feed supplement or for use in grain processing, and 2) to incorporate the phytase directly into feed crops, thus reducing their phytic acid content.

Several IMBA scientists are cooperating to develop high oil, high oleic acid oil, corn hybrids. Grain produced with these hybrids will command a premium based on higher digestible energy level, added value in manufacturing certain kinds of food products, and potential human health benefits. These scientists have identified molecular markers that will make it much easier to select for oil concentration and for specific fatty acid profiles. They also have developed new genetic constructs that, when introduced into elite germplasm, should enhance oil concentration and oleic acid concentration.

COOPERATORS: Current cooperators in IMBA projects include the Universities of Illinois and Missouri, Southern Illinois University, Iowa State University, and the USDA-Agricultural Research Service group at Woodward, Oklahoma. Private, non-profit cooperators include Sapient's Institute and Northwestern University. Commercial firms cooperating or involved in negotiations include Monsanto Company, ICI Garst, Inc., DuPont/Pioneer, ADM-Growmark, Clarkson Grain, Cargill, Biosys, Zeneca Agrochemicals, Novartis, DowElance, Genentech, Healthtech, Electropharmacology, and others. Each project is generating potential new and improved products, and private firms are evaluating the commercial potential of each product of IMBA research.

SUMMARY: We believe IMBA projects constitute an outstanding portfolio of promising research investments focused on the major problems and opportunities associated with the U.S. corn and soybean industries. Because of the economically important subject matter being addressed by IMBA, unique opportunities afforded by advances in genomics, outstanding capabilities of participating institutions, and the innovative research management approach being employed, we believe that IMBA will continue to be highly productive and will generate an unusually high return on the federal investment. This will more than justify the appropriations to date and the $3.0 million requested to continue the project in FY2002.

TESTIMONY SUBMITTED TO

THE U.S. HOUSE OF REPRESENTATIVES

APPROPRIATIONS SUBCOMMITTEE ON

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION,

AND RELATED AGENCIES

The Honorable Henry Bonilla, Chairman

Washington, DC

submitted by

THE UNIVERSITY OF ILLINOIS

James J. Stukel, President

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Steven G. Pueppke, Associate Dean for Research
College of Agricultural, Consumer, and Environmental Sciences
Director, Illinois Agricultural Experiment Station

MR. CHAIRMAN AND DISTINGUISHED MEMBERS OF THE AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES SUBCOMMITTEE:

Our testimony is on behalf of the Livestock Genome Sequencing Initiative (LGSI), an extremely important scientific initiative with profound implications for the future of U.S. agriculture. We request that $1.6 million be appropriated through USDA, coordinator of the international LGSI consortium, to complete the funding of Stage I for cattle ($800,000) and Stage I of the pig ($800,000).

These funds would be provided to the University of Illinois, as a member of international consortium, to lead the completion of the whole-genome physical map for cattle and for the pig. Specifically, the funding will be used to sequence the ends of 100,000 bacterial artificial chromosomes (BACs) that contain large inserts of cattle and pig DNA. This will enable scientists to build and enhance the quality of a whole-genome, high-quality physical map for each species, the critical first step in sequencing the genomes.

CONCEPT: International participants in a Livestock Genome Sequencing Initiative will create a map of the entire genomes of cattle and pigs and will sequence all the DNA in those genomes, so that every gene in each of the two species is identified by its unique sequence and location on specific chromosomes. The resulting map and sequence information will be placed in databases that can be accessed by scientists using bioinformatics to help establish the function of each of tens of thousands of genes, thus leading to valuable practical applications. Similarities to the human genome will be extremely useful in the mapping and sequencing effort and subsequent research.

JUSTIFICATION: Mapping and sequencing genes are the essential first steps to learning the function of each gene. Knowledge of gene location and sequence, as is amply demonstrated by the human genome-sequencing project, opens a whole new vista of approaches to health, welfare, and quality of life issues and serves as the basis for future biological research. Diagnostics and cures for some of the major scourges of mankind, including cardiovascular disease, cancer, diabetes, and obesity are among the potentials of this initiative. In livestock, the initiative will enable powerful, environmentally safe approaches to disease prevention, resistance, and treatment; stress alleviation; increased productivity and profitability; improved food quality, safety, functionality, and diversity; improved odor and waste management; improved environmental quality; and enhanced quality of life for food animals. Most important, the initiative will address the growing aspirations of the world's population for nutritious, healthy, safe, and affordable livestock products.

Even though it is an international undertaking, there is a very important global competitiveness dimension to this initiative as well. To illustrate, China, the world's largest pork producer, and Denmark, the largest pork producer per capita and a major world exporter of pork and pork products, are launching an aggressive swine genome sequencing initiative. If the U.S. is to remain technologically competitive in global food markets, it is absolutely essential for the

U.S. to be among the first to map and sequence food animal genomes. This fundamental biological information is the foundation for sustainable competitive advantage.

ECONOMIC DEVELOPMENT IMPACT: Rapid population growth, urbanization, and growing affluence in the most populous parts of the world are resulting in rapidly expanding world markets for livestock products. Enormous future growth is very likely, as developing countries improve both political and economic systems. To compete effectively for those markets, Illinois and the nation must be among the first to implement new livestock technology derived from genomics. Livestock production adds great value to the feedgrains produced in Illinois and the Midwest, and technological leadership will allow that value to be captured in the areas where the new technology is implemented.

The current $7.5 billion in cash value of agricultural products at the farm gate in Illinois alone would be multiplied at least 10-fold if feed grains were exported as livestock and other processed products instead of as grain or feed, with proportionate increases in other major livestock states. This increased value would accrue to Illinois and the nation as increased profits throughout the swine and cattle industries, reduced costs of government farm programs, increased employment and economic development, and improved consumer products.

UNIVERSITY CAPABILITIES: The University of Illinois is uniquely positioned to lead in the mapping of the pig and cattle genomes. The University's Biotechnology Center, which includes the W. M. Keck Center for Comparative and Functional Genomics, provides one of the highest-throughput public gene mapping and sequencing capabilities in the nation, as well as a number of state-of-the-art genetic analysis capabilities, such as micro-array analysis. Cutting edge bioinformatics capabilities are provided by the National Center for Supercomputing Applications.

These superb research support capabilities enabled University of Illinois scientists to be the largest recipients of any institution of competitive federal funding for cattle, pig, and soybean genome research. The infrastructure is further enhanced by sizeable public investments in facilities, including the Edward R. Madigan Laboratory and Post-Genomics Institute ($75 million of state funds, to be completed in 2002).

Additional state appropriations are enabling many distinguished scientists of demonstrated excellence to join a distinguished faculty that is already internationally preeminent in the genomics area. Also, the University has a long history of productive alliances and cooperation with other public and private institutions, both here and abroad, in biotechnology research. For example, the University was the first in the Western Hemisphere to import Chinese swine and exploit their advantages in prolificacy, disease resistance, and superiority for genetic research.

SPONSOR AND FUNDING STATUS: Under the leadership of USDA-ARS, an international consortium for cattle and pig genome mapping and sequencing is being formed. The consortium, which will initially undertake the mapping of the cattle genome, is presently comprised of the USDA-ARS, University of Illinois, Shirakowa Institute of Animal Genetics

(Japan), AgResearch (New Zealand), and the Alberta Livestock Genomics Initiative (Canada). Expectations are that by summer, 2001, the consortium will look to begin sequencing the pig genome.

The consortium will operate in two stages for each species. First they will create physical maps of the genomes, at a cost of $2.5 million per species. Then they will sequence the genomes, so that the tens of thousands of genes can be identified. This second stage will cost about $97.5 million per species. The current consortium members have $1.7 million of the $2.5 million for the Physical Map (Stage I) for cattle. They expect to make available $1.7 million of the $2.5 million for the Physical Map (Stage I) for the pig. This leaves an immediate need for $800,000 dollars per species (total $1.6 million) to complete Stage I. Funds to invest in Stage II, the genome sequencing of cattle and of the pig, will be recruited from public and private sources by the international consortium.

REQUEST AND SUMMARY: For FY2002, $1.6 million is requested to be appropriated through the USDA to complete the funding of Stage I for cattle ($800,000) and of Stage I of the pig ($800,000). If appropriated, these funds will be provided to the University of Illinois, as a member of the international consortium, to lead the completion of the whole-genome physical map for cattle and for the pig. Specifically, the funding will be used to sequence the ends of 100,000 bacterial artificial chromosomes (BACs) that contain large inserts of cattle and pig DNA. This will greatly speed and facilitate building a whole-genome, high-quality, physical map of each species, the critical first step in sequencing the genomes.

TESTIMONY SUBMITTED TO

THE U. S. HOUSE OF REPRESENTATIVES

APPROPRIATIONS SUBCOMMITTEE ON

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

The Honorable Henry Bonilla, Chairman

Washington, DC

submitted by

THE ILLINOIS SOYBEAN ASSOCIATION

Brad Glenn, President
W. Lyle Roberts, Jr., Executive Director

and

THE UNIVERSITY OF ILLINOIS

James J. Stukel, President

David L. Chicoine, Dean
College of Agricultural, Consumer, and Environmental Sciences

Steven G. Pueppke, Associate Dean for Research
College of Agricultural, Consumer, and Environmental Sciences
Director, Illinois Agricultural Experiment Station

March 2001

MR. CHAIRMAN AND DISTINGUISHED MEMBERS OF THE SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES :

We appreciate the opportunity to provide testimony on behalf of the Soybean Disease Biotechnology Center, an important initiative for soybean producers in Illinois and the United States.

REQUEST: The Illinois Soybean Association, an organization of approximately 4000 leading soybean producers, and the University of Illinois, a major land-grant institution, propose to establish a Soybean Disease Biotechnology Center within the National Soybean Research Laboratory (NSRL) at the University of Illinois. We request a federal appropriation of $3.5 million to match a $500,000 contribution from the Illinois Soybean Checkoff Board to establish the Center.

The Illinois Soybean Checkoff Board will entertain proposals from Center scientists for future program support, and the University of Illinois will contribute core staff, space, general support services, greenhouse facilities, and utilities. This will greatly leverage federal support of soybean disease biotechnology research.

RATIONALE: The Soybean Disease Biotechnology Center will be the first line of defense against major soybean diseases that threaten the U.S. soybean industry, especially the soybean cyst nematode (SCN). The Center will bring the power of new sciences of structural, comparative, and functional genomics and genetic transformation to bear on SCN and other current and potential disease threats, including major diseases not yet in the U.S., such as soybean rust.

Center researchers will identify and create new and improved mechanisms of disease tolerance and resistance, so as to protect the soybean crop and increase its profitability throughout the industry. Genetic stocks of the National Soybean Germplasm Collection, located at the University of Illinois, will be a unique, readily accessible resource for the Center, as will wild species that are related to soybean and have novel sources of disease resistance.

LOCATION ADVANTAGES: The Soybean Disease Biotechnology Center will be synergistic with two campus resources: the Keck Center for Comparative and Functional Genomics and the National Center for Supercomputing Applications. They offer high throughput genetic sequencing, unequaled bioinformatics capabilities, and unique, one-of-a-kind genetic analysis tools, including micro-arrays. Center researchers will also have ready access to the University of Illinois Biotechnology Center, which provides recombinant DNA and protein services, immunological resources, flow cytometry, high capacity transgenic plant production, and cell and tissue culture facilities.

Outstanding USDA-ARS programs in soybean pathology will interface directly with the Center, and there will be direct access to superb conventional greenhouse and

controlled environment facilities in adjacent, connected structures. As part of this project, a bio-containment greenhouse will be constructed specifically to provide the levels of isolation and protection required for sophisticated disease biotechnology research. An elaborate system of research farms will be available for testing new developments in a wide range of soil and climatic conditions that are representative of the Midwest. Space is available in the NSRL to create specialized, state-of-the-art laboratories for the Center.

The Soybean Disease Biotechnology Center will interface with the new St. Louis-headquartered Danforth Plant Science Center and participate in the Illinois Missouri Biotechnology Alliance. Its association with the NSRL will assure that research in the Soybean Disease Biotechnology Center will fully complement and benefit from other soy research programs across the nation. This will assure that the results of fundamental soybean disease biotechnology research are quickly translated into practical technology, useful information, and sustainable competitive advantage for the industry.

This is an excellent time to establish the proposed Center because the University of Illinois is ramping up its post-genomics biotechnology program. A multi-million investment of state funds is providing new biotechnology faculty positions in functional genomics, bioinformatics, developmental biology, microanalytic systems, and cellular and molecular bioengineering, and is creating elaborate new facilities for basic biotechnology and bioinformatics research. Some new positions in plant disease biotechnology have been filled with outstanding scientist/educators who already have established impressive track records. The new state-funded Post Genomics Institute (to be completed in 2002) will enable a much-expanded basic biotechnology research program that will support and complement activities of the Center. The Center will also benefit from the investment of Illinois in an expanded University of Illinois business incubator and two new University research parks to assure rapid commercialization of promising new technologies from the University's research program.

SUMMARY: We request that $3.5 million be appropriated to establish a Soybean Disease Biotechnology Center within the National Soybean Research Laboratory at the University of Illinois. These funds, complemented by state funds and industry contributions, will be used to staff, equip, house, and operate the center, and launch and sustain its programs. We greatly appreciate the legislative initiative that created the National Soybean Research Laboratory and look forward to this opportunity to extend its world-renowned capabilities with the Soybean Disease Biotechnology Center.

TESTIMONY SUBMITTED TO

THE U. S. HOUSE OF REPRESENTATIVES

APPROPRIATIONS SUBCOMMITTEE ON

AGRICULTURE, RURAL DEVELOPMENT,
FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

The Honorable Henry Bonilla, Chair

Washington, DC

Submitted by

THE UNIVERSITY OF ILLINOIS

James J. Stukel, President

David L. Chicoine, Dean
College of Agricultural, Consumer, and Environmental Sciences

Steven G. Pueppke, Associate Dean for Research
College of Agricultural, Consumer, and Environmental Sciences
Director, Illinois Agricultural Experiment Station

Mr. Chairman and distinguished members of the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies:

Our testimony is in support of a proposal to launch an innovative research program in a Renewables Bioprocessing Research and Development Laboratory under development at the University of Illinois. The mission of the Laboratory is to develop, test, and refine multistage processes by which major grains, especially soybeans and corn, are produced and converted to new and improved foods, feeds, pharmaceuticals, fibers and plastic materials, energy sources, and industrial feedstocks. We request $1.5 million to conduct integrated, multi-stage, "sample-linked" process research on specific soy- and corn-based products as a proof of concept and demonstration of approach.

VISION: In the post-genomics age, it is possible for plants, animals, and microbes to be genetically altered in specific, controlled, and safe ways. This will lead to enhanced grains and other raw materials for manufacturing new and improved food and non-food products. The new foods will not only be safer, more nutritious, of higher quality, more convenient, and more affordable, but will also perform important medicinal and preventive health-related functions. They will prevent and mitigate important food-related diseases and maladies, such as cancer, heart disease, diabetes, and obesity; improve physical and mental performance; extend longevity; and, in general, increase quality of life.

Enhanced soy and corn foods will be prominent in these new developments. In many cases, specific pharmaceuticals designed to address major health problems will be produced in corn and soybeans. These crops have the advantage of not harboring potential contaminants, such as viruses and other pathogens that endanger humans and animals. Genomics will also open the door to a new vista of environmentally friendly, renewable resources, including animal feeds, bio-based textiles and other materials, fuels and other energy sources, and industrial feedstocks. Genetically altered microorganisms herald the day when corn and soybean constituents can be converted to virtually any desired end product in an efficient, industrial fermentation process. Illinois can capture great economic benefits by leading the way into this bio-based economy of the future.

CONCEPT: We plan to create a Renewables Bioprocessing R&D Laboratory, a unique facility and program in which soybeans, corn, and other grains can be initially separated into useful raw fractions, via wet or dry grain milling or other means, and further processed at pilot scale into various food, feed, and non-food finished products. The facility will be designed, equipped, and operated to conduct, on a pilot scale, all stages of multistage industrial processes in a coordinated, integrated manner, such that samples of raw grains that enter the facilities are identity preserved, monitored, and evaluated through entire processes leading to finished products and minimal, recycled waste streams. These unique capabilities and so-called "sample-linked" research approach will greatly expedite the development of new products and process technology based on genetic enhancement and will facilitate the design, engineering, and refinement of related equipment.

NEED: To assure that value added by genetic enhancement is realized by the end user, it is essential that enhancements are preserved from primary production, harvest, storage, and

transportation operations through every step in complex, multistage processing and manufacturing processes to end-product packaging, distribution, and preparation. Thus, research on these new products must track quality changes in specific samples or lots all the way from genetic enhancement of germplasm and breeding lines to customer satisfaction with the use of the final prototype product. Examples of such value chains would be those connecting genetically enhanced corn to cholesterol-lowering margarines containing appropriate levels of stanol esters; genetically enhanced soybeans to phytoestrogen-containing pharmaceuticals for post-menopausal women; and genetically enhanced soy that imparts to feed and hence to animal products a heart-healthy, high proportion of omega-3 fatty acids.

If the promise of genomics is to be realized in a timely and efficient manner, research and development leading to these new products and outcomes must be fully coordinated and integrated over several disciplines, functions, and stages in complex value chains. To reduce development time, research on the various stages must be concurrent rather than sequential, with research on each stage fully coordinated with other stages. Such research will require an extraordinary degree of cooperation and communication among diverse participants, especially among private and public participants. To be productive and cost effective, such research will require innovative and unique expertise, policies, protocols, procedures, facilities, and equipment. The Renewables Bioprocessing R&D Laboratory will meet these needs.

LOCATION ADVANTAGES: The Renewables Bioprocessing R&D Laboratory will be headquartered at the University of Illinois in facilities constructed as part of the renewal of the University's South Farms. This will put it in close proximity to field-scale grain production research facilities and feedlot scale animal production research facilities. It will also be conveniently located for participation by tenants in the University's new incubator and research park (south site). This will provide great advantages for small firms and startups that otherwise could not gain access to state-of-the-art facilities. While it will be most convenient for participation by regional institutions, agencies, and firms, other groups will be invited to participate in this unique program. Until the new facilities are in place, the program will utilize some space in existing pilot plants.

RELATED FACILITIES AND PROGRAMS: The Renewables Bioprocessing R&D Laboratory will complement various federal facilities available at the National Center for Agricultural Utilization Research at Peoria. It will be differentiated from other facilities and programs in Illinois and other states by its special emphasis on feeds and foods, especially soy- and corn-based functional feeds, foods, and pharmaceuticals; its close coordination with and proximity to world-class plant, animal, and microbial genomics research and educational programs at the University of Illinois; and its support of research on waste stream management and recycling. Ready access to outstanding University of Illinois engineering and biomedical research capabilities will be valuable to public and private individuals, institutions, and firms using the facility.

OPERATION: Each section of the Renewables Bioprocessing R&D Laboratory will be supervised by a professional trained and experienced in the category of activities carried out in that section and will be operated by experienced technicians. A director and staff will provide broad oversight, personnel management, financial management, and coordination. It is

anticipated that when the Laboratory is complete and the concept fully refined and demonstrated, the Laboratory will operate on a fee-for-service basis, providing services at the marginal cost to both public sector and private sector clients.

ANTICIPATED QUESTIONS: The following questions might appropriately be asked concerning this proposal.

Question: Why not submit this request to various competitive grant programs, such as CSREES, NIH, or NSF competitive grants? **Answer**: The proposed projects are not single investigator efforts, but extremely complex undertakings involving several disciplines, functions, and stages in complex value chains. Therefore they do not lend themselves to the typical single investigator competitive grant program. The purpose of such research is defeated if only one or a few stages of a multistage process can be investigated.

Question: If the goal of the proposed program is to develop food and non-food products, why shouldn't this research be carried out by the private sector. **Answer**: The private sector should be involved in this research, but only a very few, large private firms have the facilities and organizational capabilities required to carry out the research described. In fact, no private firms have the pilot-scale capabilities envisioned for the Laboratory. The advantage of the proposed facility and program is that university researchers, small and medium-sized private firms, and startups will have access to unique facilities, equipment, capabilities, and research protocols at a marginal cost. Through unique public/private cooperation, they will gain otherwise unattainable economies of scale and scope. Among other advantages, participants can address the needs of specialized niche markets that may not be addressed by larger firms. The vast majority of potential products fall into that category.

BUDGET: We request an appropriation of $1.5 million to conduct the initial projects in the Renewables Bioprocessing R&D Laboratory and to refine and demonstrate the concept of fully-integrated, multi-stage, "sample-linked" research. These funds will be used to offset the costs of specific experiments conducted under the unique protocols of the Laboratory, including the design and installation of prototype processing equipment unique to specific projects. We believe this effort will clearly demonstrate the advantages of the integrated, sample-linked research approach and will create a large demand for services such as those provided by the proposed program.



Susan Masten, President
National Congress of American Indians

Prepared Statement
FY2002 Appropriations for the Department of Agriculture

House Appropriations Subcommittee on Department of Agriculture, Rural Development, Food and Drug Administration and Related Agencies

April 10, 2001

INTRODUCTION

My name is Susan Masten, and I am Chair of the Yurok Tribe of Northern California and President of the National Congress of American Indians (NCAI). I am pleased to have the opportunity to submit a written statement regarding the President's budget request for FY2002 Indian programs and services within the Department of Agriculture.

Since the 1970's, the high population growth rate of Indian reservations has put great strains on an already inadequate infrastructure. Education, law enforcement, transportation, health care, jobs, housing, technology, water and sewer systems – each of these basic governmental services all too often falls victim to resources that are spread far too thin. While FY2001 funding levels for Indian programs certainly made great strides toward meeting the basic programmatic needs of tribes, our work is not yet done. In order to fully support tribal self-government and economic self-sufficiency, Congress must not turn back the clock on last year's gains and, in fact, should increase key programs that serve Indian Country.

Last year, Congress enacted a final FY2001 budget that included a total of $9.4 billion for critical Indian programs. This total, a $1.1 billion increase over FY2000, represented the largest increase ever for Indian programs and brought together over a dozen agencies to help address the needs of Indian nations.

The last time the federal government enacted an increase of a similar scope was in the mid-1970's as part of President Nixon's self-determination policy. Self-determination has been and continues to be the most successful federal policy toward Indian Nations. Under it, tribal governments have local control over programs and are able to fulfill needs and solve problems more quickly and efficiently than through a "top-down" federal approach.

For FY2002, the President has proposed $1.96 trillion in FY2002 spending, including a four percent increase in discretionary spending over FY2001. While this increase - which is slightly higher than inflation - seems positive, it is important to note that it is only half the 8.5 percent gain enacted last year.

In this testimony, I will address the proposed funding levels that are currently available for those programs in the Agriculture Department that we believe are critically important to Indian nations.

Department of Agriculture

Being the most rural of any minority group, American Indians residing on reservations are for the most part, geographically isolated, resource-limited, and the least likely of any farm group to receive loans from the United States. Of the some 55 million acres of Indian lands, 47 million acres are used for the production of crops, livestock, or both. Those individual operators and farming tribes who produce these resources are in need of capital, more efficient administration of existing federal programs, and technical assistance. This need extends over all farming tribes even those who may have an abundance of natural resources. In addition, development assistance provided through USDA helps non-farming tribes to develop more sustainable economies.

For FY2002, the President has proposed cutting USDA funding from its current level of $19.3 billion to $17.9 billion, a 1.4 percent reduction. NCAI is particularly concerned about the proposed elimination of $235 million in rural development assistance. Furthermore, we recommend the following funding levels for Indian-specific programs:

Extension Indian Reservations Program

For FY2002, the President is proposing $2 million for extension agents on Indian reservations. This is level funding from FY2001 and a slight increase over the FY2000 enacted level of $1.7 million. Since 1990, the Extension Indian Reservation Program, authorized under the Food, Agriculture, Conservation and Trade Act, has provided services to Indian Country on issues ranging from crop and animal production practices to farm business management. It also has furnished extension agents, employees of the State Cooperative Extension System, who work with tribal advisory committees to develop educational programs in agriculture or agriculture-related youth programs that respond to tribal priorities. NCAI strongly supports an increase to $5 million for FY2002 in order for the program to hire additional extension agents on large Indian reservations to help Indian Country promote productive and efficient land use.

1994 Institutions Extension Program

In FY2001, $3.2 million was appropriated for this program, a small increase over FY2000.

The President's FY2002 proposed budget requests a level funding of $3 million. NCAI supports the $5 million request made by the American Indian Higher Education Consortium (AIHEC) because this program is essential to address the needs of remote reservation communities served by Tribal Colleges.

Rural Development Native American Program

In FY2001, $24 million was provided for Indian Rural Community Advancement Programs (RCAP). This funding level was welcome, however the President's FY2002 proposed budget does not mention funding for this program. NCAI would recommend that at a minimum the FY2001 level funding be proposed for FY2002 and that this funding be allocated as follows: $1 million for Rural Business Opportunity Grants to Tribes; $5 million for Community Facilities Grants for Tribal College Improvements; $16 million for Drinking Water and Waste Disposal Systems for Tribes; and $3 million for Rural Business Enterprise Grants to Tribes.

Food Distribution Program on Indian Reservations

The Food Distribution Program on Indian Reservations (FDPIR) is administered at the federal level by the Food and Nutrition Service (FNS) in cooperation with 98 tribal organizations and six state agencies. Many Native Americans actually participate in the FDPIR, rather than the Food Stamp Program because of rural isolation and the lack of easy access to food stores.

FY2002 proposed funding for the FDPIR remains at the FY2001 level of $76.5 million. This is an increase of $1.5 million over the FY2000 enacted level. NCAI requests that this subcommittee maintain this level of funding in order to provide commodity foods to low-income households on reservations and to Native American families residing in designated areas near reservations.

1994 Institution's Endowment Fund

The 1994 Institution's Endowment Fund is an annual endowment that is not scored as current budget authority or outlay. The funds remain within the U.S. Treasury and only the interest is distributed to the institutions. In FY2001, $7.1 million was appropriated. This is an increase over FY2000 appropriations of $4.6 million. The President's FY2002 proposed budget requests level funding of $7.1 million. The FY2001 increase of $2.5 million over FY2000 was greatly needed, but it was only until last year that the interest on the endowment reached $1 million, which is shared among the 30 institutions. AIHEC has requested $12 million for this fund and NCAI supports this request.

1994 Institutions' Research Program

The passage of the Agricultural Research, Extension and Education Reform Act of 1998

created an authority for the Tribal Colleges to participate in USDA's research grant programs. In FY2001the $1 million funding level represented a 50 percent increase over FY2000. For FY2002, the President's proposed budget requests level funding of $1 million. AIHEC has requested $3 million for FY2002 and NCAI supports this requested funding level.

CONCLUSION

We urge the Congress to fulfill its fiduciary duty to American Indians and Alaska Native people and to preserve the government-to-government relationship, which includes the fulfillment of health, education and welfare needs of all Indian tribes in the United States. This responsibility should never be compromised or diminished because of any political agenda or budget cut scenario. Tribes throughout the nation relinquished their lands as well as their rights to liberty and property, and we ask that the Congress maintain the federal trust responsibility to Indian Country and continue to assist tribes on the road toward self-sufficiency. Thank you.

Committee on APPROPRIATIONS

Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name: Susan Masten		
1. Are you testifying on behalf of a Federal, State, or Local Government entity?	Yes	No X
2. Are you testifying on behalf of an entity other than a Government entity?	Yes X	No
3. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1999: DOE, EPA, EDA, SBA, DHHS		
4. Other than yourself, please list what entity or entities you are representing: National Congress of American INdians		
5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your representational capacity with the entities disclosed in question number 4: President		
6. If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships whom you are not representing?	Yes	No X
7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) which were received by the entities listed under question 4 since October 1, 1999, which exceed 10% of the entities revenue in the year received, including the source and amount of each grant or contract to be listed: DOE- $137,629.00 EPA- $ 95,000.00 EDA_ $149,000.00 SBA- $ 35,625.00 HHS- $ 25,000.00		
Signature: Susan Masten Date: 4/4/01		

Susan Masten

P.O. Box 1322
Hoopa, CA 95546

Residence: xxxxxxxxxx
Office: xxxxxxxxxx
Fax: xxxxxxxxxx



OBJECTIVE:
Career-oriented position in economic development where public relations and business expertise will be applied to create viable opportunities for economic growth and stability for Tribal governments and reservations communities.

SUMMARY OF BACKGROUND
Professional history characterized by a Bachelor of Science Degree combined with 22 years of public oriented experience primarily in Tribal Government and business/natural resource management. Skilled in negotiating marketing, communication, inter-governmental relations, planning, decision making, community organization and resource management.

EMPLOYMENT/ELECTED POSITIONS
•1998 - Present Chairperson, Yurok Tribe

•1991 - 1994 Yurok Interim Council Member, Yurok Tribe: As a member I wasresponsible for tribal policy decision for all aspects of tribal government. Served as lead negotiator with local, state, and federal agencies and governments. Served as the Council's liaison for natural resources, Trust fund management, budget development and negotiations.

•1988 - 1991 Yurok Transition Team Member: Appointed by Secretary of the Interior to implement the Hoopa-Yurok Settlement Act. Responsible for researching programs, facilities, resources, for the Yurok Tribe. Served as the Team's liaison for natural resources, Trust Fund/budget management, key negotiator with BIA. Assisted potential members with application for tribal enrollment, and reviewed applications for enrollment.

•1987 - 1988 Manager, RV Resort Resort, Restaurant, Marina; & Jet Boat Trips: Responsible for the assessment of business and the development of management polices, researched feasibility of jet boats business and developed business plan, secured funding and opened for business within six months. Responsible for day to day operations of businesses.

•1981 - 1998 Director, American Heart Association: Responsible for planning, development, implementation, and evaluation of activities in the areas of professional education for Physicians, nurses and EMT's public health education, publicity, community organization, and fund raising. Provided training, and supervision for over 300 volunteers and staff.

•1980 Contract Public Relations: Responsible for the development of the Bureaus of Indian Affairs, Sacramento Area Office's annual report production which entailed feature story format, photographs, agency interviews.

•1977 - 1979 Marketing and Promotion specialist, United Indian Development Association: Handled varied public relations activities which included writing and research assignments. Worked directly with media reporters, public and corporate management to promote UIDA and Indian businesses. Interviewed, researched and prepared news releases and written articles. Directly assisted Indian business clients in planning, marketing procedures, including promotional brochures, business cards, advertising, promotional contracts and events. Conducted client business management assessments identified technical assistance needs, provided workshop to meet need and developed and coordinated a network of business assistance resources for Indian businesses. Developed working relationships with other business economic development agencies.

•1979 Public Relations Coordinator, Institute of Reading Development: Responsible for all aspects of author and book promotion and marketing. This entailed coordination of local and national media, print and electronic.

EDUCATION
Bachelor of Science Degree, Liberal Arts, OSU 1975

TRAINING
Reservation Economy American Institute of Training
Tribal Governance, American Institute of Training
California Economic Development and Credit Symposium
North West Regional Economic Development Symposium

Susan Masten
Page two

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WORKSHOP PRESENTATIONS

1991 & 93	American Fishery Society Symposium
1993	People of the Klamath: A Native American Salmon Symposium, HSU
1994	National American Indian Business Council Conference
1994	California Economic Development Symposium
1996	Success In Both Worlds
1993	Native American Fishery Society

COMMUNITYSERVICE/ELECTED POSITIONS/ APPOINTMENTS

1976-Present	American Indian Film Festival, Board, Mistress of Ceremonies
1976-78	Small Business Administration, Volunteer Marketing Consultant for Minorities & Women in Business
1976-78	Public Broadcasting Cable Access, Board Member
1976-78	California Press Women, Secretary
1980 & 88	Democratic National Convention, Delegate
1981-82	Humboldt County Status of Women Commission
1981-82	League of Women Voter, Board Member
1984-88	Del Norte Democratic Central Committee member, 1985-86 Treasurer, 1987-1988 Chair
1985-86 & 1994-present	California Democratic Central Committee member
1986-92	Have a Heart Fishing Tournament, Co-Chair
1986-92	Klamath Hydrophobia Boat Races, Co-Chair
1986	Klamath Women's Club, Secretary
1986-87	Klamath River Traditional Indian Fishers Committee, Chair
1987-88	Business and Professional Women President
1987-88	Klamath Chamber of Commerce, President
1990	Del Norte County Grand Jury
1991-94	Intertribal Monitoring Association On Indian Trust funds, Vice Chair, 1998/99 Secretary
1992-Present	North Coast Small Business Development Center Board, 1995-1997 President
1992-94	National Congress of American Indians, Sacramento Area Vice President, Natural Resource Committee, Co-Chair, 1994-1996 First Vice President, Economic Development Committee, Co-Chair
1986-94	Klamath Fishery Management Council, Vice Chair
1980/81, 1989/90, 1993/94	Pacific Fishery Management Council, Salmon Advisory Sub-Panel Member

AWARDS

1979	"Outstanding Young Woman of America"
1982	Humboldt County "Outstanding Citizen"
1988	Business and Professional Women's "Women of Achievement"
1992	Del Norte County "Young Women of Year" Listed in numerous "Who's Who" Biography Directories

GREAT LAKES INDIAN FISH & WILDLIFE COMMISSION
P. O. Box 9 • Odanah, WI 54861 • 715/682-6619 • FAX 715/682-9294

• MEMBER TRIBES •

MICHIGAN
Bay Mills Community
Keweenaw Bay Community
Lac Vieux Desert Band

WISCONSIN
Bad River Band
Lac Courte Oreilles Band
Lac du Flambeau Band
Red Cliff Band
St. Croix Chippewa
Sokaogon Chippewa

MINNESOTA
Fond du Lac Band
Mille Lacs Band



TESTIMONY

JAMES H. SCHLENDER
EXECUTIVE ADMINISTRATOR
GREAT LAKES INDIAN FISH AND WILDLIFE COMMISSION

Before the

UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON
AGRICULTURE, RURAL DEVELOPMENT, FDA
AND RELATED AGENCIES

DATE: April 10, 2001

AGENCY INVOLVED: Natural Resource Conservation Service

SUMMARY OF FY 2002 TESTIMONY: The Commission requests Congress maintain funding levels to support the following initiatives:

- provide funding for the Environmental Quality Incentives Program (EQIP) at $200 million, as appropriated by Congress in FY 2001, and address needs of underserved populations as identified by the USDA Civil Rights Action Team (CRAT); and

- provide funding for the Wildlife Habitat Incentives Program at $12 million as appropriated by Congress in the FY 2001 Agriculture Risk Protection Act.

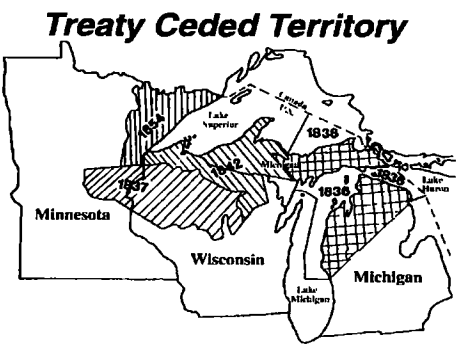
DISCLOSURE OF USDA GRANTS CONTRACTED: The Commission is an intertribal organization which, under the direction of its member tribes, implements federal court orders governing tribal harvests of off-reservation natural resources and the formation of conservation partnerships to protect and enhance natural resources within the 1836, 1837, and 1842 ceded territories. Under the USDA's Environmental Quality Incentives Program, the Commission contracted $10,000 in FY 1998 and an additional $40,000 in FY 1999. In addition, the Commission also contracted a $29,940 EQIP Education Grant funded by USDA and the University of Wisconsin Extension Service in FY 1998.

Mr. Chairman, Members of the Committee, my name is James H. Schlender. I am the Executive Administrator of the Great Lakes Indian Fish and Wildlife Commission (Commission). Our eleven member tribal governments thank you for considering our testimony regarding programs funded by USDA's Natural Resource Conservation Service. The Commission's testimony stresses two major objectives:

- provide funding for the Environmental Quality Incentives Program (EQIP) at $200 million to support intertribal and tribal efforts to participate in conservation partnerships; and
- provide funding for the Wildlife Habitat Incentives Program at $12 million to support community efforts to protect and enhance wildlife and fish habitats;

Background

The Commission is comprised of eleven (11) sovereign tribal governments located throughout Minnesota, Wisconsin, and Michigan. The Commission's purpose is to protect and enhance treaty-guaranteed rights to hunt, fish, and gather on inland territories ceded under the Chippewa treaties of 1836, 1837, and 1842; to protect and enhance treaty guaranteed fishing on the Great Lakes; and to provide cooperative management and protection of these resources.



Cooperative Management and Conservation Partnerships

The Commission participates in a wide range of cooperative management activities with local, state, federal, and foreign governments. Some of these activities arise from court orders, while others are developed in general government-to-government dealings between tribes and other governments.

Tribal partnerships have also presented new opportunities to manage and enhance resources cooperatively with private land owners, lake associations, universities, and non-profit organizations. These partnerships are critical given the movement of both states and federal agencies towards management of natural resources on a watershed basis. The Commission's current EQIP activities are implementing two national initiatives: protection and restoration of watersheds, and control of invasive species.

GLIFWC utilizes EQIP funding to control an invasive plant

Purple loosestrife (Lythrum salicaria L.) is an exotic perennial plant which was introduced from Europe in the early 1800's and was established along the eastern seaboard by the 1830's. The first record of loosestrife in Wisconsin was in 1940 and by 1985 had been established throughout the state. Loosestrife infestations in wetland ecosystems cause serious ecological damage. Scientists have documented that loosestrife has permanently reduced wetland carrying capacities for muskrats, water birds, and mink. Loosestrife has also degraded the quality of migratory waterfowl production sites.

In 1998, the Commission began a 5-year project under USDA's Environmental Quality Incentives Program (EQIP) to control purple loosestrife in the Bad River and Chequamegon Bay watersheds. Under this project, the Commission will utilize funding from the BIA's Noxious Weed Program to control loosestrife on public lands located in the Chippewa ceded territories and utilize funding from EQIP to control loosestrife on private lands with land owner consent - - orchards, dairy farms, etc. This program integration promotes conservation partnerships to protect critical habitat on a watershed basis. It also maximizes efficiency and economies of scale. The table below illustrates the conservation partners and the Lake Superior habitats they are working together to protect.

GLIFWC's Partners	Critical Lake Superior Habitat - east to west on Chequamegon Bay
Bad River Tribe and the Nature Conservancy	Kakagon and Bad River Sloughs - the largest, healthiest, fully functioning estuarine system in the upper Great Lakes Basin, a National Natural Areas Landmark (National Registry 1983)
WI DNR	Fish Creek Sloughs Refuge - an important area for waterfowl nesting/ staging, and northern pike spawning
U.S. Fish and Wildlife Service	Whittlesey Creek - this newly established refuge possesses critical habitat for salmon spawning and reintroduction of rare native brook trout strains
WI DNR	Sioux River Refuge - important wetland, waterfowl staging area, and critical steel head trout spawning habitat
Park Service	Apostle Islands National Park

In addition to its EQIP Purple Loosestrife Control program, the Commission has also completed a three-year EQIP education grant. Under this grant, the Commission increased public awareness of purple loosestrife, established an Internet web site (i.e. see www.glifwc-maps.org), and promoted cooperative control projects. Working with the University of Wisconsin's Land Information and Computer Graphics Facility, the Commission also established a GIS Web site to assist land owners, state and federal agencies, non-profit conservation organizations, and tribes in developing and implementing invasive plant control strategies within watersheds.

Increased funding is critical for the participation of Indian Nations in EQIP and formation of watershed partnerships

USDA's EQIP program is unique. It supports a bottom-up decision making process that empowers local communities to develop and implement strategies to solve their natural resource problems. As such, EQIP's approach is easily adaptable to tribal governments exercising self-determination. The strategy of addressing resource problems on a watershed basis provides an excellent foundation for partnerships between tribes, local governments, federal agencies, and private land owners. Combining EQIP's bottom-up decision making process with watershed management strategies will result in cost effective and efficient solutions to natural resource problems.

USDA, acknowledging serious civil rights problems, needs to have adequate resources to provide services to underserved populations. This is critical if USDA is to build credibility with Tribal governments and American Indian producers. For these reasons, the Commission strongly supports maintaining a set-aside of funds to ensure that Indian Nations can continue to participate in this valuable program.

The success of this approach is well documented. Using EQIP funding, the Red Cliff Band of Lake Superior Chippewa Indians applied nutrient management strategies to protect Lake Superior's water quality by creating a wetland to treat fish hatchery effluent. This innovative technique provided a new model for Wisconsin's growing aquaculture industry for reducing phosphorus and nitrogen emissions and assisted Red Cliff in forming a partnership with the University of Superior to develop a new $3 million Aquaculture Demonstration Facility on the Red Cliff Reservation.

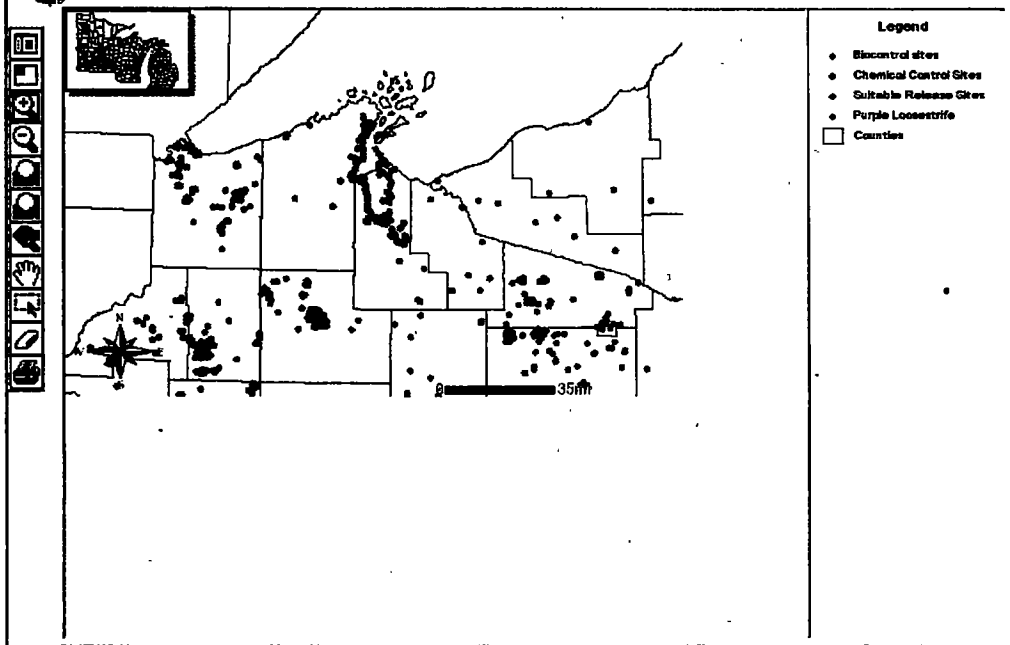
Wildlife Habitat Incentives Program (WHIP)

NRCS's WHIP program provides a unique and flexible funding resource to Wisconsin that enables local communities to form conservation partnerships between private land owners, local conservation districts, counties, and tribal governments.

In 1998, Great Lakes Indian Fish and Wildlife Commission, the Wisconsin Department of Natural Resources, U.S. Fish and Wildlife Service, and NRCS cooperatively developed a Wildlife Habitat Incentives Program Plan that brought $417,000 in WHIP funding to Wisconsin. This intergovernmental cooperation continued and expanded in FY 1999. As a result, Wisconsin's WHIP proposal received the highest USDA ranking in the country and brought an additional $465,000 to the State of Wisconsin for project. These projects included wild rice restoration at St. Croix and Lac Courte Oreilles, the use of WHIP funds by the Washburn County Forestry Department in coordination with the Commission's Bizhibayash-Circle of Flight program to restore the Chippanazie Flowage, and restoration of coaster brook trout in Lake Superior tributaries by Red Cliff.

In FY 2001, Congress provided $12 million for the Wildlife Habitat Incentives Program under the Agriculture Risk Protection Act. The Commission requests Congress continue to fund this valuable program.

Purple Loosestrife Distribution and Control



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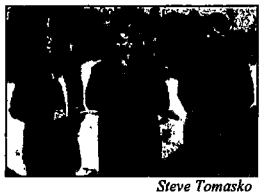
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Aquaculture facility agreement signed



Steve Tomasko

UW-Superior Chancellor Julius Erlenbach, left, and Red Cliff Tribal Chairwoman Jean Buffalo-Reyes sign a memorandum of cooperation regarding the proposed state aquaculture facility to be built on tribal land. Red Cliff hatchery manager Greg Fischer looks on

Steve Tomasko
The Daily Press

RED CLIFF -- UW-Superior and Red Cliff tribal officials made the choice of the reservation as the home of a state aquaculture facility official Tuesday by signing a cooperative agreement.

The $3 million-funded Aquaculture Demonstration facility has been almost 10 years in the proposing and planning stages. It will function as a training ground and outreach center for people wanting to get into cold-water fish farming.

The facility will be located on a 40-acre parcel of the Red Cliff reservation next to its existing fish hatchery. The tribe will lease the land to the state.

The facility will include a 34,200 square-foot building housing demonstration laboratories, offices, a resource center, classrooms and meeting rooms. Surrounding grounds will include rearing pons, raceways and wastewater settling ponds. Construction is expected to start in June 2002 and be complete in 2003.

The Red Cliff site was chosen because it offered existing supplies of suitable well water, an existing water-filtering wetlands system to treat fish production effluent and a connection to a municipal sanitary sewer system at an existing fish hatchery facility.

Charles Schelin, UW-Superior Provost and chair of the aquaculture

steering committee said it was also an appropriate choice because funding for the project is coming from gaming funds tribes with casinos pay to the state.

Red Cliff Chairwoman Jean Buffalo-Reyes praised the choice as a way to benefit the economy of the area.

"We are extremely pleased to have the Aquaculture Demonstration Facility located at Red Cliff and in northern Wisconsin," she said. "It's important to establish a long-term vision for this area. We look at this project as a way to establish a partnership with the University of Wisconsin System. It also will help us look at our economy and at ways to establish year-round jobs in this northernmost part of the state."

Bayfield County trout farmer and vice president of the Wisconsin Aquaculture Association said his organization is in full support of the Red Cliff site. He said the aquaculture industry was a major player in getting the project off the ground.

All present at the ceremony Tuesday praised the partnership aspect of the project, which will involve the Red Cliff tribe, UW-Superior and the UW-System, the Department of Natural Resources and state Department of Agriculture.

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Written Testimony for the Record **April 2001**

Respectfully Submitted to the
United States House of Representatives – Appropriations Subcommittee on Agriculture, Rural Development, FDA and Related Agencies

Submitted by the
National Association of Agricultural Educators
Alexandria, Virginia

Agricultural Education Competitive Grants for Secondary and 2-Year Postsecondary Schools

Executive Summary

FY 2002 Funding Request: $2 Million

The Research and Education Title of the Federal Agriculture Improvement and Reform Act of 1996, hereafter referred to as the 1996 Farm Bill, provided authority for the Secretary of Agriculture to award grants to secondary and 2-year postsecondary agricultural education programs. (The Agricultural Research, Extension, and Education Reform Act of 1998 reauthorized the grant program.) The grants can be used for the following:

Enhance curricula

Increase faculty competencies

Interest young people in pursuing higher education to prepare for scientific and professional careers in the food and agricultural sciences

Promote the incorporation of agriscience and agribusiness subject matter into other instructional programs (especially science, business, and consumer education)

Facilitate joint initiatives between and among secondary schools, 2-year postsecondary schools, and 4-year higher education institutions to maximize use of resources (such as faculty, facilities, and equipment) to improve agriscience and agribusiness education

Support other initiatives designed to meet local, state, regional, or national needs related to promoting excellence in agriscience and agribusiness education

World population is expected to reach approximately 8.5 billion people by the year 2030. We must triple food supplies to meet the need of the world's population at that time. To preserve the environment and protect world's forests and wild animals, we must learn how to increase production on the land we now have under cultivation. We have an answer in agricultural education. The agricultural education community, represented by the National Association of Agricultural Educators, is recommending an appropriation of $2 million annually to fund the competitive grants program, to be administered by USDA.

Agricultural Education Competitive Grants for Secondary and 2-Year Postsecondary Schools

Background

Agricultural education is an important component of public school instruction in every state of the United States and in five United States Territories. There are approximately 750,000 agricultural education students in the nation who are taught by about 12,000 secondary and 2-year postsecondary teachers. It is estimated that the contact hours of in-school instruction in and about agriculture exceed 10 million annually.

School-based agricultural education in the United States consists of three closely related activities. These three activities are: 1) classroom/laboratory instruction; 2) supervised agricultural experience; and 3) leadership development. The interaction effects of these three components help to ensure students' career success or continuation with higher education related to agriscience and/or agribusiness following high school graduation. No single one of the activities stands alone. The success of each local agricultural education program depends on the extent to which these three activities are incorporated into the educational program.

Classroom and Laboratory Instruction

Organized instruction is the classroom and laboratory component of agricultural education. This instruction may be carried out in a classroom, laboratory, greenhouse, or field trip setting. Classroom and laboratory instruction includes units based on natural and social sciences such as environmental science, agribusiness, natural resources, aquaculture, animal and plant sciences, entrepreneurship, and many other areas. Emphasis is placed on teaching/learning science and mathematics principles in the context of the applied food and agricultural sciences.

Supervised Agricultural Experience

Supervised agricultural experience (SAE) is the individual student application, outside the classroom, of knowledge and skills acquired through the instructional component. SAE is under the supervision of the agriculture teacher, and an employer or parents. There are various categories of SAE from which students may choose. A student with an ownership SAE activity owns and manages his/her own business. A student participating in a placement SAE activity is involved in an employment situation. Research SAE activities allow students opportunities to engage in independent, yet supervised, research projects. The interaction of the student, teacher, business site, and parents helps to ensure instruction is relevant to each individual student in his/her own learning environment. This model may sound a little like "School to Career"—one of the prominent educational trends in the United States. The fact is, agricultural education is "The Original School to Career" model!

Leadership Development

Leadership development, the third component of the overall agricultural education program, is provided via student organizations such as FFA, PAS (Postsecondary Agricultural Student Organization) and NYFEA (National Young Farmer Education Association). Student

organization activities are designed to enrich the classroom/laboratory and SAE instructional components. Student organization activities provide students opportunities for personal growth, leadership development, and motivation for individual career success.

Origins and Purposes of the Competitive Grant Program

The Research and Education Title of The Federal Agriculture Improvement and Reform Act of 1996, hereafter referred to as the 1996 Farm Bill, provided authority for the Secretary of Agriculture to award grants to secondary and 2-year postsecondary agricultural education programs.

According to the authorizing legislation, such grants may be used to:

1. enhance curricula;
2. increase faculty competencies;
3. interest young people in pursuing higher education to prepare for scientific and professional careers in the food and agricultural sciences;
4. promote the incorporation of agriscience and agribusiness subject matter into other instructional programs (especially science, business, and consumer education);
5. facilitate joint initiatives between and among secondary schools, 2-year postsecondary schools, and 4-year higher education institutions to maximize use of resources (such as faculty, facilities, and equipment) to improve agriscience and agribusiness education; and
6. support other initiatives designed to meet local, state, regional, or national needs related to promoting excellence in agriscience and agribusiness education.

Specific Request for Appropriations

The agricultural education community, represented by the National Association of Agricultural Educators (the professional association for agricultural educators), respectfully requests an appropriation of $2 million annually to fund the competitive grant program, to be administered by Higher Education Programs, Cooperative State Research, Education and Extension Service, USDA.

Rationale for the Program and the Funding Level Requested

It is estimated that by the year 2030, the population of the world will be approximately 8.5 billion people. The food supply must be tripled in the next 20 years to feed the people of the world. How can we address this phenomenal challenge? Agricultural education is the answer. It is essential that the federal government invest in educating those persons who will assume the responsibility for production, processing, marketing, distribution, and ensuring safety of the food and fiber for the Earth's growing population.

A $2 million appropriation would be a modest investment toward addressing the nation's educational needs for agriculture and agribusiness. However, such an investment would allow for an average of $40,000 to be awarded to each of the 50 states annually. It is not recommended that the funds be awarded to each state equally; however, $40,000 per state, on average, would provide substantial incentives for local agricultural education program development and growth. The required dollar-for-dollar matching funds from non-federal sources would ensure that the federal investment is leveraged to its full potential.

Possible ways such a grant program would strengthen school-based agricultural education programs include, but are not limited to, the following areas.

Technical and Educational Competence of Teachers and Students

Grant funds could be used to enhance technical competencies of agriculture teachers, especially related to burgeoning fields, such as biotechnology and environmental science, through inservice and professional development offerings. Funds could be used to create a more globally integrated curriculum with appropriate experiences for teacher and student leadership. Modernizing agricultural education programs by providing funds to adopt new and emerging technologies and to upgrade classroom equipment to incorporate modern biological and life sciences into programs are critical needs. Funding for innovative pilot programs that could be used as models to assist with establishing similar programs in the state, region, or nation would be most helpful. Funds are also needed to establish and expand teleconnectivity among secondary schools, 2-year postsecondary institutions, colleges, and universities. Support for the development of student enterprises (entrepreneurship) would contribute to the economic development of local communities.

Collaborations with Industry and School-based Partners

Collaborations with both public and private sectors are essential for the establishment and expansion of internship opportunities for students, including the growth of research SAE projects via school/local industry collaborations. Grant funds could be used to provide seed funds to create public/private collaborative partnerships, which would ensure educational responsiveness to business needs for graduates. Integrating agriculture, science, mathematics, and business by developing multi-disciplinary instructional materials to enhance contextual learning opportunities for students could be encouraged and enhanced via public and private sector collaboratives. Outstanding collaborations among secondary schools, 2-year postsecondary schools, and 4-year degree granting institutions could result in tech-prep relationships and articulation agreements that would prove beneficial in encouraging students to pursue higher education.

Recruitment and Retention of Outstanding Students

Creative programs for recruitment and retention of students, including minority students, into agricultural education would increase the work force for the agricultural industry. Emphasis should be placed on recruitment of students into agricultural education at all levels of instruction.

Previous Federal Funding

The U.S. Congress provided $500,000 to begin this program in the FY 1999 appropriations bill and continued that level of funding in the FY 2000 appropriations bill. For FY 2001, the Congress funded the program at $800,000. For descriptions of the grants funded in FY 1999 and FY 2000, point your web browser to **http://faeis.tamu.edu/hep/menus/msgs~~1.htm** or contact NAAE by calling (703) 838-5885. FY 2001 proposals are due to USDA on March 19, 2001.

Thus far, USDA has chosen to fund only the secondary level of instruction due to the limited funding available for the program. For FY 2002, at the urging of NAAE members, USDA officials have agreed to fund both the secondary and 2-year postsecondary levels of funding. To give the program a chance to positively impact the agricultural education system and to provide sufficient funding to support both levels of instruction, it is imperative that the program be continued and that funding be increased to the $2 million level in the FY 2002 appropriations bill.

Summary

The 1996 Farm Bill provided authority for the Secretary of Agriculture to award competitive grants to secondary and 2-year postsecondary agricultural education programs. The agricultural education community, through the National Association of Agricultural Educators, is requesting an appropriation of two million dollars annually to fund the competitive grants program. The money will be used to develop new and innovative classroom and laboratory teaching approaches in areas including biotechnology and environmental science. The program will also result in increased collaboration within and between the public and private sectors to expand internship opportunities for students. In addition, the program will enhance minority student participation in agricultural education and provide more graduates prepared to enter careers in the new scientific agriculture of the future.

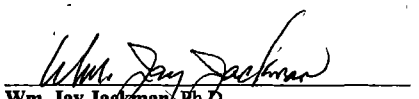
For More Information

Should you have questions, comments, or concerns about this competitive grant funding request, please direct your inquiries to:

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Executive Director
National Association of Agricultural Educators
1410 King Street, Suite 400
Alexandria, Virginia 22314
Voice: (703) 838-5885 or (800) 772-0939, ext. 4366
Fax: (703) 838-5888
E-mail: jjackman@teamaged.org
Website: http://www.naae.org

Disclosure Statement

This is to certify that the undersigned individual and the organization represented by the undersigned individual have no Federal grants in the current fiscal year (FY 2001) and no Federal grants in the two previous fiscal years (FY 2000 and FY 1999).



Wm. Jay Jackman, Ph.D.
Executive Director
National Association of Agricultural Educators
1410 King Street, Suite 400
Alexandria, Virginia 22314

April 9, 2001
Date

Wm. Jay Jackman
Vita

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Home Address and Phone:
12827 Silvia Loop
Lake Ridge, Virginia 22192

Voice: [redacted]

Education

Doctorate: Virginia Polytechnic Institute and State University; Blacksburg, Virginia; Ph.D. in Educational Research and Evaluation; January 1989 - December 1991.

Master's: University of Kentucky; Lexington, Kentucky; Master of Science in Agricultural Education; August 1983 - December 1984.

Bachelor's: Western Kentucky University; Bowling Green, Kentucky; Bachelor of Science - Agriculture major, Biology minor; August 1979 - May 1983.

Employment

National Association of Agricultural Educators, Inc. (NAAE); Alexandria, Virginia -- Executive Director. March 1996 - current.

United States Department of Agriculture (USDA), Cooperative State Research, Education, and Extension Service (CSREES), Science and Education Resources Development (SERD), Higher Education Programs (HEP); Washington, D.C. -- Grants Program Specialist. October 1992 - March 1996 (October 1992 - January 1994 under an Interdepartmental Personnel Act (IPA) agreement between USDA and Virginia Polytechnic Institute and State University; January 1994 - March 1996 under full Federal employment).

Virginia Polytechnic Institute and State University, College of Agriculture and Life Sciences, Office of Academic Programs; Blacksburg, Virginia -- Research Associate. August 1991 - September, 1992.

Virginia Polytechnic Institute and State University, College of Agriculture and Life Sciences, Office of Resident Instruction; Blacksburg, Virginia -- Graduate Assistant. January 1989 - July 1991.

University of Kentucky College of Agriculture; Lexington, Kentucky -- Director of Student Relations. August 1985 - December 1988.

University of Kentucky College of Education; Lexington, Kentucky -- Curriculum Writer. 1985 - 1987 (part-time).

University of Kentucky College of Education; Lexington, Kentucky -- Graduate Assistant in Vocational Education. August 1984 - July 1985.

Saint Catharine College; Springfield, Kentucky -- Instructor. August - December 1983.

Kentucky FFA Leadership Training Center; Hardinsburg, Kentucky -- Programming assistant for leadership development program. Summers of 1982, 1983, and 1984.

Western Kentucky University Department of Agriculture; Bowling Green, Kentucky -- Teaching Assistant in Ag Mechanics. January - May 1983.

Leadership Activities

NAAE, Inc.

Washington, D.C. Ag in the Classroom Task Force, Chairperson
Virginia Tech Agriculture Alumni Organization, Secretary
National Park Concessions Inc. Board of Directors, Secretary
Peer review panelist for USDA's Higher Education Multicultural Scholars Grants Program
Peer review panelist for NASULGC National Teaching Awards Program
National Council for Agricultural Education, Ex-officio Member
Agricultural Education Headquarters Task Force
Agricultural Education Federal Presence Task Force
National FFA Task Forces and Committees
  Honorary American FFA Degree for Teachers Task Force, Chairperson
  Local Program Success Teacher Recruitment and Retention Task Force
  Membership Cross-Team

U.S. Department of Agriculture

National Science and Technology Council (NSTC), formerly the Federal Coordinating Council on Science, Engineering, and Technology (FCCSET); Committee on Education and Training (CET); Working Groups on Undergraduate Education, Technical Education, Evaluation and Dissemination, and Public Understanding of Science.
Funding Undergraduate Education in the Life Sciences (FUELS) Conference Planning Committee (this was a national conference held at the National Science Foundation -- other committee members were from the National Science Foundation (NSF), the U.S. Department of Education (USDE), Pew Charitable Trusts, and the Howard Hughes Foundation). Other private education foundations that participated in the conference included Kresge and Keck.
Peer Review Panelist for the National Science Foundation's Collaboratives for Excellence in Teacher Preparation Program - three consecutive years.

Peer Review Panelist for USDA's Agriculture Telecommunications Grants - two consecutive years.
Peer Review Panelist for USDA's National Research Initiative Competitive Grants Program - one year.
USDA Liaison to the National Association of Colleges and Teachers of Agriculture, the National Agriculture Alumni and Development Association, and the American Indian Higher Education Consortium.
HEP Liaison to the Western Region Deans and Directors of Academic Programs and to the NASULGC Western Region Academic Programs Committee on Organization and Policy.
USDA representative on the Federal Sponsor's Group for the Doctoral Records Project, conducted by the National Research Council of the National Academy of Sciences.
USDA committee service included:
- USDA Native American Task Force
- CSREES Staff Seminar Committee
- CSREES Administrator's Dimensions Group (an agency-wide "think tank")
- USDA Ag Ed Long Range Planning Committee
- USDA/FFA MOU Implementation Steering Committee (ex-officio)

Virginia Tech

College of Agriculture and Life Sciences
- Coordinating Counselors (academic advisors group)
- Ag Alumni Program Committee
- First Strategy Enrollment Committee

College of Education
- Agricultural Education Society -- Co-advisor

University of Kentucky

University
- UK Speakers Bureau
- Student Information System -- Registration Task Force
- Commuter Student Advisory Committee
- Academic Advisors Network
- Academic Excellence Scholarship Reader

College of Agriculture
- Agriculture Student Council -- Advisor
- Retention Committee
- Scholarship Committee
- Recruitment Committee
- Academic Computing Advisory Committee
- Gamma Sigma Delta Banquet Committee (Chairman - 1986-87)

College of Education
- Vocational Education Departmental Review Committee
- Vocational Education Program Faculty

General
Kentucky Farm Bureau Education Committee (1986-1988)

FFA Experiences

Kentucky FFA Foundation (Charter Member -- 1987)
Kentucky FFA Alumni Association (President -- 1986-87)
Kentucky FFA Honorary State Farmer (1987)
Kentucky FFA Association (President -- 1979-80)
Barren River Region FFA, Kentucky (President -- 1978-79)
Barren County FFA Chapter, Kentucky (President -- 1978-79)
Barren County FFA Star Chapter Farmer (1978-79)
Kentucky FFA Beef Impromptu Speaking (State Champion -- 1978)
Barren County FFA Chapter, Kentucky (Secretary -- 1977-78)

Honors and Awards

Honorary American FFA Degree, 1999
Outstanding Performance Award (USDA), 1995
Quality Step Increase for Outstanding Performance (USDA), 1994
Spot Award for Outstanding Performance (USDA), 1994
UK Agricultural Education Society Honorary Member, 1987
Kentucky State FFA Honorary State Farmer, 1987
Kentucky State FFA Alumni President, 1986-87
Western Kentucky University Ogden College Scholarship, 1979-83
Western Kentucky University Board of Regents Scholarship, 1979-80
Glasgow/Barren County Rotary Club Scholarship, 1979-80
Kentucky State FFA President, 1979-1980
Barren River Region FFA President, 1978-79
Barren County FFA Star Chapter Farmer, 1978-79
Barren River Region FFA Extemporaneous Public Speaking Champion, 1979
Barren River Region FFA Beef Impromptu Speaking Champion, 1978
Kentucky State FFA Beef Impromptu Speaking Champion, 1978

Memberships

Professional Organizations
American Association for Agricultural Education
American Society of Association Executives
Association for Career and Technical Education
National Association of Agricultural Educators (Life Member)
National Association of Colleges and Teachers of Agriculture
National Association of Supervisors of Agricultural Education
Virginia Vocational Agricultural Teachers' Association
Virginia Vocational Association

Service Organizations

National FFA Alumni Association (Life Member)
University of Kentucky Agriculture Alumni Association (Life Member)
University of Kentucky FarmHouse Fraternity (Associate Member)
University of Kentucky National Alumni Association

Honoraries

Alpha Tau Alpha (Agricultural Education Honorary)
Gamma Sigma Delta (Agriculture Honorary)
Omicron Tau Theta (Vocational Education Honorary)

Personal Information

Social Security Number: XXXXXXXXX
Birth Date: April 5, 1961
Birth Place: Glasgow, Kentucky
Marital Status: Single, never married
Health: Excellent

National Rural Development Partnership

Bob Swanson, Chair
Partners for Rural America
on behalf of
State Rural Development Councils

testimony before the

United States House of Representatives
Committee on Appropriations
Subcommittee on Agriculture, Rural Development,
Food and Drug Administration, and Related Agencies

regarding the fiscal year 2002 appropriations bill for the
US Department of Agriculture

Mr. Chairman and members of the Subcommittee, I am Bob Swanson. I am the Executive Director of the Washington State Association of Community Action Agencies and serve as Chair of the Washington State Rural Development Council. I also serve as Chair of the Board of Directors of Partners for Rural America (PRA), which is the national service organization of the America's 40 state rural development councils (SRDCs).

The contributions of the NRDP and SRDCs to rural America

SRDCs are unique entities. They do not administer programs or make grants. Although they influence the making of policies that affect rural America, they, themselves, do not make policy.

SRDCs are composed of officials of federal, state, local, and tribal governments and representatives of the private and non-profit sectors. These SRDCs promote:

- Greater coordination among federal agencies in the development and delivery of federal programs that affect rural areas;
- Greater collaboration between the federal government and others working for an improved future for rural America;
- Leveraging of limited financial resources that are available to rural communities;
- Identification and elimination of program and regulatory impediments; and
- Development of local solutions by local people to address the challenges and opportunities facing rural communities.

Our FY02 appropriations request

On behalf of the NRDP and SRDCs, we respectfully request that the Subcommittee include an appropriation of $7.542 million in the fiscal year 2002 appropriations bill for the US Department of Agriculture (USDA) to support the operations and activities of the Partnership and SRDCs.

Version: 4/9/01

Of this amount:

- Slightly more than 90 percent ($6,820,000) would provide direct support for SRDCs.
  - 80.22 percent of the request ($6,050,000) would flow directly to the SRDCs in the form of cooperative agreements or grants or both.
  - 10.21 percent of the request ($475,000) would underwrite direct services to the SRDCs.
- Just under 8 percent ($600,000) would underwrite program support for the SRDCs.
- And 1.62 percent ($122,000) would cover administrative costs.

Of the funds that go to SRDCs, roughly two-thirds is used for personnel costs, with the remainder used to underwrite operating costs. Each SRDC is typically a one-or-two person operation, although a few Councils have larger staffs. SRDCs are required to provide a 33 percent non-federal match (cash or in-kind), although some Councils have been able to leverage the federal funds they receive by a factor of two or three. During the last five years, the match provided by SRDCs has exceeded $10.5 million.

Because the issues on which the NRDP and SRDCs focus extend well beyond the responsibilities of the USDA/Rural Development Mission Area (USDA/RD) and — indeed, beyond the responsibilities of USDA — it is our position that support for the Partnership should come from funds generally available to USDA. Ultimately, we would support a strategy which provides support for the Partnership from across the federal government, but — until a system can be devised that is stable and predictable — we must rely on USDA for core support for the NRDP and SRDCs. It is our strong desire that any funds provided to the NRDP and SRDCs through the Agricultural Appropriations Bill be "new money;" that is, funds that are added to the Appropriations Bill rather than money that is transferred from other programs within USDA, many of which are already oversubscribed.

Past federal support for the NRDP and SRDCs

This request for an FY02 appropriation marks the first time Appropriators have been asked to directly support the Partnership and SRDCs. This request is being made because the past system for funding the NRDP and SRDCs has been inadequate.

From its beginning in the early 1990s, the Partnership has never had a dedicated, predictable source of funding. Instead, it has depended upon voluntary contributions of discretionary funds from USDA and the federal Departments of Labor, Transportation (DOT), Veterans Affairs, and Health & Human Services. Without the financial contributions and — more importantly — the dedicated participation of these agencies, the Partnership would never have achieved the many successes it has.

Although we have decided to seek core funding for the Partnership through the Agricultural Appropriations Bill, it is our sincere hope the non-USDA agencies that have worked with us is the past will remain engaged in the Partnership and that they will be joined by many other federal agencies. Participation by the greatest possible number of

federal agencies in the Partnership is essential in order to facilitate broad-based interagency collaboration. Providing core funding from the Agricultural Appropriations Bill will greatly increase administrative and logistical convenience, as well as significantly increasing the predictability of funding for the SRDCs. However, continued financial support from agencies beyond USDA can help to strengthen and expand the Partnership.

Since FY93, revenue available from these five agencies has decreased precipitously while the program's obligations have increased. In FY93, when there were 26 SRDCs, program revenue totaled $5.250 million; in FY00, when there were 37 SRDCs, program revenue had decreased to $3.193 million. Support from USDA/RD decreased from a high of $4 million in FY93 to just under $2 million in FY00. Language in the FY99, FY00, and FY01 DOT appropriations bills limiting the use of Federal Highway Administration funds resulted in DOT's contribution to the Partnership being reduced from $500,000 annually to $50,000.

SRDCs became aware of a likely funding shortfall in FY01 funding for the Partnership in the spring of 2000. Despite strong support for the Partnership from many members of Congress, including members of this Subcommittee, SRDCs' efforts to win inclusion of funds for the Partnership in the FY01 Agricultural Appropriations Bill were initiated too late to be successful. Fortunately, USDA Secretary Ann Veneman has allocated recently additional funds to the Partnership to carry it through the end of FY01.

It is important that we be extremely clear why it was necessary for Secretary Veneman to allocate additional funds to the Partnership for FY01. As noted above, we became aware of a likely FY01 funding shortfall in the spring of 2000. Funds available at the beginning of FY01 were adequate to only carry the Partnership through the end of the second quarter of FY01. The previous Administration neither provided additional funds to the Partnership nor did it put forward a plan to deal with the funding shortfall. Had Secretary Veneman not allocated additional funds to the Partnership, federal financial support to SRDCs would have ended on March 31, 2001, thereby threatening the financial and operational viability of most SRDCs.

Administrative support from USDA

From the beginning of the Partnership, USDA has provided administrative support for the NRDP and SRDCs through the National Partnership Office (NPO), an agency located within USDA/RD and now attached to the Office of Community Development. NPO staff salaries and general administrative expenses are paid by USDA/RD and are not included in this request.

During the NPO's period of greatest staffing (when there were 36 SRDCs), 7.5 FTEs were assigned to it. Currently, 4.5 FTEs are assigned to the NPO. We strongly believe that this level of staffing is inadequate to support this 40-state program and to provide appropriate oversight of SRDCs' operations on behalf of the federal government. Accordingly, we urge that the staffing allocation for the NPO be restored to a minimum of 9 FTEs.

History of the NRDP and SRDCs

The basis of the NRDP and SRDCs can be found in the *Rural Development Policy Act of 1980* (94 Stat. 1171), which called on the USDA Secretary to:

> "... provide leadership within the executive branch for, and shall assume responsibility for coordinating, a nationwide rural development program using the services of executive branch departments and agencies, including, but not limited to, the agencies bureaus, offices, and services of the Department of Agriculture, in coordination with rural development programs of State and local governments."
>
> " ... conduct a systematic review of federal programs affecting rural areas to (A) determine whether such areas are benefiting from such programs in an equitable proportion to the benefits received by urban areas and (B) identify any factors that may restrict accessibility to such programs in rural areas or limit participation in such programs."
>
> "... develop a process through which multi-state, State, substate, and local rural development needs, goals, objectives, plans, and recommendations can be received and assessed on a continuing basis."
>
> "... undertake cooperative efforts with other Federal departments and agencies to improve the coordination and effectiveness of Federal programs, services, and actions affecting rural areas."

The actual establishment of SRDCs was called for in the January 1990 report of the White House Economic Policy Council Working Group on Rural Development, *Rural Economic Development for the 90s: A Presidential Initiative*. The *Presidential Initiative* called for SRDCs to fill four principal missions:

- To serve as the coordinating vehicle for delivery of federal rural development programs;
- To identify, assess, and address current local rural development needs;
- To serve as the focal point for localizing and implementing federal rural development initiatives; and
- To provide personalized leadership and assistance to local community leaders desiring federal rural development assistance.

Eight states were chosen to host pilot SRDCs. With the success of these initial SRDCs, additional states were added to the program to the point where SRDCs operate in 40 states today.

The value of SRDCs was recognized in the 1992 report of the President's Council on Rural America. Members of the Commission "urge[d] that continuing support be given to the creation and maintenance of State Rural Development Councils in all states as a means of promoting cooperation between the Federal and state levels of government, local governments, and the private sector."

The 1996 Farm Bill also recognized the contribution the NRDP and SRDCs could make to rural America and, as a result, laid out specific expectations and responsibilities for the Partnership.

As a result of a March 8, 2000, hearing on the structure and operations of the NRDP and SRDCs before the Senate Subcommittee on Agriculture, Nutrition, and Forestry, Senators Larry Craig and Kent Conrad introduced legislation to formally recognize the Partnership and to authorize it to receive appropriations (106th Congress, S. 3175, the *National Rural Development Partnership Act*). Twenty-eight Senators joined as co-sponsors of the bill, with co-sponsors equally divided between the two political parties. This legislation will soon be reintroduced in the Senate and will also be introduced in the House of Representatives.

The enactment of the *National Rural Development Partnership Act* will represent an important milestone for the NRDP and SRDCs. During the last decade, SRDCs have made important contributions to their states as they have evolved. Although they typically do not administer programs or promulgate regulations, SRDCs' roles as facilitators and coordinators have proven invaluable to the communities they have served. Hopefully, a renewed focus on rural development policy and program coordination by Congress, the Bush Administration, and rural development practioners will lead to advances toward the goals set forth in the *Rural Development Policy Act of 1980* and the 1990 *Presidential Initiative*.

Disclosure of the amount and source of federal funds received by the Washington State Association of Community Action Agencies

US Department of Health & Human Services, Administration for Children and Families, Capacity Building Program	$50,000
US Department of Health & Human Services, Community Services Block Grant Program	$150,000
Total federal funds	$200,000

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Employment

Executive Director, Washington State Association of Community Action Agencies, February 1984 to present. Supports to work of thirty-one Community Action Agencies who work with low-income people in every county of the state. Duties involve arranging and facilitating meetings, trainings and conferences; developing newsletters, reports, marketing materials and press releases; keeping records of all Association activities; developing and maintaining active relationships with collaborative partners, particularly the Rural Development Council; represent Association members and residents on various boards and affiliations, and to local, state and federal officials; and provide technical support to members as needed.

Development Director, Media Children's Services, Seattle, Washington. February 1983 to January 1984.

Executive Director, Neighborhood House, Inc., Seattle, Washington, a Community Action Agency. April 1999 to January 1983.

Education

Masters of Counseling, Seattle University
BA, Psychology, University of Washington, Seattle, Washington

Volunteer Responsibilities

Chair, Partners for Rural America, one year
Chair, Washington State Rural Development Council, three years
Co-Chair, Paycheck Protection Coalition, Washington state

Personal

Single, two children Andy – 14 years and David – 10 years
Lived in Washington state since 1965.

AMERICAN HORSE PROTECTION ASSOCIATION, INC.

1000 - 29th Street, N.W., Suite T-100, Washington, D.C. 20007
(202) 965-0500

A NATIONAL NON-PROFIT ORGANIZATION
DEDICATED SOLELY TO THE WELFARE OF HORSES,
BOTH WILD AND DOMESTIC

April 10, 2001

Subcommittee on Agriculture, Rural Development, FDA, and Related Agencies
Committee on Appropriations
United States House of Representatives
2362 Rayburn House Office Building
Washington, DC 20515-6016

Dear Chairman Bonilla and Members of the Subcommittee:

On behalf of the American Horse Protection Association, Inc., I am writing to offer its views concerning the Fiscal Year 2002 appropriation for the Horse Protection Act program administered by the Animal Plant and Health Inspection Service (APHIS). AHPA is a national nonprofit humane organization devoted exclusively to equine welfare. Since the Association's incorporation in 1966, the prevention of abuse to show horses, and in particular Tennessee Walking Horses and similar gaited breeds, has been one of its principal areas of interest and concern.

The authorized appropriation for the Horse Protection Act program is a maximum of $500,000 annually, which is exceedingly low in absolute terms for a program which is responsible for enforcing the Act at approximately 500 horse shows and sales per year. As a practical matter, since FY'94 the effective level of Horse Protection Act program enforcement expenditures has not exceeded $400,000. At this level, APHIS is severely limited in its efforts to effectively enforce the Horse Protection Act.

AHPA recommends that the FY 2002 appropriation be increased to the full $500,000 for the reasons set forth below.

In 1970, Congress enacted the Horse Protection Act (Pub. L. No. 91-570, 15 U.S.C. Sec. 1821 et seq in response to concern for show horse abuse -- particularly among Tennessee Walking Horses. "Soring", as the abuse is commonly known, involved the infliction of pain to the horse's feet and legs to accentuate its naturally animated gait and to hasten the training process. The Act was substantially amended in 1976 to expand the kinds of conduct that were prohibited and to strengthen the Agriculture Department's enforcement capabilities (Pub. L. 94-360) directing it to detect and punish violators, either civilly or criminally.

The legislative history of the Act is clear: Congress regarded soring to be an inhumane practice which gave those trainers and owners who sore horses an unfair competitive advantage

over those who safeguarded the welfare of their animals. Congress intended to eliminate soring, and believed that the competitive and financial interest of those who sore horses should not receive any recognition. Most importantly, Congress clearly mandated enforcement responsibility to the Department of Agriculture.

Historically, Congress and the Agriculture Department have recognized that there is a close relationship between soring and the kinds of "action devices" and shoes and pads that a horse wears, especially if the effects of the devices and shoes and pads are accentuated by making the animal's feet and legs painful through the application of chemical irritants or blistering agents. As a result, enforcement under the Act has focused in part on prohibiting the use of equipment and techniques that reasonably can be expected to sore a horse. APHIS field enforcement at horse shows is intended to detect horses that show evidence of being in pain prior to or after showing. In addition, APHIS personnel attend shows to monitor the performance of Designated Qualified Persons (DQPs), employees of Horse Industry Organizations (HIOs) appointed by horse show management to inspect horses for soring violations.

Last year marked the 30th anniversary of the passage of the Horse Protection Act. Yet, soring of horses remains a serious problem today. At an equine welfare forum in 1999 hosted by the American Association of Equine Practitioners and the American Veterinary Medical Association, Ron DeHaven, Deputy Administrator for APHIS, pointed out that nine of the last 10 presidents of the Walking Horse Trainers Association as well as nine of the last 16 "Trainers of the Year" have either federal cases pending or convictions of soring. Moreover, although the Walking Horse industry often cites a 98 percent compliance rate, APHIS Veterinary Medical Officers (VMOs) write alleged violations for only the clearest, most egregious cases of soring. As a result, a very small percentage of documented cases of soring actually become the subject of USDA enforcement action. Furthermore, the informed judgment of APHIS VMOs suggests that an even larger number of horses are sored, but escape detection. Finally, at present, the number of cases being pursued by the Department of Agriculture's Office of General Counsel has dramatically dropped – without explanation.

In recent years, due to funding restrictions APHIS attendance at Walking and Racking horse shows has been at an all time low. Nevertheless, the presence of APHIS VMOs at horse shows and sales makes a big difference in detecting and deterring soring abuses. Enforcement data from at least the last five show seasons, for example, demonstrates consistently that when VMOs are present, DQPs do a better job. Disqualification rates at shows attended by VMOs are regularly two to three times as high as the rates at shows inspected by DQPs alone. This indicates clearly that DQPs are more thorough and accurate, and adhere more closely to the inspection standards required by Horse Protection Act regulations when VMOs are present. Furthermore, the presence of VMOs is a powerful deterrent: On many reported occasions, exhibitors have withdrawn their horses from shows when VMOs appear on the show grounds unannounced.

During the past few years, certain factions of the Walking Horse industry have promoted the concept of "self-regulation" under the Act, with the intent of restricting USDA's enforcement role in general. In this regard, AHPA would like to call the Subcommittee's attention to a Strategic Plan published in 1997 by USDA which, in fact, does call for a cooperative effort between the Department and horse industry organizations to improve enforcement of the Act and

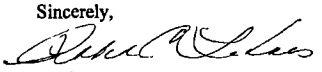
eliminate soring. However, it also confirms USDA's legal mandate to enforce the Act, and calls for a number of reforms, including more consistent inspection procedures, uniform rules and penalties among the HIOs, tighter conflict-of-interest prohibitions, and more funding for APHIS inspections at horse shows. It does not, in any way, call for industry self-regulation which, in and of itself, is contrary to the Act.

In addition, at least one of the HIOs, the National Horse Show Commission, has historically been antagonistic to USDA's enforcement efforts. For example, during the 1990s the Commission collected a mandatory fee of $1 per show per exhibitor per day to help support the industry's Show Horse Support Fund, a lobbying and legal defense fund. In our view, it is highly unusual and a conflict of interest for an organization -- that exists to administer a DQP program so that show management can fulfill its responsibilities under the Act -- to be the instrument by which money is collected to fund industry efforts to oppose USDA enforcement. This same HIO continues a misleading effort to convince members of Congress to include language in the appropriations bill to direct APHIS to abandon its longstanding, established, and judicially affirmed practice of finding a horse to be sore if it shows a repeated, consistent pain reaction in response to digital palpation. Contrary to information that the Subcommittee may have received, an evaluation of a horse's movement and general appearance are always part of a soring examination (see 9 C.F.R. Sec. 11.21). However, gait impairments or general signs of discomfort are not necessary elements of a finding that a horse is sore. Furthermore, despite repeated assertions by the Commission, the American Association of Equine Practitioners has never adopted or endorsed the concept that a horse may be found sore only if it exhibits signs or symptoms in addition to a repeated, consistent pain reaction in response to digital palpation.

Enforcement experience under the Act has shown that USDA presence at horse shows and sales is the best and most effective way to fight soring horses. In order for APHIS personnel to do the best job possible enforcing the Horse Protection Act, as mandated by Congress, their presence at horse shows must be expanded. For these reasons, AHPA requests that the Subcommittee recommend a $500,000 Horse Protection Act program appropriation for Fiscal Year 2002, and resist any attempt to insert language which would limit APHIS's enforcement role, including but not limited to a prohibition of relying on digital palpations as the primary diagnostic test to determine whether a horse is sore.

Thank you for considering the Associations' views. We would be pleased to answer any questions you or your staff may have.

Sincerely,



Robin C. Lohnes
Executive Director

/RCL

TESTIMONY OF THE NATIONAL BEEF CATTLE EVALUATION CONSORTIUM
BEFORE THE HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT
AND RELATED AGENCIES

Mr. Chairman, Members of the Subcommittee, this testimony is for the record of proceedings on the Fiscal Year 2002 Department of Agriculture Budget. The testimony is presented on behalf of the National Beef Cattle Evaluation Consortium, which consists of four universities, Colorado State University, Cornell University, Iowa State University, and The University of Georgia. This consortium was created in response to requests from beef industry leadership groups to create a sustainable research and development program in genetics for that industry. We are happy for this opportunity to thank you for your support during last year's budget proceedings. We would like to take this opportunity to update you on this program as well as issues we are currently addressing and those we are planning to address.

As you know, this Committee provided federal funds ($265,000) last year to support the creation of the consortium. The reason for creating this consortium was to address the lack of organization in research programs for genetic evaluation of beef cattle for improvement of the national cow herd resource through selection. This consortium will serve in a capacity much like the USDA Animal Improvement Production Lab, Beltsville, MD does for the dairy industry, a model that has positioned the U.S. dairy cow among the elite production animals in the world. Through these federal dollars, with support from the four universities and various segments of the beef industry, we have established the infrastructure of the consortium and have begun research in several important areas.

The mission of the consortium is to *develop and implement improved methodologies and technologies for genetic evaluation of beef cattle for the purpose of maximizing the impact genetic programs have on the economic viability, international competitiveness, and sustainability of U.S. beef cattle producers and to provide consumers with affordable and healthy beef products* To achieve the goal intrinsic to this mission statement, we have created the following objectives:

- **Establish and coordinate** priorities for genetic evaluation of U.S. beef cattle with the goal of positioning the U.S. as a leader in this area thereby increasing the global competitiveness of the U.S. beef industry.

- **Consolidate** efforts among the four land-grant institutions to conduct research to meet these priorities with the goals of reducing duplication of effort and maximizing the return of useable information to the beef industry.

- **Streamline** the process between the development and adoption of new genetic evaluation methodologies by the industry with the goal of ensuring the economic viability and sustainability of producers in the U.S. beef industry.

- **Identify** new traits and technologies for inclusion in genetic programs with the goals of reducing the costs of beef production and providing consumers with a high value, healthy, affordable protein source.

- **Create** decision-making tools that incorporate the increasing number of traits being evaluated and the increasing amount of information from DNA biotechnology into genetic improvement programs with the goal of optimizing the overall efficiency, product quality/safety, and health of the national cattle herd resource.

The U.S. cattle industry is comprised of more than one million individual farms and ranches operating in all 50 states. Total sales of cattle and calves have exceeded 30 billion dollars per year in recent years. Beef is the most popular meat in America. In 1997, U.S. cattle ranchers produced beef with a total retail value of $50.6 billion, and American consumers spent an average of $186.03 per person on beef. Nearly 8 percent of U.S. beef is produced for export, with a total value greater than $4.5 billion.

The continued production of high-quality, healthy and affordable beef is dependent on the availability of information upon which to make prudent selection decisions. The most important tool for selective breeding is *expected progeny differences* (EPD). An EPD is a prediction of the genetic merit of an animal and as such the potential impact of that animal as a parent. The investment in EPD production and research made by the U.S. beef industry since 1990 is approximately $350,000 per year, with no direct federal support.

The ability to influence the genetics of U.S. beef cattle has greatly enhanced U.S. competitiveness in the world marketplace. However, current research and outreach efforts are fragmented and rely on the expertise of just a few scientists. Other countries, most notably Brazil and Australia, have made large public investments in beef breeding stock genetic evaluation and are threatening to diminish America's edge in the export market.

With the appropriation received thus far, we have established the infrastructure of the consortium to include creating a board of directors and industry advisory committee. We have met with allied industries and producer groups to prioritize our programs and to establish channels of communications between the industry and the consortium. We have also begun research efforts in the following focus areas:

- Developing predictions for new traits such as reproductive efficiency, carcass composition and quality that are important to the efficiency and profitability of beef production. A high priority is the identification of economically relevant traits (ERT) and systems to evaluate potential breeding stock for these ERT's.

- Including DNA information in genetic evaluation programs to enhance the accuracy of predictions of genetic merit. We are in the midst of a genetic revolution fueled by discoveries in molecular genetics that is overwhelming science and field applications of technology with data. Research into the inclusion of data from DNA technology into systems that assess genetic merit is necessary to convert that data into useable information.

- Creating selection decision tools to improve production efficiency, product quality/safety and herd health. Selection for species with diverse and dynamic production criteria is a challenging task. Animals in a production system must be reproductively sound, efficient, and produce healthy products. Selection decision tools will be necessary to afford producers the opportunity to identify individuals that bring the best balance of all these required characteristics and do so in a cost-effective manner.

- Developing new methodologies to enhance the accuracy, reliability and productivity of the EPD production systems.

Future appropriations will enable the consortium to continue research efforts in the initial focus areas, draw in researchers from other institutions to broaden the areas of expertise within the consortium, and, in doing so, allow us to establish new focus areas of research. One important area of research that needs to be established with new funding and moved forward quickly is the area of the genetics of animal health. There are currently no genetic programs in place that allow producers to address selection for improved animal health and disease resistance. The emphasis on disease in cattle and how those diseases impact the beef products is receiving considerable attention in the public today. Establishing best breeding practices for animals going into the food production system is becoming an increasingly important requirement to reduce the reliance of animal industries on antibiotics and to increase consumer confidence in the products from those industries.

Once again, we thank you for the financial investment you have made in the consortium. We feel the foundation has been laid for an effective program in beef cattle evaluation and the industry is already working with the consortium leadership to establish mechanisms for technology transfer as discovery occurs. We are confident that the creation of the consortium will revolutionize the selection programs for this industry and, in doing so, keep that industry positioned to provide a quality source of protein to U.S. consumers and to compete in the global market. Thank you.

Written Statement of
THE ORGANIZATION FOR THE PROMOTION AND ADVANCEMENT OF SMALL TELECOMMUNICATIONS COMPANIES

Before the
Subcommittee on Agriculture, Rural Development,
Food and Drug Administration, and Related Agencies
Committee on Appropriations
United States House of Representatives

Addressing
Telecommunications Programs
Administered by the Rural Utilities Service
U.S. Department of Agriculture

April 3, 2001

SUMMARY OF REQUEST

The Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) seeks the Subcommittee's support for FY 2002 loan levels for the telecommunications loans program and Rural Telephone Bank (RTB) program administered by the Rural Utilities Service (RUS) in the following amounts:

5% hardship loans:	$ 75 million
Treasury rate loans:	$300 million
guaranteed loans:	$120 million
RTB loans:	$175 million

In addition, OPASTCO requests the following action by the Subcommittee: (1) removal of the statutory 7 percent cap on Treasury rate loans for FY 2002; (2) removal of previous appropriations act language limiting the retirement of Class A stock of the RTB to 5 percent; (3) a prohibition on the transfer of unobligated RTB funds to the general fund of the Treasury; and (4) funding of the distance learning and telemedicine grant and loan program at sufficient levels.

GENERAL

OPASTCO is a national trade association of more than 500 independently owned and operated telecommunications carriers serving rural areas of the United States. Its members, which include both commercial companies and cooperatives, together serve over 2.5 million

customers in 42 states. Approximately half of OPASTCO's members are RUS or RTB borrowers.

Perhaps at no time since the inception of the RUS (formerly the REA) has the telecommunications loans and RTB programs been so vital to the future of rural America. The telecommunications industry is at a crossroads, both in terms of technology and public policy. Advances in telecommunications technology in recent years will deliver on the promise of a new "information age." The Federal Communications Commission's (FCC) ongoing implementation of the landmark Telecommunications Act of 1996, as well as modernization resulting from prior statutory changes to RUS's lending program, will expedite this transformation. However, without continued support of the telecommunications loans and RTB programs, rural telephone companies will be hard pressed to build the infrastructure necessary to bring their communities into this new age, creating a bifurcated society of information "haves" and "have-nots."

Contrary to the belief of some critics, RUS's job is not finished. Actually, in a sense, it has just begun. We have entered a time when advanced services and technology -- such as broadband fiber optics, high-speed packet and digital switching equipment, and digital subscriber line technology -- are expected by customers in all areas of the country, both urban and rural. Unfortunately, the inherently higher costs of upgrading rural networks, both for voice and data communications, has not abated. Rural telecommunications continues to be more capital intensive and involves fewer paying customers than its urban counterpart. RUS borrowers average only 6.3 subscribers per route mile versus 130 subscribers per route mile for large local exchange carriers. In order for rural telephone companies to modernize their networks and provide their customers with advanced services at reasonable rates, they must have access to reliable low-cost financing.

The relative isolation of rural areas increases the value of telecommunications services for these citizens. Telecommunications enables applications such as distance learning, telemedicine, and high-speed Internet connectivity that can alleviate or eliminate some rural disadvantages. Telecommunications can also make rural areas attractive for some businesses and result in revitalization of the rural economy. For example, businesses such as telemarketing and tourism can thrive in rural areas, and telecommuting can become a realistic employment option.

While it has been said many times before, it bears repeating that RUS's telecommunications loans and RTB programs are <u>not</u> grant programs. The funds loaned by RUS are used to leverage substantial private capital, creating public/private partnerships. For a very small cost, the government is encouraging tremendous amounts of private investment in rural telecommunications infrastructure.

Most importantly, the programs are tremendously successful. Borrowers actually build the infrastructure and the government gets paid back with interest. *There has never been a default in the history of the telecommunications lending programs.*

THE TELECOMMUNICATIONS ACT OF 1996 HAS HEIGHTENED THE NEED FOR THE TELECOMMUNICATIONS LOANS AND RTB PROGRAMS

The FCC's implementation of the Telecommunications Act of 1996 will only increase rural telecommunications carriers' need for RUS assistance in the future. The forward-looking Act defines universal service as an evolving level of telecommunications services that the FCC must establish periodically, taking into account advances in telecommunications and information technologies and services. As anticipated, in December 2000, the FCC convened a Federal-State Joint Board to begin reviewing the definition of the services supported by the universal service mechanism. While the competitive environment engendered by the 1996 Act may offer the means of meeting this evolving definition in urban areas, rural and high-cost areas have less potential for economically sound competitive alternatives. RUS has an essential role to play in the implementation of the law, as it will compliment new funding mechanisms established by the FCC and enable rural America to move closer to achieving the federally mandated goal of rural/urban service and rate comparability.

At present, considerable regulatory uncertainty exists for rural telecommunications carriers as several critical FCC proceedings implementing the 1996 Act remain unresolved. These include fundamental changes to the universal service and access charge systems and the procedures incumbent carriers use to separate their costs between the Federal and state jurisdictions. In addition, uncertainty exists as to whether rural incumbent carriers will be able to recover the costs of the extensive additional regulatory obligations and potential broadband deployment demands placed on them. If these outstanding issues are resolved in a piecemeal fashion and/or with a strong bias toward new entrants, rural incumbent carriers with universal service obligations could be hampered in their ability to modernize their networks and provide quality, affordable service to all of their customers. Managed coordination of existing proceedings, as proposed in the Petition for Rulemaking of the LEC Multi-Association Group (MAG Plan, filed with the FCC Oct. 20, 2000), is necessary if the Commission is to preserve Congress's public policy goals of affordable rates and access to an evolving telecommunications network for all Americans. Adoption of the MAG Plan would ensure that all of the goals of the 1996 Act -- including universal service, an even playing field for competition, and deregulation -- are realized in rural areas.

A $75 MILLION LOAN LEVEL SHOULD BE MAINTAINED FOR THE 5 PERCENT HARDSHIP LOAN PROGRAM

One of the most vital components of RUS's telecommunications loans program is the 5 percent hardship loan program. These loans are referred to as hardship loans for good reason: They provide below-Treasury rate financing to telephone companies serving some of the most sparsely populated, highest cost areas in the country. The commitment these companies have to providing modern telecommunications service to everyone in their communities has made our nation's policy of universal service a reality and, in many cases, would not have been possible

without RUS's hardship loan program. Companies applying for hardship loans must meet a stringent set of eligibility requirements and the projects to be financed are rated on a point system to ensure that the loans are targeted to the most needy and deserving. In FY 2001, the government subsidy needed to support a $75 million loan level was under $7.8 million. Given the necessity of this indispensable program, it is critical that the loan level be maintained at $75 million for FY 2002.

REMOVAL OF THE 7 PERCENT CAP ON TREASURY RATE LOANS SHOULD BE CONTINUED

With regard to RUS's Treasury rate loan program, OPASTCO supports the removal of the 7 percent ceiling on these loans for FY 2002. This Subcommittee appropriately introduced language in the FY 1996 Agriculture Appropriations Act to permit Treasury rate loans to exceed the 7 percent per year ceiling contained in the authorizing act. The language has been continued in each subsequent year. Were long-term interest rates to exceed 7 percent, adequate subsidy would not be available to support the Treasury rate loan program at the authorized levels. Accordingly, OPASTCO supports the continuation of this language in the FY 2002 appropriations bill in order to prevent potential disruption to this important program.

A $175 MILLION LOAN LEVEL SHOULD BE MAINTAINED FOR THE RTB PROGRAM

As previously discussed, the RTB's mission has not been completed as rural carriers continue to rely on this important source of supplemental financing in order to provide their communities with access to the next generation of telecommunications services that are essential for their survival. In FY 2001, the government subsidy necessary to fund a $175 million loan level was only $2.59 million, or 1.48 percent of the capital that the program generates. The ongoing need for the RTB program makes it essential that a $175 million loan level be maintained for FY 2002.

THE 5 PERCENT LIMITATION ON THE AMOUNT OF CLASS A STOCK OF THE RTB THAT CAN BE RETIRED SHOULD BE REMOVED

OPASTCO believes it would be appropriate to remove or change the language contained in previous agriculture appropriations acts restricting the retirement of Class A stock of the RTB to 5 percent. This restriction is an impediment to the timely privatization of the RTB, as envisioned by the Rural Electrification Act of 1936. OPASTCO further suggests that Congress, the Administration, and the RTB Board of Directors develop a schedule and plan for privatizing the bank in a timely manner. OPASTCO believes that the timely privatization of the RTB is of great importance to rural telecommunications carriers as they seek to upgrade their networks for the provision of advanced services to their customers.

THE PROHIBITION ON THE TRANSFER OF ANY UNOBLIGATED BALANCE OF THE RTB LIQUIDATING ACCOUNT TO THE TREASURY AND REQUIRING THE PAYMENT OF INTEREST ON THESE FUNDS SHOULD BE CONTINUED

OPASTCO urges the Subcommittee to reinstate the language introduced in the FY 1997 Agriculture Appropriations Act, and continued in the years following, prohibiting the transfer of any unobligated balance of the RTB liquidating account to the Treasury or the Federal Financing Bank which is in excess of current requirements and requiring the payment of interest on these funds. As a condition of borrowing, the statutory language establishing the RTB requires telephone companies to purchase Class B stock in the bank. Once all loans are completely repaid, a borrower may then convert its Class B stock into Class C stock. Thus, all current and former borrowers maintain an ownership interest in the RTB. As with stockholders of any concern, these owners have rights which may not be abrogated. The Subcommittee's inclusion of the aforementioned language into the FY 2002 appropriations bill will ensure that RTB borrowers are not stripped of the value of this required investment.

THE DISTANCE LEARNING AND TELEMEDICINE PROGRAM SHOULD CONTINUE TO BE FUNDED AT ADEQUATE LEVELS

In addition to RUS's telecommunications loans and RTB programs, OPASTCO supports adequate funding of the distance learning and telemedicine grant and loan program. This sensible investment allows rural students to gain access to advanced classes which will help them prepare for college and jobs of the future. Also, rural residents will gain access to quality health care services without traveling great distances to urban hospitals. Loans are made at the government's cost-of-money, which should help to meet demand for the program in the most cost effective way. In light of the Telecommunications Act's requirement that schools, health care providers, and libraries have access to advanced telecommunications services, sufficient targeted funding for these purposes is essential in FY 2002.

CONCLUSION

The development of the nationwide telecommunications network into an information superhighway, as envisioned by policymakers, will help rural America survive and prosper in any market -- whether local, regional, national, or global. However, without the availability of low-cost RUS funds, building the information superhighway in communities that are isolated and thinly populated will be untenable. By supporting the RUS telecommunications programs at the requested levels, the Subcommittee will be making a significant contribution to the future of rural America at a negligible cost to the taxpayer.

71-880 2001 - 5

TESTIMONY OF
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DISTINGUISHED UNIVERSITY RESEARCH PROFESSOR
PROFESSOR OF POLYMER SCIENCE
THE UNIVERSITY OF SOUTHERN MISSISSIPPI
MISSISSIPPI POLYMER INSTITUTE
HATTIESBURG, MISSISSIPPI

BEFORE THE

HOUSE APPROPRIATIONS SUBCOMMITTEE ON
AGRICULTURE, RURAL DEVELOPMENT, FOOD AND
DRUG ADMINISTRATION, AND RELATED AGENCIES

UNITED STATES DEPARTMENT OF AGRICULTURE
COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

Mr. Chairman, distinguished Members of the Subcommittee, I would like to thank you for this opportunity to provide testimony describing ongoing research and commercializing efforts of The University of Southern Mississippi (USM) and the Mississippi Polymer Institute. I am very grateful to the Subcommittee for its leadership and the continued support of the Institute and its work. This testimony will include an update on the progress of the Institute since my testimony of approximately one year ago. During the past year, our efforts have focused principally on two commercialization thrusts. One effort involves our novel, agricultural-based inventions in emulsion polymerizations, and the other is to produce a commercial, formaldehyde-free, soybean derived adhesive for a variety of composite board materials, i.e., particleboard or oriented strand board (OSB). During the past year, we have continued to refine the adhesive and have made much progress. We are optimistic that these materials will be of commercial quality. I will discuss the progress made with the two inventions separately in order to offer more clarity.

In the case of castor and soy oil, we have designed and synthesized several more novel monomers or polymer building blocks that offer state-of-the-art technology. For instance, the attributes of the technology includes the ability to produce **odor free, solvent free, non-polluting latex coatings**. This represents best-available-technology for the production of solvent free latex coatings. The success of the technology depends on the use of agricultural materials as a building block of emulsion derived polymers offering a new opportunity for ag derived materials as a raw material in the polymer industry. By contrast, contemporary latex coatings contain 250 grams/liter or more of air pollutants or volatile organic content (VOC) per gallon. Moreover, this novel technology, if practiced, would allow governmental regulatory agencies to tighten the restrictions on volatile organic content (VOC) emissions of applied coatings without harm to the coatings industry. The fundamental scientific principles regarding its mode of action have been confirmed, yet additional data must be collected as even more novel monomers, or polymer building blocks are designed and synthesized. We have identified emulsion polymerization as a synthetic technique particularly suited for use of these materials. We have also found that it holds much promise in ultraviolet cured polymers in that hard, scratch resistant coatings are produced in seconds from this

novel technology. We have utilized this technology in the design and fabrication of industrial coatings that offer high performance, flexible, and non-blocking products. We have secured a pilot scale manufacturing facility for this material and as a result can produce 20 gallons of product per run. Financial assistance was obtained via the USDA SBIR division via competitive grant applications. We have met our SBIR objectives for Phase I and have thus submitted a Phase II award grant application. As a result of this work, we are now able to provide sufficient quantities of product to prospective users of this technology. We have sampled many interested parties and are in continuing negotiations with several firms regarding commercialization.

Over the past year, several new patents have been obtained from the U.S. Patent office protecting this technology. Foreign patent filings have also been affected. Two new patent applications are anticipated for submission to the U.S. Patent office within the next few weeks. Negotiations are also underway with Pentagon officials to obtain "Green Seal" certification for paints formulated from this technology. Paints have been formulated and submitted which, in our hands, meet the Green Seal requirements. However, the formulated coating is, at this writing, being evaluated by outside testing laboratories. Should the formulated paint meet the Green Seal requirements, and we have no reason to believe that it will not, we expect an order(s) from the Pentagon for coatings to be used in the Pentagon.

In summary, commercialization efforts have continued over the past year. New patents have been approved, new patent applications have been submitted, a pilot scale manufacturing process has been implemented, a USDA SBIR grant has been obtained to assist in the development of this technology, new industrial coatings have been designed, manufactured, formulated, and tested and formulation efforts have been directed toward the generation of finished goods, i.e., high performance, low odor, and low VOC coatings. We are optimistic that sales of these ag derived products will commence during 2001!

In yet another of our novel ag based technologies, we have developed formaldehyde-free adhesives for use in the composites industry, specifically for particleboard and oriented strand board. The new adhesives are composed of more than 98% agricultural products and are comparable in properties with traditional formaldehyde adhesives. Formaldehyde emissions are regulated as formaldehyde is considered a potential cancer producing agent. Consequently, there is a move afoot to remove formaldehyde from articles of commerce. This work continues to be refined. More specifically, water absorption values have been too high and efforts have been underway during 2000 to reduce water absorption values. This goal has been met but at a slight cost; i.e., a slight reduction in internal bond strength. Thus, continual modification or property adjustments are necessary and will be the focus of work during the 2001 year. If successful, this work would provide an additional and substantial outlet for America's soy bean farmers.

In 1983, the Mississippi Legislature authorized the Polymer Institute at USM to work closely with emerging industries and other existing polymer-related industries to assist with research, problem-solving, and commercializing efforts. During the past year, seventeen new polymer-related industries have located in Mississippi. In particular, during the past four years Sunbeam-Oster, Dickten and Masch, Wellman, and Kohler have constructed facilities approaching a cost of 1.4 billion dollars and each has commented on polymer science and engineering as a significant factor

in their decision to locate near to The University of Southern Mississippi and the Mississippi Polymer Institute.

The Institute provides industry and government with applied or focused research, development support, and other commercializing assistance. This effort complements existing strong ties with industry and government involving exchange of information and improved employment opportunities for USM graduates. Most importantly, through basic and applied research coupled with developmental and commercializing efforts of the Institute, the Department of Polymer Science continues to address national needs of high priority.

The focus of my work is commercialization of alternative agricultural crops in the polymer industry. This approach offers an array of opportunities for agriculture as the polymer industry is the largest segment of the chemical products industry in the world, and heretofore has been highly dependent upon petroleum utilization. However, my efforts are directed to the development of agricultural derived materials that will improve our nation's environment and reduce our dependence on imported petroleum. As farm products meet the industrial needs of the American society, rural America is the benefactor. Heretofore, this movement to utilize alternative agricultural products as industrial raw materials has received some attention but much less than opportunities warrant. Your decisions are crucial to the accomplishment of these goals as funding from this Subcommittee has enabled us to implement and maintain an active group of university-based polymer scientists whose energies are devoted to commercializing alternative crops. We are most grateful to you for this support and ask for your continued commitment.

The faculty, the University, and the State of Mississippi are strongly supportive of the Mississippi Polymer Institute and its close ties with industry. Most faculty maintain at least one industrial contract as an important part of extramural research efforts.

Polymers, which include fibers, plastics, composites, coatings, adhesives, inks, and elastomers, play a key role in the materials industry. They are used in a wide range of industries including textiles, aerospace, automotive, packaging, construction, medical prosthesis, and health care. In the aerospace and automotive applications, reduced weight and high strength make them increasingly important as fuel savers. Their non-metallic character and design potentials support their use for many national defense purposes. Moreover, select polymers are possible substitutes for so-called strategic materials, some of which come from potentially unreliable sources.

As a polymer scientist, I am intrigued by the vast opportunities offered by American agriculture. As a professor, however, I continue to be disappointed that few of our science and business students receive training in the polymer-agricultural discipline as it offers enormous potential. The University of Southern Mississippi and the Mississippi Polymer Institute are attempting to make a difference by showing others what can be accomplished if appropriate time, energy, and resources are devoted to the understanding of ag based products.

I became involved in the polymer field 37 years ago and since that time, have watched its evolution where almost each new product utilization offered the opportunity for many more. Although polymer science as a discipline has experienced expansion and a degree of public acceptance, **alternative agricultural materials are an under-utilized national treasure for the**

polymer industry. Moreover, there is less acceptance of petroleum derived materials today than ever before and consequently the timing is ideal for agricultural materials to make significant inroads as environmentally friendly, biodegradable, and renewable raw materials. These agricultural materials have always been available for our use, yet society for many reasons, has not recognized their potential. The following examples are included and represent opportunities other than those already described which supports this tenet:

- A waterborne, waterproofer has been designed and formulated with the help of several natural products. The material functions as a waterproofer yet is carried in water. However, after application to the intended substrate, typically wood or cementous products, the material becomes hydrophobic and highly water resistant. We have collected two and one-half years of exposure data on this product with excellent success. We have made additional contacts with industrial firms during the year in hopes for commercialization but industry is complacent and no driving force for change exists. For instance, unless VOC emission laws are tightened, little movement will be toward new, environmentally friendly, products. However, we will continue our efforts to promote the use of ag based products offering improved environmental attributes, i.e., high performance accompanied by low odor and low VOCs.

- We have exploited the potential of lesquerella, a crop that produces a triglyceride similar to castor oil. Several high performance products have been prepared and include polyesters, stains, foams, pressure sensitive adhesives, and 100% solid ultraviolet (UV) coatings. This technology was highlighted at the AARC/NASDA meeting in Washington, DC. We have developed a cooperative relationship with Alcorn State University, Lorman, MS to grow and thus evaluate the agronomics of lesquerella as a new crop for Southeastern U.S. region. Consequently, we have fabricated ag based foams for use as weed retardant mulches. The new foams are under test as this report is being written.

U.S. agriculture has made the transition from the farm fields to the kitchen tables, but America's industrial community continues to be frightfully slow in adopting ag based industrial materials. The prior sentence was included in my last testimony and rings true one year later as I write this report. However, we must continue to aggressively pursue this opportunity and in doing so:

- Intensify U.S. efforts to commercialize alternative crops and dramatically reduce atmospheric volatile organic content emissions. The result will be much cleaner air for all Americans.

- Reduce U.S. reliance on imported petroleum.

- Maintain a healthy and prosperous farm economy.

- Foster new cooperative opportunities between American farmers and American industry.

Mr. Chairman, your leadership and support are deeply appreciated by the entire University of Southern Mississippi community. While I can greatly appreciate the financial restraints facing

your Subcommittee, I feel confident that further support of the Mississippi Polymer Institute will continue dividends of increasing commercialization opportunities of agricultural materials in American industry. Advances in polymer research are crucial to food, transportation, housing, and defense industries. Our work has clearly established the value of ag products as industrial raw materials and we must move it from the laboratories to the industrial manufacturing sector. Only then can the U.S. enjoy a cleaner and safer environment which these technologies offer, as well as new jobs, and expanded opportunities for the U.S. farmer. We are most grateful for the support you have provided in the past. The funding you have provided has allowed the laboratory work to be conducted, yet we are at the crossroads of commercialization and additional funds are needed to take this technology from the laboratory to manufacturing and to the market place. Moreover, past funding has been essentially level with some slight increases.

Since our testimony last year we have reached new levels of commercializing efforts. The technology has matured and marketing and sales must move parallel with continued commercial development of new products. Thus, we are in need of additional resources to take these technologies to the market place and to continue our developments of other exciting technologies. We therefore respectfully request $1.5 million in federal funding to more fully exploit the potentials of commercializing the technologies described herein. When we are successful, our efforts will be recognized as instrumental in developing a "process" for commercialization of new ag based products. That is, we will have taken a technology from the "idea" stage to commercialization. The development of this process, and to show it successful, is extremely important to all entrepreneurs who believe in ag based products. Thank you Mr. Chairman and Members of the Subcommittee for your support and consideration.

STATEMENT OF THE CALIFORNIA INDUSTRY AND GOVERNMENT CENTRAL CALIFORNIA OZONE STUDY (CCOS) COALITION

SUBMITTED TO THE

APPROPRIATIONS SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES

UNITED STATES HOUSE OF REPRESENTATIVES

BY

ALAN C. LLOYD, Ph.D.
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CALIFORNIA AIR RESOURCES BOARD

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CHAIR, CCOS POLICY COMMITTEE
MEMBER, CALIFORNIA AIR RESOURCES BOARD
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LES CLARK
VICE PRESIDENT
INDEPENDENT OIL PRODUCERS AGENCY

SAFFET TANRIKULU, Ph.D.
CCOS TECHNICAL MANAGER
CALIFORNIA AIR RESOURCES BOARD

MARCH 30, 2001

Mr. Chairman and Members of the Subcommittee:

On behalf of the California Industry and Government Central California Ozone Study Coalition we are pleased to submit this statement for the record in support of our fiscal year 2002 funding request of $500,000 from CSREES for the Central California Ozone Study (CCOS).

Ozone and particulate matter standards in most of central California are frequently exceeded. In 2003, the U.S. Environmental Protection Agency (U.S. EPA) will require that California submit SIPs to for the recently promulgated, national, 8-hour ozone standard. It is expected that such SIPs will be required for the San Francisco Bay Area, the Sacramento Valley, the San Joaquin Valley, and the Mountain Counties Air Basins. Photochemical air quality modeling will be necessary to prepare SIPs that are acceptable to the U.S. EPA.

Central California Ozone Study (CCOS) is designed to enable central California to meet Clean Air Act requirements for ozone State Implementation Plans (SIPs) as well as advance fundamental science for use nationwide. The CCOS field measurement program was conducted during the summer of 2000 in conjunction with the California Regional $PM_{10}/PM_{2.5}$ Air Quality Study (CRPAQS), a major study of the origin, nature and extent of excessive levels of fine particles in central California. CCOS includes an ozone field study, a deposition study, data analysis, modeling performance evaluations, and a retrospective look at previous SIP modeling. The CCOS study area extends over central and most of northern California. The goal of the CCOS is to better understand the nature of the ozone problem across the region, providing a strong scientific foundation for preparing the next round of State and Federal attainment plans. The study includes six main components:

- Developed the design of the field study
- Conducted an intensive field monitoring study from June 1 to September 30, 2000
- Developing an emission inventory to support modeling
- Developing and evaluating a photochemical model for the region
- Designing and conducting a deposition field study
- Evaluating emission control strategies for the next ozone attainment plans

CCOS is directed by Policy and Technical Committees consisting of representatives from Federal, State and local governments, as well as private industry. These committees, which managed the San Joaquin Valley Ozone Study and currently managing the California Regional Particulate Air Quality Study, are landmark examples of collaborative environmental management. The proven methods and established teamwork provide a solid foundation for CCOS. The sponsors of CCOS, representing state, local government and industry, have contributed approximately $8.7 million for the field study. The federal government contributed $500,000 for some data analysis. In addition, CCOS sponsors are providing $2 million of in-kind support. The Policy

Committee is seeking federal co-funding of additional $8.5 million to complete the data analysis and modeling portions of the study and for a future deposition study. California is an ideal natural laboratory for studies that address federal, agriculture-related issues, given the scale and diversity of the various ground surfaces in the region (crops, woodlands, forests, urban and suburban areas).

For fiscal year 2002, our Coalition is seeking funding of $500,000 through the U.S. Department of Agriculture (USDA) Cooperative State Research, Education, and Extension Service (CSREES). Domestic agriculture is facing increasing international competition. Costs of production and processing are becoming increasingly more critical. The identification of cost-effective options for addressing environmental options affecting agricultural costs will contribute significantly to the long-term health and economic stability of local agriculture. A CSREES grant is needed to address the issue of biomass burning and alternatives to open burning. Biomass burning is managed in order to minimize smoke impacts and avoid violations of ambient air quality standards. The air quality impacts of using biomass as a fuel source and as an alternative to open burning need to be addressed. CCOS will improve the ability to assess the impacts of biomass power plants.

There is a national need to address national data gaps and California should not bear the entire cost of the addressing these gaps. National data gaps include issues relating to the integration of particulate matter and ozone control strategies. The CCOS field study took place concurrently with the California Regional Particulate Matter Study – previously jointly funded through Federal, State, local and private sector funds. Thus, CCOS was timed to enable leveraging of the efforts for the particulate matter study. Some equipment and personnel served dual functions to reduce the net cost. From a technical standpoint, carrying out both studies concurrently was a unique opportunity to address the integration of particulate matter and ozone control efforts. CCOS was also cost-effective since it builds on other successful efforts including the 1990 San Joaquin Valley Ozone Study. Federal assistance is needed to effectively address these issues and CCOS provides a mechanism by which California pays half the cost of work that the federal government should pursue.

Scientists at the University of Nevada, Desert Research Institute (DRI) are involved with the CCOS. To expedite research studies related to biomass burning and smoke management for CCOS, it is requested that funds provided by CSREES be allocated directly to DRI.

We appreciate the Subcommittee's consideration of our request. Thank you very much.

Current CCOS Study Sponsors:

PRIVATE SECTOR:
WESTERN STATES PETROLEUM ASSOCIATION
PACIFIC GAS AND ELECTRIC COMPANY
ELECTRIC POWER RESEARCH INSTITUTE
NISEI FARMERS LEAGUE AND AGRICULTURE
INDEPENDENT OIL PRODUCERS' AGENCY
CALIFORNIA COTTON GINNERS AND GROWERS ASSOCIATIONS

LOCAL GOVERNMENT:
SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT
(ON BEHALF OF LOCAL CITIES AND COUNTIES)
BAY AREA AIR QUALITY MANAGEMENT DISTRICT
SACRAMENTO METRO AIR QUALITY MANAGEMENT DISTRICT
SAN LUIS OBISPO COUNTY AIR POLLUTION CONTROL DISTRICT
MENDOCINO COUNTY AIR POLLUTION CONTROL DISTRICT

STATE GOVERNMENT:
CALIFORNIA AIR RESOURCES BOARD
CALIFORNIA ENERGY COMMISSION

FEDERAL GOVERNMENT
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Testimony For The
Subcommittee on Agriculture, Rural Development,
Food and Drug Administration, and Related Agencies
of the Committee on Appropriations
U. S. House of Representatives

March 2001

Mr. Chairman, and Members of the Subcommittee, thank you for this opportunity to present our statement supporting funding for the Department of Agriculture's Agricultural Research Service (ARS), and especially for the Agency flagship research facility, the Henry A. Wallace Beltsville Agricultural Research Center (BARC), in Maryland. Our organization—**Friends of Agricultural Research--Beltsville**—is dedicated to supporting and promoting the Center's agricultural research, outreach, and educational mission.

Now without preliminaries, Mr. Chairman, we will go directly to the heart our recommendations, which are based on expressed industry needs and our consultations with the Department of Agriculture.

We first will list three high priorities where we recommend establishing new research positions. Second, we will suggest relatively new or ongoing research areas that need additional funding. Last, we will allude to other fundamental research topics and needs.

Recommendations for new positions:

Biochemist or Molecular Biologist Position for Dry Bean Research. American farmers annually plant two million acres to dry beans, generating a farm-gate cash value of approximately $280 million. Farmers plant another 300, 000 acres to snap beans for fresh markets and processing, generating approximately $280 million annually. The United States is one the world's largest exporter of dry beans. Much of the export goes to Africa and Latin American, where dry beans provide excellent sources of protein, vitamins, minerals, and calories for the diets of hungry, low-income people. Beans are important to the American diet as well.

U.S. dry bean and snap bean production is constrained by persistent low yields and plant diseases. Production restraints are complex and poorly understood. Though traditional investigative approaches have produced several improved bean cultivars, further progress requires a more comprehensive, multidisplinary approach. Thus, we are pleased to join the National Dry Bean Council in recommending a new scientific position within the Vegetable Laboratory for developing molecular markers to identify genes for improving yields and resistance to diseases. The new position will contribute to dry bean improvement throughout the United States and beyond.

Soil and Water/Hydrologist Position for Irrigation and Water Management Research in the Mid-Atlantic States. Just in the past ten years, irrigation agriculture from New Jersey to Florida has grown by 20 percent. Irrigation agriculture in the region now totals almost five million acres. Yet irrigation expertise and research are lacking. Growers need better information to manage irrigation timing and drainage to improve profitability and protect the environment from associated crop production risks. They need information about efficient, safe use of waste (recycled) water, especially for irrigating turfgrass and ornamental landscapes, and protecting local and regional water quality. They need strategies to deal with sporadic drought conditions and competition among alternative demands for local and regional water supplies. We concur in recommending a new science position to address these expanding issues.

Research Position for Organic Farming Systems. Certified organic cropland doubled from 1992 to 1997. Organic livestock sectors—eggs and dairy—grew even faster. Forty-nine states committed 1.3 million acres to organic production, two-thirds of them to crops in 1997. Almost half

the states were raising certified organic livestock. Organic farming systems rely on cultural and biological pest management, virtually prohibiting synthetic chemicals in crop production and antibiotics or hormones in livestock production. Organic farming provides habitat for predators and parasites of crop pests. Organic farmers use planting, and harvesting dates and crop rotation to maintain soil fertility, and cycle animal and green manures as fertilizer. Approximately 2 percent of our best fruit and vegetable crop acreage—apples, carrots, lettuce, and grapes—was managed organically in 1997. Certified organic livestock production was less than one percent of total production but growing.

Several USDA agencies are active in the expanding the organic farming industry. Since the early 1990s BARC has been in at the forefront of research on organic and sustainable farming systems. The Center needs this new position to enhance and expand its support of this rapidly growing sector of American agriculture.

Recommendations for ongoing work:

Bio-mineral Soil Amendments for Nematode Control. Losses to soil nematodes cost farmers billions every year. The soybean cyst nematode alone can cut soybean yields by 10 percent, often more. Citrus and vegetable crops also are vulnerable to intensive nematode damage. Growers are squeezed by expanding nematode infestations, developing nematicide resistance, and de-registration of traditional nematicides because of environmental concerns. BARC in cooperation with industry and others is pursuing new, more effective approaches to nematode control, including promising research lines using such re-cyclable soil amendments as animal wastes, composts, and mineral by-products. We recommend a substantial increase in funds supporting these promising approaches.

Animal Improvement Programs. For many years America's dairy cows have steadily increased milk production at the rate of about 45 gallons per year. Approximately two-thirds of those increase trace to genetic progress. Much of the credit for that success stems from the cooperative national and international genetic evaluation programs of BARC's award winning Animal Improvement Programs Laboratory. Now under funded, the laboratory needs additional support to continue its historical support for the nation's dairy farmers, livestock and food industries, and American consumers.

Other Research or Initiatives:

Mr. Chairman, the foregoing includes only our most prominent recommendations. They are neither comprehensive nor exclusive. For instance, we recommend support for BARC's work on value-added products, co-utilization, and cooperation with industry to use foundry sand in soil amendments. Finally, we will note the exponential growth of a relative new field called "agricultural bioinformatics," which generally refers to using advanced computer expertise to support such studies as genomics, molecular biology, gene and chromosomal mapping, and database mining for genetic improvement.

Since our last statement before this Subcommittee, BARC has celebrated several milestone events marking the Center's long, distinguished record of leadership and accomplishment. In closing, we briefly will note selected BARC milestones and will allude to another milestone event planned for later this year.

Last June BARC celebrated its 90th anniversary year. The event—in conjunction with BARC's annual public field day—featured priceless period photos and great research accomplishments through the decades. Also in June, the Center was officially named the Henry A. Wallace Beltsville Agricultural Research Center in honor of former Secretary Henry Wallace. During Secretary Wallace's tenure, BARC grew and expanded, shifted its emphasis from applied research to "research into the laws and principles underlying agriculture in its broadest aspects."

In September, FAR--B was pleased to co-sponsor another in BARC's outstanding series of international symposia. This one, appropriately entitled Healthy Animals 2000, was markedly successful. Then just last month the American Society for Horticultural Science designated BARC a "Horticultural Landmark." The Society has declared only two other Historical Landmarks: Monticello, honoring our third President, and the Como Park Conservatory in St. Paul, Minnesota. Last, we note that BARC is planning a groundbreaking ceremony later this year to modernize the Beltsville Human Nutrition Research Center

Mr. Chairman, that concludes our statement. We are grateful for your past support of the BARC mission. And, we again thank you for the opportunity to present our testimony.

RAB

Ralph A. Bram, Ph.D.
President, FAR--B

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Education:
Ph.D., University of Maryland, 1964. (Major: Entomology; Minor: Plant Pathology and Ecology).
M.S., University of Maryland, 1961.(Major: Entomology; Minor: Botany).
B.S., University of Maryland, 1956. (Major: Entomology; Minor: Biological Sciences). Academic Diploma, Gonzaga High School, Washington, D.C., 1951.
Additional Training Executive Development Program, U.S. Department of Agriculture, 1978.

Scientific Publications:
Over 80 articles and books on topics related to medical and veterinary entomology, germplasm preservation, diseases in the ecology of white tailed deer, garden integrated pest management (IPM), and research policy.

Professional Experience:
Editor, Journal of Medical Entomology, 1997-present.
Feature Writer, Maryland Gardener magazine, 1994-97.
National Program Leader, Medical & Veterinary Entomology and Parasitology, USDA Agricultural Research Service, National Program Staff, Beltsville, MD, 1981-94 (retired July 1, 1994).
Principal Staff Officer, Veterinary Entomology, USDA Animal and Plant Health Inspection Service, Hyattsville, MD, 1972-81.
Technical Officer, Animal Health Service, Food and Agriculture Organization of the United Nations, Rome, 1974-76.
Research Entomologist, USDA-ARS Insects Affecting Man & Animals Research Laboratory, Gainesville, FL, 1970-72.
Research Scientist, USDA-ARS Animal Parasitology Institute, Beltsville, MD, 1968-70.
Research Entomologist, Southeast Asia Mosquito Project, Smithsonian Institution, Washington, D.C., 1965-67.
Assistant Professor, Department of Entomology, Purdue University, West Lafayette, IN, 1964-65.
Instructor, Department of Entomology, University of Maryland, College Park, Maryland, 1961-64.
LTJG, Medical Service Corps, U. S. Navy, San Diego, CA, 1956-59.

Expert Consultant to the Following Organizations:
FAO World Acaricide Resistance Reference Centre, 1995. National Association of State Departments of Agriculture, 1989-94.
USDA Interagency Working Group on the Africanized Honey Bee, 1987-94.
Armed Forces Pest Management Board, 1981-94.
Food and Agriculture Organization of the United Nations, 1974-193.
International Atomic Energy Agency of the United Nations, 1979-93.
U.S. Agency for International Development, 1979, 1987.
National Institutes of Health, 1977, 1987.
Interagency Integrated Pest Management Task Force for Agriculture, 1980.
National Interstate Committee on Livestock Pesticide Assessment, 1978-80.
Pan American Health Organization, 1977.
European Economic Community, 1976.

Honors and Awards:
Secretary of Agriculture's Superior Service Award, 1994.
Secretary of Agriculture's Superior Service Award, 1992.
Food and Agriculture Organization Screwworm Medal, 1992.
Listed in Who's Who in the East, 1989.

Listed in Who's Who in Science and Engineering, 1989.
Elected Member, Gamma Sigma Delta, Honorary Agricultural Society, 1987.
Elected Officer, Entomological Society of America, 1982-94.
Certificates of Merit, USDA, Agricultural Research Service, 1972-94.
Listed in American Men and Women of Science, 1965.
Elected Member, Society of the Sigma Xi, Honorary Scientific Society, 1964.

Civic Activities:
President, Friends of Agricultural Research--Beltsville, 1998-present.
Board Member, Seneca Pointe Condominium Association, 1995-present.
Campaign Manager, Mayor of Greenbelt, Maryland, 1982-96.
Member, Greenbelt Lions Club, 1993-present; President, 1995-96.
Speakers Bureau, Chesapeake Bay Foundation, 1994.

Professional Foreign Travel:
Antigua, Australia, Austria, Canada, China, Columbia, Costa Rica, Dominican Republic, Egypt, England, France, Germany, Ghana, Ireland, Italy, Japan, Kenya, Mexico, Netherlands, Puerto Rico, Scotland, Switzerland, Sudan, Tanzania, Thailand, Virgin Islands, Venezuela, and Wales.

Personal:
Born Washington, DC, December 10, 1932.
Married to Antoinette Marie Houck, 1956.
Father of four Children: Regina, Timothy, Simon, and Jennifer.

FRIENDS OF AGRICULTURAL RESEARCH--BELTSVILLE, INC.
P.O. Box 106
Beltsville, Maryland 20704-I 061

Disclosure Statement

March 15, 2001

The Friends of Agricultural Research–Beltsville has received no Federal funds from any source during the current fiscal year, or the two previous fiscal years. Nor has the witness, nor any entity represented by the witness received Federal funds from any source during the current fiscal year, or the two previous fiscal years.

R.A. Bram, Ph.D.
President

National Dry Bean Council - Position Paper
Agriculture Research Service Bean Appropriation

Issue Summary:

For the U.S. dry bean industry to remain healthy economically and competitive nationally and internationally, there needs to be a major commitment by USDA's Agriculture Research Service (ARS) to sustain and increase the national dry bean research effort.

Background:

In 1999, dry beans in the U.S. were produced on 1.85 million acres stretching from New York State to California. Over the last five years, production in the U.S. has ranged from 1.7 to 1.9 million acres. The economic impact of dry bean production, in many years, accounts for more than $600 million in farm gate dollars.

The number of state and federal scientists (SYs) devoted to dry bean research in the U.S. and in all disciplines is approximately 27. However, only four of those positions are encumbered by scientists in ARS. From FY 80 to FY 2000, the ARS appropriation for bean research has been flat and under $1.6 million of the ARS' budget. The 23 state supported SYs working on dry beans are most often required to solve local or, at best, regional problems. Nevertheless, many of the problems constraining the economic potential of the crop are national in scope. For example, yield stability, newly emerging races of diseases, consumer and processor quality, and tolerance to stresses brought about by unfavorable environments are problems that are national in scope and require a sustained and national effort to solve. The ARS research mission for beans is to solve specific high priority problems of a national scope. A national research mission cannot be addressed by any single state Agricultural Experiment Station.

The national leadership extended by existing ARS scientists in areas of pathology, germplasm maintenance and enhancement, and food quality genetics has strengthened the entire bean industry nationally. The present national bean research effort is operating at a minimal level, but it is effective because of the unique collaboration among state, federal and industry partners.

Position:

The NDBC urges Congress to support national dry bean research with an appropriation at the $2.0 million funding level. This funding level would bring the existing four ARS bean programs to at least a $350,000 funding level and provide for a new position in genomics at Beltsville Md.

The appropriation at this level would ensure the maintenance of all existing ARS dry bean research programs at the recommended $350,000 funding level for the ARS Cooperative Research Information System (CRISs), and permit incumbents to initiate new research in emerging areas of concern.

This funding also would make it possible to create a USDA-ARS genomics program in Beltsville Md. This program could expedite many facets of research that currently take years by identifying genetic traits. This information could be utilized by ARS and the 23 state supported scientists to enhance producer productivity to be competitive in the national and global markets.

As of February 5, 2001
National Dry Bean Council • 6707 Old Dominion Drive • Suite 315 • McLean, VA 22101
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A STATEMENT OF CONCERN FOR THE SUSTAINED AND INCREASED RESEARCH BY THE AGRICULTURAL RESEARCH SERVICE /USDA
Strategic Plan for U.S. Federal Bean Research in particular for the

Sugar Beet & Bean Research Unit, USDA/ARS
Michigan State University,
East Lansing, Michigan
Research Scientist: Dr. George Hosfield

Vegetable and Forage Crop Production Research Unit,
USDA/ARS, IAREC, 24106 Bunn Road
Prosser, Washington
Research Scientist: Dr. Philip Miklas

Vegetable Laboratory, USDA/ARS
BARC West, 10300 Baltimore Avenue
Beltsville, Maryland
Research Scientist: Dr. M.A. Pastor-Corrales

Tropical Agriculture Research Station, TARS
2200 Pedro Albizu Campos, Suite 201
Mayaguez, Puerto Rico
Research Scientist: Dr. James Smith

Dry & Snap beans (*Phaseolus vulgaris* L.) are versatile short season, high value food crops that niche well into shorter production seasons of the northern and intermountain states, providing vital alternatives to growers where crop options are limited. Beans offer the consumer a healthy, tasty and inexpensive food choice as either low-fat, low-calorie vitamin/mineral-rich green bean pods or as a protein-rich source of complex carbohydrates and fiber in a variety of canned and dry bean products differing in color, size, shape, and flavor. Clinical studies have documented that the soluble fiber or pectin content of dry bean seed has potent effects in the prevention and treatment of chronic medical conditions such as cardiovascular disease, diabetes mellitus, obesity, hypertension, cancer and diseases of the digestive tract. **Beans are currently endorsed by the American Heart Association, the American Cancer Society, and the American Diabetes Association.**

Phaseolus dry edible beans are planted on approximately 1.9 million acres (1.1-2.6) in the U.S. Production fluctuates around 22 million hundred-weight (cwt) annually, ranging from 15 million cwt in 1983 to over 32 million cwt in 1990, 1991 and 1999. **On-farm value of this crop ranges from $350 to $700 million, depending on the season and price.** The major production states ranked in order of acreage are: ND, MI, NE, MN, CO, CA, ID, WY, WA, NY, KS, and MT. In addition to production of dry beans, green bean, or snap bean production occurs in several regions of the U.S. (approximately 220,000 acres), with an estimated value of $110 M annually. States leading in snap bean production for processing are WI, OR, IL, MI, and NY. Snap beans for fresh market are grown primarily in FL, with smaller acreages in NJ, AR, and TN. **Snap beans for fresh market are grown on approximately 80,000 acres nationwide with an additional value of $80 million annually.** The canning and freezing industry is diverse and located across the country offering employment outside the 20 major production states. The processing industry which cans over half the dry bean crop as beans in either clear brine, sauce with pork, or chili has seen an increase in production in the last 10 years of 10 million cases. **This volume represents an increase of $160 million to a current value in excess of $900 million.** Approximately 60% of the total U.S. dry bean production is consumed nationally. **Dry bean consumption has increased from 5.7 to 8.1 pounds since 1984.** This represents a 36% increase that is largely due to the recognition of the food and health value of beans. A large share of the U.S. dry bean production is now targeted at export markets Currently, 40% of the U.S. production is exported with certain commercial classes grown exclusively for export. **Bean exports have played an important role in reducing the balance of payment deficit the U.S. suffers in world trade.** Bean exports are becoming increasingly important because they are an indispensable protein source in Latin America and many developing countries particularly those in East Africa. Their value in famine relief in these countries is vital.

These four programs represent the only federal effort on bean research and the only projects with a national scope for these crops. Currently four scientists carry out this effort. The national leadership extended by ARS scientists in areas of pathology, germplasm enhancement and food quality genetics has strengthened the entire bean industry nationally. The National Dry Bean Council (NDBC) truly believes that a continued and strong investment by the federal government in research and subsequent development and distribution of new technologies provides a return to the consumer many times the cost of the research

investment.

SUGAR BEET & BEAN RESEARCH UNIT, EAST LANSING, MICHIGAN

Dr. G.L. Hosfield, the incumbent of the ARS Food Quality Position at East Lansing, Michigan, is the ARS lead scientist to improve the availability of nutrients and consumer acceptance of dry beans as a food source. Dr. Hosfield is expected to provide new and fundamental knowledge that increases our understanding of the current food-value limitations in dry bean relevant to indigestibility of seed proteins and starch and their interactions with seed coat flavonoids, darkening of seed coats in storage, hardening of seeds, prolonged cooking time (due to a hard-to-cook phenomenon that restricts cell wall breakdown during cooking), and flatulence caused by indigestible starch, protein, hemicellulose, raffinose family oligosaccharides. Knowledge of the factors that define food quality in bean will permit the inherent complexity of food quality to be dissected into a number of component characters that can individually be measured, selected, and altered via genetic technology. The resulting extension of new, and/or the alteration of existing fundamental concepts and techniques impacts significantly the food-quality breeding of other food-legume crops. The incumbent releases new germplasm with improved food quality, architecture, horticultural characteristics and multiple and durable disease resistance to breeders and industry along with methodologies that enable breeders to efficiently screen and transfer food-quality genes into commercial cultivars. The improvement of food quality in bean contributes positively and significantly to the highest national research priorities established by the National Research Council and the President's initiatives. Improved food quality of dry bean promotes and optimizes human health and well-being through better nutrition, increased productivity, maximized use of agricultural products for domestic and export markets, decreased vulnerability of beans to adverse weather and disease stresses, and the transfer of technology to users. The research contributes positively to the U.S. trade balance.

This program is highly productive. Dr. Hosfield is internationally recognized for his research on the use of genetic technologies to improve the biological utilization and consumer quality of dry bean and the development of new knowledge and methodologies to select dry bean germplasm with improved food quality. Procedures developed by Dr. Hosfield for testing bean quality have been adopted in bean quality laboratories in other countries. The incumbent receives numerous calls for advice and is consulted regularly by industry, other researchers, and the general public on food quality issues. Frequently, those consultations impact across food legume crop species. Dr Hosfield cooperates effectively with other USDA, ARS scientists, SAES researchers in at least seven states, commercial plant breeders, and industry personnel. He has invented and co-invented numerous bean germplasms and varieties in several market classes.

The NDBC calls on ARS to maintain this vital and productive food quality improvement research at East Lansing, MI to allow the project leader to work more efficiently in the germplasm enhancement area. There is a critical need to screen germplasm from a wider base of national and international programs and expand research efforts into the study of water relations, cooking time, and the hard seed problems.

VEGETABLE AND FORAGE CROP PRODUCTION RESEARCH UNIT, PROSSER, WASHINGTON

The ARS BEAN Project at Prosser, Washington has been long standing with a presence of excellence under the legacies of Dr. Doug Burke and Dr. Matt Silbernagel. Under the leadership of these scientists, programs were developed to study the pathogenic variability of bean common mosaic virus (BCMV), the production problems caused by the soil root rot complex of pathogens, and the introgression of diverse resistance genes into snap and dry bean germplasm. The project has made significant contributions to bean development by the release of more than 10 snap bean lines and 18 dry bean lines in six distinct market classes. A number of the lines have become successful dry bean varieties, generating about $500 million in income to farmers in the Pacific NW over the past 25 years alone. Othello pinto, Roza and Viva pink, and Rufus and NW63 small red are still industry standards by which new cultivars are judged today. Over 90% of the foundation and certified bean seed (dry and garden) is produced in the western states of California, Washington and Idaho. The ARS bean project at Prosser, WA has saved the Western bean seed industry considerable sums of money that could have been lost to disease epidemics.

The ARS Prosser, WA bean project is currently under the leadership of Dr. Phillip Miklas who, in addition to introgressing genes from diverse germplasm, is conducting inheritance and genomic studies on resistance to BCMV, bacterial blight, root rot, and white mold Dr. Miklas has developed effective cooperative research efforts with ARS and SAES scientists at several locations in the U.S. and Puerto, Rico, and with commercial plant breeders in CA and ID. During the past five years, this cooperative effort has led to the release of thirty dry bean lines and two dry bean cultivars which have met a critical need of the industry for improved disease resistance traits. The facilities at Prosser, Washington have evolved to where there is an excellent infrastructure in which dry bean disease and germplasm enhancement research is conducted productively, efficiently, and has garnered a wide customer base. A rapport has been established with this customer base that is extremely supportive of ARS-Prosser research efforts A better understanding of many disease resistance traits and application of marker-assisted selection for disease resistance in beans, is due in large part, from advances made by the incumbent, followed by effective transfer of the technology to the bean research community. Nurseries have been established that facilitate long term research and breeding for resistance to white mold, curly top virus, and the pathogen complex of root rot. The newly developed white mold nursery has enabled identification and genomic analysis of new genes for combating this foreboding disease.

The NDBC calls on ARS to maintain bean research at Prosser, WA and increase funding to enable ARS-Prosser to expand work on virus diseases in support of the bean seed industry located in the West, and to widen research on white mold disease and environmental stress problems that face bean production nationwide. The additional funds will also enable maintenance and enhancement of several important long-term nurseries that have been established at or near Prosser to conduct bean pathology research.

VEGETABLE LABORATORY, BELTSVILLE, MARYLAND

The ARS Bean Project at Beltsville; Maryland has been long standing with a presence of excellence under the legacy of Dr. J.R. Stavely, who devoted 100% of his research effort to the study of fungal and viral pathogens attacking beans. Historically, Dr. Stavely studied the foliar fungal pathogen causing rust disease in dry and snap beans. He developed important technologies for introgressing rust resistant genes into adapted and useful germplasm. He also studied the new viral disease, Bean Golden Mosaic Virus, introduced in 1993 in South Florida. This disease has the potential to "wipe-out" the snap bean industry in Florida and cause economic losses in other snap bean production areas in the Eastern seaboard. Under the leadership of Dr. Stavely, this highly productive ARS project has released 43 processing and 15 fresh market snap beans and 24 dry bean germplasm lines in three market classes. Research has focused on the introgression and pyramiding of rust resistance genes into both snap and dry beans as the most effective control of the variable rust pathogen.

The focus of the present bean project directed by Dr. M.A. Pastor-Corrales at Beltsville, MD is to improve the sustainability of bean production by combining stable resistance to major pathogens. One of the principal objectives of the project is to utilize traditional and molecular tools to develop disease resistant bean germplasm and release improved germplasm that combines resistance to all pathogenic races of the highly variable fungi causing rust and anthracnose, to all strains of the viruses causing common mosaic, common mosaic necrosis, and bean golden mosaic diseases, and to the bacterium causing common bacterial blight. To accomplish these objectives requires monitoring the pathogenic variability of the rust pathogen in the U.S.; the discovery and genetic characterization of new rust resistance genes that are effective against most pathogenic races of the rust fungus; determining the relationship of these new resistance sources to other known rust resistance genes; and the identification of molecular markers linked to the new rust resistance genes to facilitate their introgression into bean germplasm with commercial value. Monitoring the pathogenic variability of the anthracnose pathogen and identification of new anthracnose resistance genes will be conducted in collaboration with other laboratories. Resistant germplasm with combined multiple disease resistance genes will include the various market classes of common, edible dry and snap beans. The long-term germplasm enhancement project involves identification of novel sources of resistance present in the USDA Plant Introduction collection, incorporation of these resistance genes, both individually and as groups, into snap bean and several dry bean market classes, and field evaluation of

elite material in major production areas.

An important principle in this objective is broadening the genetic base of the bean crop by searching for disease resistance genes and other useful traits, i.e., high yield, in a broad range of bean germplasm and related species. In addition, basic plant pathological studies on the molecular diversity, evolution, genetics and epidemiology of the rust fungus will be conducted. The current project leader Dr. M.A. Pastor-Corrales cooperates effectively with other USDA scientists, SAES researchers in at least nine states, and commercial plant breeders. This position serves the national needs for bean research in the area of fungal pathogens attacking beans and provides leadership to SAES and industry in both dry and snap bean breeding efforts.

The NDBC calls on ARS to maintain the program in bean rust pathology germplasm enhancement research at Beltsville, MD and expand the program into anthracnose and common bacterial disease pathology and study the bean golden mosaic virus disease. Increased funding would allow this project to perform at optimum efficiency to develop improved rust, anthracnose, common bacterial blight, common mosaic and common mosaic necrosis, bean golden mosaic-resistant germplasm lines. An increased emphasis on the genetics of pathogen virulence will offer insights on the development of strategies needed to obtain stable rust and broad-based genetic resistance to variable fungal and viral pathogens.

TROPICAL AGRICULUTURE RESEARCH STATION, MAYAGUEZ, PUERTO RICO

Dr. James Smith is the research scientist working to increase the genetic diversity of U.S. germplasm, domesticate viny photoperiod-insensitive germplasm and develop multiple disease-resistant beans for tropical and temperate regions. The USDA-ARS position in bean germplasm in Puerto Rico has played a vital part in supplying many of the bean breeding programs in the U.S. with useful germplasm. Strategically, the location allows the evaluation of tropically adapted lines that would not be possible in northern temperate climates where the bean lines would not flower. Bean breeding programs in the Northern U.S. have conducted successful winter nursery programs for over 15 years in direct collaboration with TARS. A conversion program has been initiated with U.S. Universities where tropical beans are crossed with photoperiod-insensitive beans in order to test and evaluate them for useful traits in the Northern U.S. The crossing and early generation advance is conducted in PR under short day lighting. The location in Puerto Rico is ideal for the ease and movement of germplasm and is very functional as a bridge between tropical and temperate regions. In addition, new sources of disease resistance were being incorporated from other bean species.

Tropical lines that have adaptation in Michigan have been used directly by the breeding program at MSU. The variety Mayflower has a TARS line (2W-33-2) as a parent. Mayflower is a popular high yielding navy bean in Michigan that is credited with contributing to the 25% increase in commercial bean yields in the state over the last five years. Currently over 40% of the navy beans produced in the U.S. are marketed overseas, mainly in the UK. British Food Health Legislation now requires that information be made available on the pesticides used in bean production Breeding for disease resistance using new sources of resistance is vital to help reduce the use of chemicals in our bean production. The health of the industry is dependent on maintaining and expanding these overseas markets. Black beans are becoming an increasingly important national and export commodity, so disease resistance and productivity is vital to maintain a competitive edge in world markets, where 95% of the crop is exported. In a white mold trial, a black seeded line from TARS topped the trial and outyielded the check variety by over 30% under disease pressure. This is the kind of bean germplasm that is desperately needed by our industry Minor market classes like Cranberry beans are a vital part of the bean industry in the U.S. Work at TARS in recent years has been directed at the improvement of this market class since commercial companies cannot direct resources to these minor market classes. All the cranberry beans produced in the U.S. are exported. The devastation of the winter snap bean crop in Florida was caused by the presence of a recently imported viral disease, bean golden mosaic virus, from the Caribbean. Resistance germplasm at TARS was made available to local breeders to assist in breeding for resistance to this devastating disease in Florida.

The NDBC calls on ARS to maintain the Mayaguez bean research program for germplasm enhancement and to increase funding to strengthen the program's capacity for molecular marker development and basic agronomy support. Increased funding would allow the project to refill an agronomist position, recently vacated due to insufficient funding, and to fill a technician position in molecular biology. This would enable the expansion of germplasm screening and evaluation, the "pyramiding" of multiple resistance genes from diverse sources, and a more efficient integration of resistance genes to alleviate biotic and abiotic stresses.

FUNDING NEEDS FOR THE FUTURE IN BEANS

The National Dry Bean Council (NDBC) is urging Congress to approve appropriations in FY2002 for the USDA Agricultural Research Service (ARS) Plant Science Program that increases funding from FY01 levels to ensure that each existing bean CRIS (Current Research Information System) is funded at $350,000 and one new position of critical importance be funded. This appropriation will enable ARS to provide the necessary support to existing programs and add a critically needed program. Specifically, the NDBC is recommending that Congress address the following priority needs in bean research.

Establish a new USDA-ARS program in *Phaseolus* genomics research at Beltsville, MD. The new USDA-ARS program will be led by a scientist with experience in plant molecular genetics and plant genomics. Basic research with a focus on bean genomics is being neglected at the national research level. A new USDA-ARS position in bean genomics needs to be created to address this serious deficiency. The new plant molecular geneticist will be expected to develop SSR molecular markers in bean, investigate novel molecular methods such as plant transformation and gene cloning to enhance valuable economic traits in the bean plant that control pest resistance, and nutritional components, and extend emerging technologies to the scientific community working on bean improvement. The location of the scientist at Beltsville would permit active collaboration with two USDA-ARS laboratories that would be vital to ensure the success of the program. Dr. Cregan in the Soybean and Alfalfa Research Laboratory has made remarkable progress in the development of molecular (SSR) markers in soybean and the opportunity, through active collaboration, exists to extend that work to *Phaseolus* beans. Dr. Pastor-Corrales in the Vegetable Research Laboratory is in a unique position to provide bean germplasm and expertise to extend the basic information and technologies developed in genomics in bean to improve the sustainable production of both dry and snap beans. The three other USDA-ARS labs working on beans would likewise provide unique opportunities to strengthen the collaboration in areas of germplasm enhancement, mapping and marker technologies for disease resistance and nutritional and processing quality.

The NDBC calls on ARS to allocate $350,000 to establish the new position in bean genomics, to address future opportunities and existing or emerging problems facing U.S. bean production and establish collaboration with colleagues in state bean programs and capitalize on advances of the four widely separated USDA bean scientists and the significant genomics work underway in soybean at Beltsville

For existing ARS bean programs at Beltsville, MD; East Lansing, MI; Mayaguez, PR; and Prosser, WA, increase funding to $350,000 each. This funding will allow the incumbents to maintain critical core programs and to discover new knowledge about the biology and genetics of abiotic and biotic stresses that limit bean yields; expand studies on antioxidants, folate, and other nutritional compounds in beans that improve human health; address emerging pathogen problems; and develop new export markets by adapting exotic bean germplasm for U.S. production. The new knowledge base and farming technologies made possible by the increased base funding will facilitate sustainable bean production to meet export and local consumption demands and help promote and optimize human health and well-being by solving problems impacting digestibility, nutrition, and processor and consumer acceptance of beans. The new cultivars developed with improved stress resistance will promote a cleaner environment and safer food through reduced use of agricultural chemicals and increased water use efficiency.

A STATEMENT OF CONCERN FOR SUSTAINED AND INCREASED RESEARCH BY THE AGRICULTURAL RESEARCH SERVICE/USDA

and in particular for the

Food Fermentation Laboratory, USDA/ARS
Department of Food Science
North Carolina State University
Raleigh, North Carolina
Research Leader, Dr. Henry Fleming

Vegetable Crops Research Lab, USDA/ARS
Department of Horticulture
University of Wisconsin
Madison, Wisconsin
Research Leader, Dr. Philipp Simon

US Vegetable Laboratory, USDA/ARS
Charleston, South Carolina
Research Leader, Dr. Claude Thomas

Vegetable Postharvest Quality & Food Safety
Engineering Research Unit
East Lansing, Michigan

For the Field Research and Research and Development Committees, Pickle Packers International, Inc. Written Testimony to be presented to the U. S. House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies, April 2001 for fiscal year 2002.

The pickled vegetable industry strongly supports and encourages your Committee in its work of maintaining and guiding the Agricultural Research Service. You have kindly indulged our group allowing us to show our support each year for more than twenty-five years. Thank you for allowing us to present this statement of concern. Pickle Packers International, Inc. is a not-for-profit trade association representing the makers of pickled vegetables including cucumbers, cabbage, peppers, onions, garlic, carrots, cauliflower, tomatoes, okra, green beans and other vegetables. The organization has voluntary participation **representing more than 87 percent of the vegetable tonnage in North America** and with members in 17 nations. The vegetables we supply to consumers, along with other horticultural crops, are called "minor". However, in total, horticultural crops constitute a large part of our diet and they **account for most of our vitamin C and vitamin A intake.** Homemakers today are conscious of what constitutes a healthy diet, and make purchases accordingly.

Many small to medium sized growing and processing operations are involved. These crops do not compare to the commodity crops, but they provide a useful diversity to the overall farm income picture. **Current farm value for just cucumbers, carrots, onions and garlic is $2.0 billion with an estimated processed value of $5.5 billion. More than 755,000 tons of pickled cucumbers are consumed each year in the U.S. alone.** The processing of pickled cabbage, onions, peppers, cauliflower, cucumbers, garlic, carrots and other "minor" horticultural crops provides cash income to growers and jobs in processing plants and related supply industries in all fifty states, and valuable export income from sales around the world. None of these crops is in any "program" and as such, do not rely on taxpayer support. Small to large growers and processors of pickled vegetables look to the experience and support of the Wisconsin, Michigan, North and South Carolina USDA/ARS locations to provide the genetic base and processing technologies that will be needed to provide the United States with nutritionally sound and safe pickled vegetables that will be needed to feed America and provide additional exports. **These four programs represent the only federal effort on crops for pickling and the only projects with a national scope for these crops. Currently seven scientists carry out this total effort. They are unique and they serve as a vital foundation for our industry. Pickle Packers International, Inc. truly believes that a continued and strong investment by the federal government in research and subsequent development and distribution of new technologies provides a return to the consumer many times the cost of the research investment.**

VEGETABLE CROPS RESEARCH LABORATORY, MADISON, WISCONSIN

First, I would like to thank the Committee for the support given to this lab in FY99. This has allowed the unit researchers to evaluate a larger range of plant characteristics in pickling vegetable crops, to more quickly respond to and help solve grower problems related to improving yield and quality of vegetables for commercial production. The USDA/ARS Vegetable Crops Research Unit at the University of Wisconsin is the only USDA research unit dedicated to the genetic improvement of cucumbers, carrots, onions and garlic. Three scientists in

this unit account for approximately half of the total U.S. public breeding and genetics research on these crops. They work closely with pickling, grower and seed industries and their past efforts have yielded cucumber, carrot and onion cultivars and breeding stocks that are widely used by the U.S. vegetable industry. These varieties account for over half of the farm yield produced by these crops today. All U.S. seed companies rely upon this program for developing new varieties.

The U.S. vegetable seed industry develops new varieties of cucumbers, carrots, onions, and garlic and over twenty other vegetables used by thousands of vegetable growers. With its diverse crop responsibility strategically spread over a large geographic area, a short-term focus on immediate problems and opportunities dictates the direction of industry research. The U.S. vegetable seed, grower, and processing industry depends on innovations for the Vegetable Crops Research Lab, in the same way the U.S. health care and pharmaceutical industries depend on fundamental research from the National Institutes of Health. **They rely upon the USDA/ARS Vegetable Crops Research Unit for new genetic stocks** to improve varieties and new breeding techniques to meet long term needs and bring innovations in these crops for the U.S. and export markets, for which the U.S. has successfully competed. Past accomplishments by this USDA group have been cornerstones for the U. S. vegetable industry.

Both consumers and the vegetable production and processing industry would like to see fewer pesticides applied to food and into the environment. **Scientists in this unit developed genetic resistance to many major vegetable diseases.** Perhaps the most important limiting factor in the production of cucumbers has been its susceptibility to disease. During the 1970's and 1980's this group of researchers developed a seedling screening assay for the detection of resistant varieties for nine economically important diseases. The **seedling screening method** allows for precise and repeatable identification of resistant plants, which can be selected and further bred, and the seed industry has adopted these screening procedures which have now become routine for many companies. **New research progress in Madison has resulted in cucumbers with improved pickling quality and suitability for machine harvesting. Viral and fungal diseases threaten much of the U.S. cucumber production. New sources of genetic resistance to these diseases have recently been mapped on cucumber chromosomes to provide a ready tool for our seed industry to significantly accelerate the development of resistant cultivars for U.S. growers. Likewise, new cultivar resistance to environmental stress like cold, heat and salt stress discovered by these scientists will help cucumber growers produce a profitable crop where these stressful conditions occur and DNA markers will help breeders more efficiently develop stress-resistant varieties.** Nematodes in the soil deform carrot roots to reduce yield from 10% to over 70% in major production areas. A new genetic resistance to nematode attack was recently discovered and found to almost completely protect the carrot crop from one major nematode. **This genetic resistance assures sustainable crop production** for growers and reduces pesticide residues in our food and environment. Value of this genetic resistance developed by the vegetable crops unit is estimated at $610 million per year in increased crop production, not to mention environmental benefits due to reduction in pesticide use. This group improved both **consumer quality and processing quality** of vegetables with a resulting increase in production efficiency and consumer appeal. The "cut & peel" or "baby" carrot is now familiar to all of us for its convenience and superior quality. This product was founded on carrot germplasm developed in Madison, Wisconsin. Carrots provide approximately 30% of the U.S. dietary vitamin A. **With new carrots that have been developed, nutritional value of this crop has tripled. They have even developed nutrient-rich cucumbers.** Using new biotechnological methods, a system for rapidly and simply identifying **seed production ability** in onions has been developed. This speeds up the breeding process by 2 to 6 years! A **genetic map of onion flavor and nutrition** will be used to develop onions more appealing and healthy for consumers. Garlic is a crop familiar to all consumers, but it has not been possible to breed new garlic varieties until a new technique for **garlic seed production** was recently developed by scientists in the Vegetable Crops Research Unit. Now garlic can be bred like other crops.

There are still numerous serious vegetable production problems, which need attention. Loss of cucumbers, onions, and carrots in the field due to **attack by pathogens and pests remains high, nutritional quality can be significantly improved, U.S. production value and export markets can certainly be enhanced.** Opportunities for genetic improvement of all the attributes of these valuable crops are at hand. The achievement of these goals will involve the utilization of a wide range of **biological diversity** available in the germplasm collections for these crops. **Classical plant breeding methods combined with biotechnological tools and genome maps of cucumber, carrot and onion** will be the methods to implement these genetic improvements. With this, new high-value vegetable products based upon genetic improvements developed by our USDA laboratories can offer vegetable processors, and growers expanded economic opportunities for U.S. and export markets.

U.S. FOOD FERMENTATION LABORATORY, RALEIGH, N.C.

The U. S. Food Fermentation Laboratory, USDA, ARS, is the only public laboratory in the country dedicated exclusively to research on the preservation of vegetables by fermentation or direct acidification. This processing technology research has been very complementary to the evolution of our industry by providing the fundamental basis for more efficient and safe methods, improved product quality, and reduced wastes in manufacturing products for our consumers.

Current research of the laboratory involves food safety, waste minimization, and value enhancement of fermented and lightly processed vegetables. Vegetables involved in their preservation research include cucumbers, cabbage, peppers, sweetpotatoes, and others of direct use by our industry, or are complementary crops for farmers who serve our industry needs. **Food safety** of lightly or non-acidified, refrigerated vegetable products is becoming increasingly important to avoid pathogenic bacteria such as Listeria monocytogenes, Escherichia coli, etc. As a laboratory dedicated to the use of beneficial bacteria in food processing, they emphasize biocontrol approaches to food safety problems—that is, using harmless bacteria in foods in ways to assure that these "good" bacteria will always win in a competition with pathogens. **Waste minimization** of salt and organic compounds in the brining and processing of pickled vegetables is a serious concern of our industry in meeting Federal EPA guidelines. Simply reducing the salt concentration for brine preservation is not appropriate since spoilage by Clostridium bacteria (a group of bacteria that includes serious food pathogens) has been shown to result. The laboratory currently is doing research to develop "process-ready" brined vegetables for possible application at the farm level. If successful, the technology will benefit processors by reducing salt wastes and providing products of higher, more uniform quality. The technology will add value and provide a new marketing potential at the farm level. Both processors and farmers stand to benefit from this research. **Value enhancement** research may result in new, more nutritious vegetable products of higher quality. This is particularly true with minimally processed and restructured products from sweetpotato and other vegetables that are known to contain anticarcinogenic and other factors of health significance. All of the above research can enhance the competitiveness of U.S.-grown vegetable crops. Advanced technology is needed for our industry and the U.S. farmers who supply us with produce to compete with suppliers from many countries with whom we compete and who have less strict environmental and health standards and lower labor costs.

The laboratory currently is funded for four scientist positions. Three scientists currently employed include a Food Technologist, a Chemist, and a Microbiologist. A fourth scientist recently retired and plans are to employ a **Plant Physiologist/Biochemist** to fill this vacancy. This scientist will study how pickling processes influence the sensory and nutritional quality of vegetables, and will serve to bridge this unit's activities with USDA-ARS breeding and production research of vegetable crops in Madison, WI, and Charleston, SC, and with other relevant federal research. In addition, a **Food Process Engineer** is needed to extend research of this unit to potential commercial application by farmers and processors. This engineer is needed to provide expertise in design of experiments for process optimization, design and construction of equipment, and technology transfer to commercial application. The new methods must be engineered to be safe, environmentally sound, and economically feasible for our industry to adopt.

VEGETABLE POSTHARVEST QUALITY & FOOD SAFETY ENGINEERING RESEARCH UNIT

USDA/ARS Vegetable Post harvest Quality and Food Safety Engineering Research at Michigan State University, East Lansing, MI works to provide our customers and stakeholders with innovative solutions that are technology based and environmentally sound to solve current and pressing problems concerning post harvest handling, transport, processing, storage, and marketing of vegetable produce, especially those crops that are grown intimate contact with the soil. Clean, pathogen-free, high quality produce is the primary concern. Foods borne diseases are a well-publicized problem for growers, marketing agents, and consumers. Pathogens of human origin, as well as many others that inhabit the soil can come into contact and contaminate the surface of vegetable products. Growers and processors go to great lengths to sanitize the surface of vegetable produce through a variety of methods including washing, spraying, brushing, chemical treatments, etc. These sanitizing systems can be effective, but they can also be costly to implement and maintain and may be environmentally hazardous, thus, eliminating their usefulness. New techniques and equipment need to be developed, tested, and evaluated, in order to ensure product safety for all growers, retailers, and consumers.

Current research efforts include the evaluation of the corrosiveness of chlorine dioxide and hydrogen peroxide, two favorite chemicals, currently used to sanitize/ disinfect the surface of vegetable produce. Better decisions regarding the concentration and the type of materials used in storage facilities and application equipment can be made with the corrosiveness information. The efficacy of chlorine dioxide and hydrogen peroxide to suppress storage pathogens when added to storage humidification systems is being evaluated. We are also initiating research to assess the effectiveness of dump tank treatments and the fate of pathogens in treated water that is reused for vegetable produce washing. The fate of sanitizing/disinfecting chemicals that may be introduced into the environment from wastewater dump tanks is being studied. This research CRIS has no full-time scientist working on the critical problems. We currently have a postdoctoral research associate addressing some of the problems, but we cannot expect an ongoing research effort in this critical area of concern to the health and well-being of the American consumer with temporary employees such as is the category postdoctoral scientist fall into. We need to be able to hire a full-time SY to sustain a research effort that solves the complex problems that often limit a safe supply of fresh and high quality vegetable produce from farm to retail outlet.

U.S. VEGETABLE LABORATORY, CHARLESTON, SOUTH CAROLINA

The research program at the USDA, ARS, U.S. Vegetable Laboratory, Charleston, SC addresses established national problems in vegetable crop production and protection with emphasis on the southeastern United States. This research program is internationally recognized for its accomplishments, which have resulted in development of over 150 new vegetable varieties and lines along with the development of many new and improved disease and pest management practices. This Laboratory's program currently addresses 14 vegetable crops including those in the cabbage, cucurbit, and pepper families. The mission of the Laboratory is to: a) develop disease and pest resistant vegetable crops and: b) develop new, reliable, environmentally sound disease and past management programs that do not rely on conventional pesticides.

There is a critical need to maintain the scope of the Charleston program. Vegetable growers must depend heavily on synthetic pesticides to control diseases and pests. Cancellation and/or restrictions on the use of many effective compounds are having a considerable influence on the future of vegetable crop production. Without the use of certain chemicals, growers will experience crop failures unless other effective, non-pesticidal control methods are found. Research on improved, more efficient and environmentally compatible vegetable production practices and genetically resistant varieties is absolutely essential to give U.S. growers the competitive edge they must have to sustain and keep this important industry and allow it to expand in the face of increasing foreign competition.

FUNDING NEEDS FOR THE FUTURE

It is critical that funding continue to maintain the forward momentum in pickled vegetable research the United States now enjoys and to increase funding levels as warranted by planned expansion of research projects to maintain U.S. competitiveness. We also understand that discretionary funds are now used to meet the rising fixed costs associated with each location. Additional funding is needed at the Wisconsin and South Carolina Programs for genetic improvement of crops essential to our industry, and at North Carolina for development of environmentally-sensitive technologies for improved safety and value to the consumer of our products. The fermented and acidified vegetable industry is receptive to capital investment in order to remain competitive, but only if that investment is economically justified. The research needed to justify such capital investment involves both short term (6-24 months) and long term (2-10 years or longer) commitments. **The diverse array of companies making up our industry assumes responsibility for short-term research, but the expense and risk are too great for individual companies to commit to the long-term research needed to insure future competitiveness.** The pickled vegetable industry currently supports research efforts at Wisconsin and North Carolina and anticipates funding work at South Carolina and Michigan as scientists are put in place. Donations of supplies and processing equipment from processors and affiliated industries have continued for many years.

U.S. Vegetable Laboratory, Charleston, South Carolina

Construction of a new laboratory-office building at the U.S. Vegetable Laboratory will be completed in the first quarter FY 2002 with appropriated funds. This new facility will replace and consolidate outmoded laboratory areas that are currently housed in 1930s-era buildings and trailers. It will provide for the effective continuation and future expansion of the excellent vegetable crops research program that has been conducted by the Agricultural Research Service at Charleston for over 60 years. However, at the present net to location funding level for the U.S. Vegetable Laboratory, the increased operating costs for this modern, state-of-the-art facility will greatly reduce funds available for the conduct of the current research program. An additional $500,000 is needed to maintain the research operations at the Charleston laboratory at their current level and to meet the increased operating costs of the new facility. These funds are essential to maintain the research program necessary to support U.S. vegetable growers and related industries.

Scientific Staff in Place	Current Status	Funds Needed
10 research scientists	Active	$500,000.00
ADDITIONAL FUNDING NEEDED		**$500,000.00**

Food Fermentation Laboratory, Raleigh, North Carolina

Current base funding for four scientists at the laboratory is $873,000. Thus, an additional $627,000 is needed to fill the current vacancy, to hire a Food Process Engineer, and to fully fund the unit scientists, clerical and technical help, including graduate and post-doctorate students.

Scientific Staff	Current Status	Funds Needed
Food Technologist	Active	$300,000.00
Chemist	Active	300,000.00
Microbiologist	Active	300,000.00
Biochemist/Plant Physiologist	*Vacant*	300,000.00
Engineer	*Needed*	300,000.00
Total Funding Required		1,500,000.00
Current Funding		873,000.00
ADDITIONAL FUNDING NEEDED		**627,000.00**

Vegetable Crops Research Laboratory Unit, Madison, Wisconsin

Current base funding for three scientists is $635,000. Thus, an additional $265,000 is needed to fully fund the scientists and support staff, including graduate students and post-doctorates.

Scientific Staff in Place	Current Status	Funds Needed
Geneticist	Active	$300,000.00
Horticulturist	Active	300,000.00
Geneticist	Active	300,000.00
Total Required		900,000.00
Current Funding		-635,000.00
ADDITIONAL FUNDING NEEDED		**$265,000.00**

Vegetable Harvesting Unit, East Lansing, Michigan

Currently, there is a Post –Doctorate scientist in place at this unit. In order for a full time scientist to be recruited to fully investigate the complex nature of food sanitation, adequate funding must be put in place. An increase in the current funding level to **$350,000** would allow the recruitment of a full time scientist.

Thank you for your consideration of these needs and your expression of support for the USDA/ARS.



Statement of the American Farm Bureau Federation

TO THE
SUBCOMMITTEE ON AGRICULTURE,
RURAL DEVELOPMENT, FOOD AND
DRUG ADMINISTRATION AND RELATED AGENCIES
HOUSE APPROPRIATIONS COMMITTEE

March 1, 2001

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As the national voice of agriculture, AFBF's mission is to work cooperatively with the member state Farm Bureaus to promote the image, political influence, quality of life and profitability of the nation's farm and ranch families.

FARM BUREAU represents more than 4,800,000 member families in 50 states and Puerto Rico with organizations in approximately 2,800 counties.

FARM BUREAU is an independent, non-governmental, voluntary organization of families united for the purpose of analyzing their problems and formulating action to achieve educational improvement, economic opportunity and social advancement and, thereby, to promote the national well-being.

FARM BUREAU is local, county, state, national and international in its scope and influence and works with both major political parties to achieve the policy objectives outlined by its members.

FARM BUREAU is people in action. Its activities are based on policies decided by voting delegates at the county, state and national levels. The American Farm Bureau Federation policies are decided each year by voting delegates at an annual meeting in January.

STATEMENT OF
THE AMERICAN FARM BUREAU FEDERATION
TO THE
SUBCOMMITTEE ON AGRICULTURE,
RURAL DEVELOPMENT, FOOD AND
DRUG ADMINISTRATION AND RELATED AGENCIES
HOUSE APPROPRIATIONS COMMITTEE

March 1, 2001

The American Farm Bureau Federation has identified four USDA program areas for which priority FY02 funding is essential. They are:

- programs key to the proper implementation of the Food Quality Protection Act (FQPA);
- programs to expand foreign markets for agriculture;
- programs to ensure the development and use of biotechnology products; and
- programs to guarantee proper implementation of CAFO and TMDL regulations.

These priorities are highlighted in the first portion of this statement. The second portion contains a list of additional programs supported by Farm Bureau.

PROGRAMS KEY TO THE PROPER IMPLEMENTATION OF THE FOOD QUALITY PROTECTION ACT (FQPA)

Passed in 1996, the Food Quality Protection Act (FQPA) is our nation's new food safety law, establishing revised health standards and a new risk assessment process for measuring the safety of crop protection products. Farm Bureau supports increased funding for USDA's Food Quality Protection Act implementation activities. Proper implementation of this law based on sound science is critical to ensure the availability of vital crop protection products.

The following offices and programs are critical to proper implementation of FQPA and must be funded as increased levels:

Agriculture Research Service (ARS): Integrated Pest Management (IPM) research, minor use tolerance research (IR-4), and research on alternatives to methyl bromide. The Office of Pest Management Policy, should also be funded at increased levels with funding being designated under the Secretary of Agriculture's office, not ARS.

Cooperative State Research and Extension Service (CSREES): IPM research grant, IPM application work, pest management alternatives program, expert IPM decision support system, minor crop pest management project (IR-4), crops at risk from FQPA implementation, FQPA risk avoidance and mitigation program for major food crop systems, methyl bromide transition program, regional crop information and policy centers, Pesticide Impact Assessment Program (PIAP), and the pesticide applicator training program.

Economic Research Service (ERS): IPM research, pesticide use analysis program, and the National Agriculture Pesticide Impact Assessment Program (NAPIAP).
Additional funding for FQPA implementation activities is needed in the following programs: National Agriculture Statistics Service (NASS) pesticide use surveys, Food Safety Inspection Service (FSIS) increased residue sampling and analysis, Agriculture Marketing Service (AMS) and the Pesticide Data Program (PDP).

PROGRAMS TO EXPAND FOREIGN MARKETS FOR U.S. AGRICULTURE

Creating new overseas markets and expanding those that we have is essential for a healthy agricultural economy. Continued funding of export development programs is fundamental to improving farm income in the short and long term. We recommend maximum funding of all export development programs consistent with our commitments under the World Trade Organization (WTO) trade rules.

P.L. 480: We support increased funding for P.L. 480 programs, the primary means by which the United States provides foreign food assistance. The P.L. 480 programs provide humanitarian and public relations benefits, positively impact market prices, and help develop long term commercial export markets.

GSM Credits: AFBF supports the full funding of the GSM credit guarantee programs. These important export credit guarantee programs can help make commercial financing available for imports of U.S. food and agricultural products on deferred payment terms.

Market Access Program (MAP) and Foreign Market Development Program (FMD): Congress should fully fund the MAP and FMD programs. These programs need the expertise of a fully supported Foreign Agricultural Service (FAS) that is expanded to cover all existing and potential market posts.

Export Enhancement Program (EEP): The 1996 FAIR Act authorizes direct export subsidies of U.S. agricultural products through the EEP program through FY2002 to counter the unfair trading practices of foreign countries. AFBF supports the full funding and use of this program in all countries, and for all commodities where the U.S. faces unfair competition.

Dairy Export Programs: Farm Bureau supports full funding and use of the Dairy Export Incentive Program (DEIP) to allow U.S. dairy producers to compete with foreign nations that subsidize their commodity exports. Farm Bureau supports using savings from the elimination of the Commodity Credit Corporation purchase program for WTO-legal export development programs.

Sanitary and Phytosanitary Management: To address the need for additional inspections created by increased volumes of imports and exports, Farm Bureau supports increased funding for USDA's Animal and Plant Health Inspection Service (APHIS).

Foreign Agriculture Service: Farm Bureau recommends increased support for the Foreign Agriculture Service.

PROGRAMS TO INSURE THE DEVELOPMENT AND USE OF BIOTECHNOLOGY PRODUCTS

USDA must take the lead in biotechnology coordination efforts. It is essential that the Department act in a timely manner to evaluate and move approved products and technologies to the marketplace. USDA should develop a positive national strategy for biotechnology research, development and consumer education. Agriculture's competitive advantage in world markets will be maintained only with the continued support and encouragement of these technological advancements.

Grain Inspection, Packers and Stockyards Administration (GIPSA): Farm Bureau supports sufficient funding for the establishment of a GIPSA biotechnology test certification laboratory. The creation of such a laboratory is a key element to the acceptance of biotechnology. The ability to accurately test and identify products of biotechnology for identity preserved and segregation purposes is essential.

Codex Alimentarius Commission: Farm Bureau supports increased funding for the U.S. CODEX office so that it can adequately represent American interests in this important body which develops the international food safety standards used as guidance by the World Trade Organization. Increasingly, biotechnology is the focus of CODEX discussions where an ongoing international effort is being led by the EU to place limits on our ability to export products of biotechnology by incorporating the precautionary principle into the CODEX general principles or biotechnology labeling discussions.

Agriculture Research Service (ARS): Farm Bureau supports sufficient funding for plant-breeding research programs because they are important for maintaining a broad-based research and assuring advancement of the technology.

PROPER IMPLEMENTATION OF CAFO AND TMDL RULES

Final Total Maximum Daily Load (TMDL) and EPA proposed Concentrated Animal Feeding Operation (CAFO) regulation would impose billion of dollars in costs on agriculture across the country. These attempts at regulatory expansion over agriculture are not necessary to achieve improvement to nonpoint source water quality. Voluntary, incentive-based programs have proven effective by directly assisting farmers to obtain results while maintaining the farm business.

Environmental Quality Incentives Program (EQIP): EQIP is an important program for assisting producers in dealing with increased water quality regulation. We support a substantial increase in EQIP funding over previous years.

Conservation Technical Assistance (Natural Resources Conservation Service): Conservation program delivery and technical assistance must be a priority for NRCS funding. Emphasis should be placed on traditional technical assistance and the development of reliable resource data for assisting producers dealing with nutrient management. Estimates show that $550 million is necessary for this effort to help farmers improve farming practices and protect water quality.

OTHER ISSUES

Agricultural Research: Farm Bureau believes that agriculture research and the distribution of that research to producers is critical to the future of our industry. One of the areas of agreement when the 1996 farm bill was enacted was that funding for agricultural research would be increased to allow U.S. producers to maintain their competitive position in world markets. Farm Bureau recommends a significant increase in agriculture research funding over the next five years.

Emerging Diseases and Exotic Pests Research: Disease has a direct impact on food safety and is fundamental to international trade. Funding is urgently needed to develop rapid diagnostics, vaccines, and products necessary to protect U.S. plants and animals from disease outbreaks that occur naturally as well as those that could be intentionally introduced. Farm Bureau supports full funding for Agricultural Research Service (ARS) emerging diseases and exotic pests research including ways to prevent the importation of exotic species in the ballast thanks of cargo ships.

Animal Pest Research: Farm Bureau believes the control of plant and animal pests is an important factor in reducing farm costs. Farm Bureau supports research funding for scrapie, Johne's, PRRS (porcine reproductive and respiratory syndrome), cryptosporidosis, FMD (foot-and-mouth disease), VS (vesicular stomatitis), BSE (bovine spongiform encephalopathy), hog cholera, salmonella and E.coli.

Plant Pest Research: Farm Bureau recommends continued research and implementation of detection, exclusion, control and eradication measures for plant pests including research for:
- methods to halt the spread of the Asian Longhorned Beetle, a deadly threat to maple trees.
- an effective control of fire ants and ways to provide safer, effective and practical treatments of multiyear certification of field and container-grown nursery stock.
- ways to manage domestic European honeybees in the area where Africanized honeybees exist.
- the magnitude of the threat of the root-lesion nematode, Pratylenchus neglectus.
- smut and bunt diseases of cereals, including karnal bunt.

Food Quality and Safety Research– Farm Bureau supports funding for research to insure the safety of food. Specifically we support funding for research:
- to insure the safety of food additives;
- on the irradiation (sold pasteurization) of food;
- on inspection methods to eliminate the risk from pathogens;
- food safety technology advances;
- voluntary food safety guidelines to help prevent microbial contamination of fresh produce.

Binational Agricultural Research and Development Fund – Farm Bureau supports increased funding for BARD and other similar programs that maximize cooperative research efforts.

Genome Research – Access to diverse genetic resource materials is crucial for the development of new plant varieties that are more resistant to insect infestation and disease and more tolerant to other adverse environmental conditions. Genomic research is also important to improving the economical traits of importance in livestock and poultry that affect animal health and reproductive efficiency. Farm Bureau supports increased funding for the food Genome Project currently administered by the National Science Foundation as well as additional money for plant, animal and microbial genome research at USDA.

Natural Resources Research - Farm Bureau supports funding to study carbon credits and carbon sequestration. We favor continued research on reuse of water; conversion of saline waters; air and water pollution; water and soil conservation; recharging of groundwater basins; drainage; forestry management and utilization; restoration of strip-mined areas; weather forecasting and modification; treatment of domestic, industrial and animal waters; coal desulfurization and other natural resource problems.

Research for new Products for Ag Commodities – Farm Bureau supports increased funding for research and development for new commodities and for new uses of commodities currently under production.

Health and Nutrition Research – Farm Bureau supports funding of nutrition research on relationships between agricultural products and coronary heart disease and cancer.

National Animal Health Emergency Management System - Farm Bureau supports full funding for the National Animal Health Emergency Management System that was developed in cooperation with the states, industry and the veterinary profession. These monies will enhance APHIS's emergency preparedness and response capabilities to address emergency animal disease issues that threaten the U.S. food supply.

ARS and APHIS Laboratory Facilities – Farm Bureau supports full funding for a joint APHIS and ARS facility at Ames, Iowa, to meet national needs for research, diagnosis and product testing for animal health. The existing facilities are antiquated and inefficient and without this new laboratory facility, the U.S. will fail to meet international standards and to provide the level of animal disease protection necessary to achieve a world-class National Animal Health Emergency Management System. We support adequate funding for ARS biocontainment facilities that are critical to maintaining world-class research on both foreign and domestic diseases.

Plant Pest Control: Farm Bureau supports funding for control and/or eradication programs for plant and animal pests including: grasshoppers; multiflora rose; autumn olive; Johnsongrass and other designated noxious weeds; eradication of fruit flies; Russian Wheat Aphid; gypsy moth, southern pine bark beetles; and Plumpox virus.

Boll Weevil Eradication: Farm Bureau recommends full funding for Boll Weevil eradication to provide a 30 percent match with producer funding to facilitate the orderly eradication and/or containment of the pest across the balance of the cotton-growing area.

Pseudorabies: Farm Bureau supports adequate funding of the pseudorabies eradication plan developed by the swine industry.

Bruecellosis: Farm Bureau supports funding for a brucellosis control program leading to eradication of this disease in swine. The federal government should continue full funding of brucellosis control activities in all infected states. Because brucellosis is transmittable from wildlife to domestic livestock and humans, we support funding to compensate livestock owners for losses brought about by contact with wildlife.

Johne's Disease: Farm Bureau supports funding to develop an accurate blood test for Johne's Disease; to reduce producers' cost to test for Johne's Disease; and for a multi-year program to identify Johne's disease infected animals and to provide an indemnity payment for the disposal of these infected animals.

Inspection and Grading of Meat and Poultry: Farm Bureau recommends that funding for any new federally mandated seafood inspection program should be consistent with existing funding for other food commodities.

Conservation Operations: We continue to be concerned about adequate Natural Resources Conservation Service (NRCS) conservation operation funding. Conservation program delivery and technical assistance should be a priority for NRCS funding. Emphasis should be placed on traditional technical assistance and the development of reliable resource data for assisting producers to deal with nutrient management and other conservation concerns.

Grazing Lands Conservation Initiative (GLCI): We support funding for technical assistance under the GLCI as authorized in the 1996 farm bill.

Environmental Quality Incentive Program (EQIP): With regard to conservation programs under the Commodity Credit Corporation Program (CCC), we believe that emphasis should be placed on EQIP. EQIP is an important program for assisting producers dealing with increased water quality regulation and other conservation concerns. We support a substantial increase in EQIP funding over previous years.

Forestry Incentive Program (FIP): Farm Bureau supports funding for the Forestry Incentive Program and suggest funding at $6 million.

Farmland Protection Program: Farm Bureau supports $65 million in funding for the Farmland Protection Program.

Wildlife Services: Wildlife Services should receive increased funding for both operational and research programs.

Ag in the Classroom: Most students no longer have firsthand farm experience and, therefore, lack a basic understanding of our food and fiber system. The Agriculture in the Classroom program provides real world examples that teach about agriculture production food safety, nutrition and healthy lifestyles, and career opportunities. Farm Bureau supports an increase to $750,000 for Ag in the Classroom under CSREES.

Risk Management Agency: Farm Bureau supports long term funding for the Risk Management Agency.

Ag Marketing Equity Capital Fund: Farm Bureau supports funding for the Agricultural Marketing Equity Capital Fund to help producers develop value-added enterprises.

WIC Market Coupon Program – Farm bureau supports increased funding for WIC market coupon program.

Rural Development Issues: Farm Bureau supports the community and business programs of the office of Rural Economic and Community Development. We support funding for rural development and recommend targeting a greater portion of all funds towards stimulating commerce in rural areas.

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Testimony Submitted to

U. S. HOUSE SUBCOMMITTEE ON AGRICULTURE,
RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION
AND RELATED AGENCIES

April 10, 2001

Concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

Written Statement by

Mr. J. M. Marty Tanner
Aquatica Tropicals, Inc.
218 South Webb Road
Plant City, Florida 33566

Mr. Chairman and Members of the Subcommittee: I appreciate the opportunity to provide testimony in support of funding for the Regional Aquaculture Center program. My name is J. M. Marty Tanner. I own and operate Aquatica Tropicals, Inc., and Hi-Tech Fisheries of Florida, Inc. I have been in the ornamental aquaculture business for twenty years. For the last four years, I have had the privilege of serving on the Industry Advisory Council of the Southern Regional Aquaculture Center (SRAC). I also serve on the Board of Directors of the Florida Aquaculture Association and the Florida Tropical Fish Farmers Association.

It is important that the Subcommittee understand the importance of ornamental aquaculture in the United States. By definition, these products are destined to be enjoyed and not eaten, but nevertheless, they represent a major portion of the dollar value of domestic aquaculture. The largest portion of ornamental aquaculture is tropical fish production, centered in Florida. Ornamental fish production is currently the number one valued aquaculture product out of Florida, and the third most valuable aquaculture product in the United States. Currently producing over 800 varieties of freshwater fish, Florida accounts for 95% of the domestically produced tropical fish in North America, with a 2000 farm-gate value over $75 million. Some idea of the magnitude of this industry can be gained by considering this fact: the largest air freight item out of Tampa International Airport is live tropical fish and plants destined for domestic and international markets.

Despite the past growth of the ornamental industry and increasing demand for the product, tropical fish producers in the United States are currently experiencing rapid declines in market shares and have been assaulted by increased competition from Asian countries. The need for research and development of new technology has never been more important than it is now. I feel that the Regional Aquaculture Center program is essential to help meet the need for technology development. Through projects already completed from the Regional Aquaculture Center, results have significantly impacted the production of domestic aquaculture.

One of the most important issues facing the ornamental fish industry is the lack of efficient and effective methods for harvesting and shipping the product. Current technology for harvesting, grading, and handling ornamental fish was introduced decades ago in Florida, and practices have gone unchanged for thirty years. I am currently serving as a member of the Steering Committee for a Southern Regional Aquaculture Center project on developing new fish harvesting technologies to address that problem. Scientists from nine states are working collaboratively to identify the most cost-effective way to harvest and ship fish. The results have the potential to save millions of dollars in lost production and labor.

In summary, I am convinced that the Regional Aquaculture Center programs are very productive and valuable. The need for continued and increased funding could not be more timely. Historically, projects supported through the Regional Aquaculture Center programs have returned economic benefits many times the amount invested. Additional funding of new research will help insure future success and growth of U.S. aquaculture.

Thank you for allowing me the opportunity to submit testimony on behalf of the Regional Aquaculture Centers. On behalf of the U.S. aquaculture industry, I express my sincere appreciation for your continued support, and I respectfully request your consideration for funding at the full authorized level of $7.5 million for the five Regional Aquaculture Centers in the FY 02 budget.

RESUME OF
J. M. MARTY TANNER

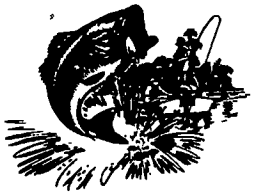
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	President	- Hi-Tech Fisheries of Florida, Inc.
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	Director	- AquaGene - Florida biotech company
Industry:	Treasurer	- Florida Aquaculture Association
	Chairman	- Tropical Aquaculture Lab Advisory Committee University of Florida IFAS
	Board	- Southern Regional Aquaculture Center Industry Advisory Council
	Board	- Florida Tropical Fish Farmers Association
	Board	- Florida Sea Grant IAC

Committee on APPROPRIATIONS

Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name: JIM MARTY TAHUER		
1. Are you testifying on behalf of a Federal, State, or Local Government entity?	(Yes)	No
2. Are you testifying on behalf of an entity other than a Government entity?	Yes	(No)
3. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1999: NONE		
4. Other than yourself, please list what entity or entities you are representing: NONE		
5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your representational capacity with the entities disclosed in question number 4:		
6. If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships whom you are not representing?	Yes	No
7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) which were received by the entities listed under question 4 since October 1, 1999, which exceed 10% of the entities revenue in the year received, including the source and amount of each grant or contract to be listed:		

Signature: _____ Date: 3-14-01



Tyler Fish Farms, Inc.

3096 VZ CR 4923
Ben Wheeler, Texas 75754

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(903) 849-2081

Testimony Submitted to

U. S. HOUSE SUBCOMMITTEE ON AGRICULTURE,
RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION
AND RELATED AGENCIES

April 10, 2001

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Written Statement by

Mr. Robert R. Waldrop
Tyler Fish Farms, Inc.
3096 CR 4923
Ben Wheeler, TX 75754

Mr. Chairman and Members of the Subcommittee: It is a pleasure to have the opportunity to provide testimony in support of the USDA-CSREES Regional Aquaculture Centers. My name is Robert (Bob) Waldrop. I own and operate Tyler Fish Farms, Inc. near Tyler, Texas. For the last three years I have had the privilege to serve on the Industry Advisory Council of the Southern Regional Aquaculture Center. I also serve on the Board of Directors of the Texas Aquaculture Association (TAA) and I am TAA's Past-President. I am also a member of the National Aquaculture Association, the Texas Chapter of the American Fisheries Society, and the American Fisheries Society.

It is important that the Subcommittee understand the importance of aquaculture in the United States. Over the last 30 years, aquaculture has developed into an important component of U.S. agriculture with a value of over one billion dollars to farmers, and it continues to grow at 20 to 30% per year. It is also estimated that for every on-farm job, there are three off-farm jobs in the processing, manufacturing, and other infrastructure related industries. Considering population growth, health considerations, and that the U.S. trade deficit in fisheries products was over $6 billion last year, it is obvious that we need to foster domestic aquaculture development. Continued expansion and profitability in the global marketplace will demand that the U.S. aquaculture industry develop new technologies to reduce costs and increase production

efficiency. This type of global competitiveness can only be accomplished through continued public funding of research and extension systems that achieve measurable results.

Therefore, I strongly support the concept, structure, and role of the Regional Aquaculture Centers. The Regional Centers are effective in developing collaborative research and extension projects designed to meet the needs of the aquaculture industry. These projects both supplement and strengthen other USDA, Land Grant University, and other public institutions' programs in aquaculture. This concept of regional efforts, guided by both scientists and aquacultural producers, is a system that has several advantages over traditional single institution peer review funding programs that have little or no industry input or technology transfer components. Many of the projects that have been conducted in the Southern Region would probably never have been funded, or would not have had the regional impact, if traditional funding sources had been all that was available. Let me illustrate with two examples of SRAC projects that I am familiar with.

One is the "Publications, Videos and Computer Software" project that is coordinated through Texas A&M University. The critical thing here is the benefits derived by using a region-wide pool of expertise to develop materials in specific subject areas and allowing the Regional Centers to bear the cost of development and initial publication. This project has produced more than 170 extension type publications and 20 videos on many aspects of aquaculture. Some of these products include information on culture of specific species, pond construction, intensive culture systems, diseases, nutrition, water quality, harvesting and transport, and consumer product handling and quality. These educational materials are used extensively by existing producers, potential producers, educational institutions, and the general public and are provided through the network of State Extension systems. This process makes more efficient use of personnel and funds at the State level, and results in high-quality educational materials. Therefore, this project has not only helped expand the industry, but has helped educate the public on the nature, the quality, and the environmental stewardship that are hallmarks of U.S. aquaculture.

Several effluent projects are another area of note for the Regional Aquaculture Centers. In particular, SRAC, with industry input, has been proactive in developing projects to analyze and develop management practices that reduce effluent impacts on the environment. Today with the Environmental Protection Agency developing new effluents standards for aquaculture, these projects will help establish a framework around which scientists, industry, and the agency can work together to establish rational and scientifically based standards.

In conclusion, I feel that the Regional Aquaculture Centers' programs are valuable and productive but are underfunded. I encourage Congress to increase funding of the five Regional Aquaculture Centers to the authorized $7.5 million level. Our industry is dependent on the type of research and extension efforts that only the Regional Aquaculture Centers can accomplish.

Thank you for allowing me the opportunity to submit this testimony on behalf of the Regional Aquaculture Centers, and I express my sincere appreciation for your continuing support.

RESUME OF
ROBERT R. WALDROP

Personal:

Address: Tyler Fish Farms, Inc.
3096 CR 4923
Ben Wheeler, TX 75754

Telephone: [redacted]

Education: B.S. University of Texas, Marine Botany, May, 1977
M.S. Texas A&M University, Aquaculture, August, 1982

Experience: D&B Fish Farms, Crockett, TX - two years
Aquaculture Enterprises, Seguin, TX - two years

Founded Tyler Fish Farms, Inc. - 1983 - A delivery and retail business, now with 34 ponds and retail shop which produces Florida bass, Coppernose bluegill, Channel catfish, Threadfin shad, and Fathead minnows

Professional Organizations: President, Texas Aquaculture Association, 1997
Member Board of Directors, Texas Aquaculture Association, 15 years

Committee on APPROPRIATIONS

Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name:		
1. Are you testifying on behalf of a Federal, State, or Local Government entity?	Yes	(No)
2. Are you testifying on behalf of an entity other than a Government entity?	Yes	(No)

3. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1999:

None

4. Other than yourself, please list what entity or entities you are representing:

Tyler Fish Farms, Inc.

5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your representational capacity with the entities disclosed in question number 4:

6. If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships whom you are not representing?	Yes	No

7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) which were received by the entities listed under question 4 since October 1, 1999, which exceed 10% of the entities revenue in the year received, including the source and amount of each grant or contract to be listed:

Signature: Robert A. Waldrop Date: 3/27/01



CATFISH FARMERS OF AMERICA
1100 HIGHWAY 82 E. SUITE 202
INDIANOLA, MISSISSIPPI 38751
(662) 887-2699 · (662) 887-6857 FAX
cfa@microsped.com

Testimony Submitted to

U. S. HOUSE SUBCOMMITTEE ON AGRICULTURE,
RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION
AND RELATED AGENCIES

April 10, 2001

Concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

Written Statement by

Mr. Hugh Warren
Executive Vice President
Catfish Farmers of America
1100 Highway 82 East, Suite 202
Indianola, Mississippi 38751

Mr. Chairman and Members of the Subcommittee, I appreciate the opportunity to provide testimony in support of the USDA Regional Aquaculture Center program. My name is Hugh Warren, and I am Executive Vice President of the Catfish Farmers of America. Founded in 1968, and with current membership from 35 states, the Catfish Farmers of America is the trade organization that represents the interests of the farm-raised catfish industry.

Production of farm-raised catfish has increased over 80-fold since 1970, a phenomenal rate of growth that is unmatched in other segments of domestic agriculture. Per capita consumption of farm-raised catfish now ranks fifth among all seafood products in the United States. Because farm-raised catfish has become a widely accepted food item throughout much of the United States, the demand for catfish should continue to increase as American consumers increasingly turn toward fish as part of their overall diet.

Production of safe, high-quality products is the foremost goal of fish farmers. A recently completed project developed and sponsored by the Southern Regional Aquaculture Center evaluated pesticide and metal residues in farm-raised fish. The project involved scientists from

six states in the region — Alabama, Florida, Georgia, Louisiana, Mississippi, and Texas. The study was initiated because of highly publicized reports of contamination seafood products that did not discriminate between wild-caught fish and farm-raised fish. This study found that levels of harmful metals and pesticides in farm-raised fish were many times lower — often more than 100 times lower — than FDA-recommended levels. The study also showed that levels of contamination in farm-raised fish are lower than fish caught from the wild because the water used to raise fish on farms is cleaner than most natural waters. This project has helped assure the quality and safety of aquaculture products, and lets consumers know that fish products from aquaculture are superior to most wild-caught fish.

Producing food in an environmentally sound manner is another fundamental goal of American aquaculture. Research and extension scientists in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina and South Carolina recently cooperated in a Southern Regional Aquaculture Center project to evaluate waste management practices that reduce the impact of aquaculture on the environment. Results of the project showed that aquaculture ponds can be operated with minimal impact on the environment by using simple management practices that can be implemented with little or no extra expense or labor. These practices have been widely adopted in the southeast because aquaculture producers are aware that the use of environmentally responsible farming practices can be part of the marketing appeal of farm-raised fish.

The above two projects represent only a small part of the impact of the Regional Aquaculture Center program, yet funding for the program has not increased over the last 10 years, and the program has operated at half its authorized funding level. Meanwhile, domestic aquaculture has grown at a remarkable rate and the cost of conducting research has increased. These trends make it difficult for the Center program to address the needs of this important segment of American agriculture. I respectfully request your sincere consideration of the Regional Aquaculture Centers in the FY 02 budget, and I urge you to provide funding at the full authorized level of $7.5 million for the five Regional Centers.

Resume of
HIGH WARREN
EXECUTIVE VICE-PRESIDENT
CATFISH FARMERS OF AMERICA
1100 Highway 82 East, Suite 202
Indianola, Mississippi 38751

Founded in 1968, Catfish Farmers of America (CFA) is the United States' strongest aquaculture organization, with membership representing thirty-five states. CFA is primarily an association of farm-raised catfish producers, suppliers, processors and marketers with 1998 industry sales over $600 million. Farm-raised catfish is by far the dominant species within U.S. aquaculture and accounts for over one-half of the nations total volume and value of production.

Mr. Warren's responsibilities involve government and industry relations, research initiatives, conventions and member services. He is recognized as a national and international spokesman for aquaculture and serves in leadership positions on numerous boards of directors, working groups and steering committees.

Mr. Warren graduated from the University of Mississippi in 1960 with a business administration degree. He then completed two years active duty as an Army Officer in the Medical Service Corps attached to the 82nd Airborne Division in Fort Bragg, North Carolina.

Mr. Warren returned home to the Mississippi Delta where he spent the next 14 years as the Operator and General Manager of a 3000-acre cotton and soybean farm and a beef cattle operation of 500 brood cows. He was selected as an Outstanding Farmer of America and featured in several national farm magazines for his innovative ideas.

In 1975, he began a career in the corporate management field with emphasis in agricultural related areas. Mr. Warren has worked as a special Project and Accounts Manager for Scott Petroleum Corporation. He also held the positions of Marketing Manager and Regional Sales Manager for subsidiary companies of Allis Chalmers and Occidental Petroleum Corporations before assuming his current position with CFA in 1989.

Committee on APPROPRIATIONS

Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name:		
1. Are you testifying on behalf of a Federal, State, or Local Government entity?	(Yes)	No
2. Are you testifying on behalf of an entity other than a Government entity?	Yes	(No)
3. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1999: None		
4. Other than yourself, please list what entity or entities you are representing: Catfish Farmers of America		
5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your representational capacity with the entities disclosed in question number 4:		
6. If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships whom you are not representing?	Yes	No
7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) which were received by the entities listed under question 4 since October 1, 1999, which exceed 10% of the entities revenue in the year received, including the source and amount of each grant or contract to be listed:		
Signature: [signature] Date: 3/13/01		



Anderson
MINNOW FARM
WORLD'S LARGEST

P.O. DRAWER 690 • LONOKE, AR 72086 • 501-676-2716

Testimony Submitted to

U. S. HOUSE SUBCOMMITTEE ON AGRICULTURE,
RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION
AND RELATED AGENCIES

April 10, 2001

Concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

Written Statement by

Mr. James Neal Anderson
Anderson Minnow Farms, Inc.
Lonoke, Arkansas

Mr. Chairman and Members of the Subcommittee: It is a pleasure to have the opportunity to offer testimony in support of funding for the Regional Aquaculture Center program. My name is Neal Anderson and I am a baitfish farmer from Lonoke, Arkansas. I also serve on the Board of Directors of the National Aquaculture Association, the Arkansas Bait and Ornamental Fish Growers Association, and ARKAT Feed Mill. I chair the Arkansas Soil and Water Commission, and serve as the current chair of the National Fisheries Advisory Council for the Aquaculture/Fisheries Center at the University of Arkansas at Pine Bluff.

My father was the first to begin to produce baitfish commercially in the 1940's, and the farm-raised baitfish industry has grown to supply over 50% of the $2 billion retail bait industry in North America. Baitfish are grown commercially in nearly every state of the United States and this industry constitutes the fourth largest aquaculture industry, in terms of sales revenue, in the United States. Live fish exports to Europe and other countries are increasing and make a positive contribution to the United States balance of trade.

The Regional Aquaculture Center program is the only competitive research funding program that supports research on the problems faced by baitfish farmers. The nature of the market for live

Anderson
MINNOW FARM
WORLD'S LARGEST

P.O. DRAWER 690 • LONOKE, AR 72086 • 501-676-2716

baitfish creates production problems that are unique to this industry and require that research efforts be targeted directly towards these species and culture systems.

Through funding from the Southern Regional Aquaculture Center, nutrition research has led to the development of lower-cost, nutritionally-balanced diets for baitfish as well as diets that enhance stress tolerance. Financial indicators for baitfish production developed through the "Delineation and Evaluation of Catfish and Baitfish Pond Culture Practices" project assist farmers to identify specific aspects of their business with the greatest potential to improve productivity and efficiency. Important research underway on the project "Control of Blue-green Algae in Aquaculture Ponds" will evaluate alternative means of controlling blue-green algae that have caused serious management problems on baitfish farms. Furthermore, the "Management of Aquacultural Effluents from Ponds" project will develop Best Management Practices for baitfish farms that will help reduce groundwater use and ensure the environmental sustainability of our industry.

The projects funded by the Southern Regional Aquaculture Center have provided seed funding for the University of Arkansas at Pine Bluff that enables their aquaculture researchers to concentrate on the problems that our industry faces and to develop the type of expertise essential to solving our problems.

Annual funding of the Regional Aquaculture Centers has been only 53% of the authorized amount. I strongly urge that the total authorized amount of $7.5 million be funded for the existing five Centers for FY 2002. Full funding is essential for the aquaculture industry to remain competitive and improve productivity. Continued economic viability of the aquaculture industry will maintain employment rates and economic growth in rural areas of the United States.

Thank you for your time and support.

James Neal Anderson

Resume of
JAMES NEAL ANDERSON

Education	B.S., Business Administration University of Central Arkansas 1969
Professional Affiliations:	National Aquaculture Association Arkansas Bait and Ornamental Fish Growers Association
Experience:	Manages a family-owned and operated baitfish farm of approximately 6,000 acres. Is Vice-president of I. F. Anderson Farms, Inc., Durham Farms, Inc., and Anderson Bait Distributors

Industry Leadership:

1. Stockholder and Board member of ARKAT Feeds, the newest and most automated feed mill in Arkansas.

2. Chair, National Fisheries Advisory Council, Aquaculture/Fisheries Center, University of Arkansas at Pine Bluff.

3. Member of the Arkansas Bait and Ornamental Fish Growers Association.

4. Board of Directors of the National Aquaculture Association.

5. Gubernatorial appointee as Commissioner with the Arkansas Soil and Water Commission since 1983.

6. Board member of the Lonoke County Conservation District.

7. Board of Trustees for the Lonoke First United Methodist Church.

8. Member of the Lonoke Ballpark Commission.

9. Past Board member of the Catfish Farmers of Arkansas and the American Fish Farmers Federation.

Committee on APPROPRIATIONS

Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name.		
1. Are you testifying on behalf of a Federal, State, or Local Government entity?	Yes	(No)
2. Are you testifying on behalf of an entity other than a Government entity?	Yes	(No)

3 Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1999:

None

4. Other than yourself, please list what entity or entities you are representing.

None

5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your representational capacity with the entities disclosed in question number 4:

6 If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships whom you are not representing?	Yes	No

7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) which were received by the entities listed under question 4 since October 1, 1999, which exceed 10% of the entities revenue in the year received, including the source and amount of each grant or contract to be listed:

Signature James Neal Henderson Date 3-28-01

TROPICAL PONDS OF HAWAII
P.O. BOX 1750
KEAAU, HI. 96749

PHONE & FAX 808-982-9052

EMAIL kern@ilhawaii.net

Testimony to the U.S. House Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies
April 10, 2001

Concerning
Support for the Regional Aquaculture Centers

Mr. Chairman and Members of the Subcommittee:

It is my pleasure to submit testimony on behalf of the USDA aquaculture regional centers and in particular that of the Center for Tropical and Subtropical Aquaculture (CTSA). Developing a freshwater ornamental fish industry in Hawaii is believed to be one means to diversify the agricultural output and stimulate the stagnant economy in Hawaii. This is especially important in light of the collapse of the sugar industry in Hawaii and decreasing production by the pineapple industry, past stalwarts of Hawaii's agribusinesses. It has long been recognized that considerable efforts are needed to develop the freshwater ornamental culture technologies along with the various other aquaculture technologies to an economically viable level within the State. This is in large part necessary to overcome the constraints (labor, land, energy and freshwater) that face any agribusiness in Hawaii.

Over the past six years CTSA has served as a focal point from which other institutions within the state (University of Hawaii Sea Grant Extension Service, Hawaii Institute of Marine Biology, State Department of Agriculture Aquaculture Development Program) would be able to pool their resources to support the development of an ornamental fish culture industry in Hawaii. Initial projects supported by CTSA have been successful in establishing freshwater ornamental fishes as a separate aquaculture commodity in Hawaii and based on the current level of growth the freshwater ornamental fish industry should become an even larger contributor to the overall aquaculture production in the State by the next millennium. Without the support provide by CTSA, this achievement could not have taken place. This fledgling industry might soon falter if continued support is not provided because of the increasing need to diversify and expand current operations on all islands within the state. Currently, there is a 5:1 rate of return on tropical freshwater ornamental fish sales and CTSA support for the freshwater ornamental project, which clearly indicates the effectiveness of the center's leadership role in the state's industry.

Although a practicing aquaculturist, I am also a teacher for at-risk youth. I do taxes on the side. All of my vocations work towards a single goal: my passion to help the children I

work with and for. As a teacher for at-risk youth, I realize that education and outreach can only get so far. Some of these kids will not go past high school and will probably end up working for someone in a low-paying, low-respect job. Fostered by my work with taxes, my keen business sense led me to believe that if I set-up incubator farms organized as a co-op, then some of these students would be able to come out of high school and own and run their own farms. The co-op, as a whole, would provide freshwater ornamentals. My students would no longer have nothing to look forward to after they graduated. They would have the prospect of owning their own farm.

Through presentations given by the UH Sea Grant, I learned of the potential for a freshwater ornamental industry in Hawaii. I contacted the CTSA-funded *Freshwater Ornamental* project in 1993 for help and guidance and by 1995 already had three ponds. With their extension support and the manuals disseminated through the project, Tropical Fish Ponds of Hawaii started doing business in 1996 and is constantly expanding as I push closer to realization of my goal.

I am a prime example of how this money from you can work and help in more ways than one. I know there are many other success stories out there. For these reasons, I strongly endorse the full funding of $7.5 million for the regional aquaculture centers.

Sincerely,

Bob Kern

Robert Kern, Owner
Tropical Ponds of Hawaii

Robert C. Kern

Proprietor, Tropical Fish Ponds of Hawaii
P.O. Box 1750, Keaau, HI 96749
Telephone: XXXXXXXXX Fax: XXXXXXXXX Email: kern@ilhawaii.net

Education

B.S. Special Education, University of Idaho 1974, Summa Cum Laude

Aquaculture Experience

Owner/Founder, Tropical Fish Ponds of Hawaii (Ornamental Aquaculture Farm), 1996 - present

Member, Hawaii Aquaculture Association, 1996 - present

Member, Industry Advisory Council, Center for Tropical and Subtropical Aquaculture, U.S. Dept. of Agriculture (research funding agency), 1998 - present

Other Business, Employment, and Community Service

Special Education Teacher and Grade Level Chair, Mountain View School, Mountain View, Hawaii, 1991 - present

Tax Preparation Agent, Enrolled with Internal Revenue Service

Registered Representative, Series 7 & 63 securities license

Volunteer, Big Island Public Radio

Previous Experience

Fairbanks N.S.B.	Special Ed Teacher	Gifted Program
	Learning Disabled, English as a Second Language	
Financial Center, Inc	50% owner	Tax & Investments
Interior Accountants, Inc.	50% owner	Tax & Accounting
Northern Testing Labs, Inc.	50% owner	Water Testing
RE/MAX Realty, Inc. –	50% owner	Real Estate
Homestead Finance	50% owner	Small Loans
Freefall, Inc.	50% owner	Rental Property
Epton Society	House Parent	Group Home
University of Idaho	Assistant Chief of Security	
Potlatch Idaho	Chief of Police	
Pima County Sheriff's Dept	Instructor at Police Academy	
Pima County Sheriff's Dept	Patrol Deputy	
Boy's Town of the Desert	Live in Counselor	

Military Service

U.S. Air Force: Rank---Sergeant, Medical corpsman
Overseas Duty: Korea (13 months); Vietnam (12 mos.)

Pursuant to Clause 2(g)(4) of Rule XI of the rules of the House of Representatives, I hereby state that no federal grants have been received by Tropical Fish Ponds of Hawaii or myself.

PACIFIC HARVEST, INC.
73-4460 QUEEN KAAHUMANU HWY. SUITE #112
KAILUA-KONA, HI 96740
(808) 329-8817 HOME (808) 325-1749
FAX: 808-329-8819

Testimony to the U.S. House Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies
April 10, 2001

Concerning
Support for the Regional Aquaculture Centers

Mr Chairman and Members of the Subcommittee:

Thank you for allowing me to submit testimony on behalf of the Regional Aquaculture Centers and specifically The Center For Tropical and Subtropical Aquaculture (CTSA). My name is Ben Krause and I am owner/operator of Pacific Harvest Seafarms, a commercial aquaculture farm that raises Pacific Threadfin, also known as Moi in Hawaii. The farm is located in Kona at the Natural Energy Laboratory Authority of Hawaii. I have been involved in aquaculture since 1997.

I became familiar with a CTSA-funded project where they were researching the viability of culturing moi in Hawaii. I was immediately intrigued and contacted the project leaders to find out the requirements to participate in a program that seemed potentially very beneficial to the farmer. I was able to gain valuable information from the results of this research which I have since applied to my own operation. Without the CTSA project, it would have been very difficult if not impossible to acquire fingerlings for start-up of my farm. Recently the project has provided me with information and continual technical support to the point where I am now in the process of establishing a hatchery/nursery rather than depending on the CTSA project for a source of moi fingerlings. The project has provided not only information, but hands-on training on growout operations and now on hatchery techniques. We are now able to not only provide for our own fingerling needs, but can also provide fingerlings to the industry.

Hawaii's aquaculture industry is in desperate need of diversification. CTSA is an integral mechanism in trying to accomplish that. Now that they have established a sustainable threadfin industry, CTSA can move forward with their intentions to establish further finfish industries for added diversification of Hawaii's aquaculture industry. Without CTSA, Hawaii's aquaculture industry will not have the support it requires to build on the momentum it has been creating with CTSA's help. To encourage the growth of the aquaculture industry, as one of the farmers in the industry, I ask for your approval of the authorized full funding of $7.5 million for the Regional Aquaculture Centers.

Thank you again for the opportunity to offer my support of the Center of Tropical and Subtropical Aquaculture and the other Regional Aquaculture Centers.

Sincerely,

Benjamin J. Krause

President/CEO

Benjamin Krause
73-440 Queen Kaahumanu Hwy. Suite #112
Kailua-Kona, HI 96740
XXXXXXX Home XXXXXXXXXXX
Fax XXXXXXXXXXX

Education **1975 – 1979** Courses taken at North Idaho Community College, Idaho and Fort Steilacoom Community College, Washington in pursuit of a pre-law degree

Work Experience **1997 – present**
Pacific Harvest, Inc.
Owner/Operator

1981 – 1997
Argonne National Laboratory
Nuclear Reactor Operator (1986 – 1997)
Facility Waste Management Specialist (1981 – 1986)

1977 – 1981
Private Contractor in home construction

1973 – 1977
United States Army
Nuclear Weapons and Special Weapons / Field Artillery Specialist

Affiliations Honolulu Aquaculture Association
Keahole Point Tenants Association

Federal Grants Pursuant to Clause 2(g)(4) of Rule XI of the rules of the House of Representatives, I hereby state that no federal grants have been received by Pacific Harvest, Inc. or myself.

Ponape Agriculture & Trade School

Office of the Director

P.O. Box 39
Pohnpei, FM 96941

tel (691) 320-2901
fax (691) 320-6041
E mail director@pats.edu
URL: http://pats.edu

TESTIMONY TO THE
HOUSE SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT
FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES
2001
Concerning Support for Regional Aquaculture Centers

Dear Mr. Chairman and Members of the Subcommittee,

Thank you for allowing me to submit testimony on behalf of the Regional Aquaculture Centers and for the Center for Tropical and Subtropical Aquaculture (CTSA). My name is Gregory F. Muckenhaupt, S.J. and I am currently the Director of the Ponape Agriculture and Trade School, located on Pohnpei in the Federated States of Micronesia (FSM). This is a technical trade school serving all the island nations of Micronesia. Our trade school also maintains an aquaculture research and training facility known as the Marine and Environmental Institute of Pohnpei (MERIP). Prior to my becoming Director of PATS, I was the Director and co-founder of MERIP. Through MERIP we implement many aquaculture training project for both our high school students and members of rural coastal communities. The goal of our projects is to strengthen the local private sector by developing marine resources at the village level.

CTSA has supported a number of our projects and their promotion of the aquaculture industry are very much in line with the development goals of the local Micronesian governments. The FSM government and the territorial governments of other Pacific Island nations have rated aquaculture as a high priority for several reasons. Aquaculture has already started to aid economic development by developing new businesses that have increased employment opportunities and that are now producing significant export products. It is as a direct result of Center-funded projects aquaculture development projects have taken hold in Micronesia.

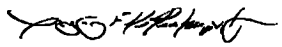
In an attempt to broaden the FSM's economic base and provide new opportunities for its citizens, the FSM has been pursuing new industries such as aquaculture. As you may be aware, with the Compact of Free Association ratified in 1986, the United States began a fifteen-year period of economic assistance to the Federated States of Micronesia. It was hoped that this period of aid of would provide infrastructure and private sector development. An unfortunate aspect of the

Compact monies is that they were granted by the US without adequate means to assess their effect on economic development. Throughout much of this time, the provision of government services has dominated the economy and contributed over 80 % to the nations Gross National Product. The real Gross National Product of the FSM is currently US $ 1,836 and has not change since 1986. Money that has entered the private sector has been primarily through government employees' spending in retailing and wholesaling. During the 1990's, step downs in Compact aid clearly controlled economic performance in the region and necessitated a decrease in government expenditures. This had an immediate detrimental impact on the second largest sector in the economy – wholesaling and retailing - which has fallen by five percent annually since 1996. Subsistence activity, the third largest sector, while insulated from constraints in the public sector, has been unable to compensate for the economic downturn underway in the region. As a result, the real GDP of the FSM has suffered a net decrease every year over the last four years.

Failures in private sector development over the last fifteen years have hindered the growth of entrepreneurial skills in the private sector. A large portion of the population in the rural sectors is left with little or no participation in the cash economy. As the current period of financial assistance under the Compact comes to a close in 2001, hopes to strengthen the private sector and improve the living standards in rural areas become more and more uncertain. Strategies that create training programs in entrepreneurial skills are a key factor in building the private sector and strengthening self-reliance. One such strategy is the goal of developing local marine resources in such a way that rural communities can benefit from these commodities and enter the economy's private sector. In this regard CTSA's programs in Micronesia have been an excellent example for development. Their program goals embrace both research and extension aspects. They have supported PATS and MERIP's with assistance via extension agents and funding for research into marine ornamental products and marine sponges for cosmetic purposes. Each of these projects has a strong extension component in coastal villages. The research sponsored here by CTSA aims at developing low-technology protocols that are easily implemented in rural settings.

The Center for Tropical and Subtropical Aquaculture links the region's considerable resources development goals at the community level. Without this outside support, this new industry in Micronesia would probably fail since local governments resources for development are diminishing. I sincerely hope that the Center's endeavors and accomplishments will both endure and grow in the coming years. Thank you for the opportunity to submit testimony in support of the Regional Aquaculture Centers.

Sincerely,



Gregory F. Muckenhaupt, S.J.
Director, PATS

CURRICULUM VITAE

Gregory F. Muckenhaupt, S.J.
P.O. Box 160
Pohnpei, FM 96941
Tel: XXXXXXXXX
E-mail: gmuckenhaupt@mail.fm
marinesci@pats.edu

EDUCATION

University of Hawaii May 1992
Honolulu, Hawaii
Master of Science, Chemical Oceanography. Thesis: Dissolved Nutrient Fluxes between a Mangrove Estuary and a Coral Reef Flat on Pohnpei Island. GPA: 3.9

Weston School of Theology May 1989
Cambridge, Massachusetts
Licentiate (STL), Systematic Theology. Thesis: The Symbolic Interpretation of Culture. GPA: 4.0.

Weston School of Theology May 1988
Cambridge, Massachusetts
Master of Divinity. GPA: 3.8

Fordham University May 1982
New York, New York
Bachelor of Science, Chemistry and Philosophy. Senior Research Thesis: synthesis and methylation of 1,5 diaminonaphthalene as a reagent in the fluorescence measurement of amino acids in brain tissue. GPA: 3.6.

PROFESSIONAL EXPERIENCE

Director: Ponape Agriculture and Trade School, Pohnpei, FM. 1999 to present.

Director: Marine and Environmental Research Institute of Pohnpei, Pohnpei, FM. 1997 to present.

Director: Catholic Commission for Justice and Human Rights, Diocese of Caroline Islands, Pohnpei, FM. 1995 to present.

Episcopal Vicar: Catholic Vicariate of Pohnpei - Kosrae. Kolonia, Pohnpei, FM. 1995 - 1997. Administrator of Catholic parishes and associated personnel and programs for the ten parishes of Pohnpei and Kosrae.

Program Coordinator: Christ the King Parish (Wone) Pohnpei, FM. 1992-95. Pohnpeian language studies; assisted with community organizing and workshops on the effects of monetization of the economy on village life.

Research Consultant: University of Hawaii, Honolulu, HI. 1991-1992. Contracted by the Hawaii Institute of Marine Biology to conduct water quality analysis.

Laboratory Technician: University of Hawaii, Graduate Department of Oceanography. 199 1. Chemical Oceanography Laboratory.

Research Assistant: University of Hawaii, Honolulu, 1989-1991. Studied nutrient uptake by corals in order to model ecosystem-level metabolism.

Assistant Pastor: Holy Spirit Parish, University of Hawaii Honolulu, III. 1989-1992.

Assistant Pastor: St. Luke's Parish, Belmont, MA. 1988-1989.

Assistant Pastor: St. Joseph's Parish, Benin City, Nigeria. May - August, 1988.

Laboratory Assistant: Fordham University, New York, NY. 1980 - 1982. General Chemistry Laboratory.

Emergency Medical Technician: Sloper - Willen Ambulance Corp., Inc. Wappinger Falls, NY. 1976-1977.

TEACHING EXPERIENCE

Instructor: Math Instructor, College of Micronesia – FSM. College Algebra.

Instructor: Laboratory Instructor, University of Hawaii, Graduate Department of Oceanography. 1991. Chemical Oceanography Laboratory.

Instructor: Xavier High School, Chuuk, FM. 1982-85. Chemistry, Biology, Calculus, Computer science.

Laboratory Instructor: Fordham University, New York, NY. 1982. Instrumental Analysis.

Instructor: Colegio San Ignacio, Rio Piedras, Puerto Rico. Chemistry, Calculus. May - August, 1981.

PERSONAL BACKGROUND

Admitted to the Society of Jesus, August, 1977. Ordained Catholic Priest in Society of Jesus, June, 1988. Member, American Chemical Society. Foreign Languages: Spanish, reading excellent, speaking, good; German, reading good; Latin, reading good; Pohnpeian, speaking excellent, reading excellent. PADI certified Advanced Scuba Diver; New York State First Aid and EMT certification.

Federal Grants

Pursuant to Clause 2(g)(4) of Rule XI of the rules of the House of Representatives, I hereby state that no federal grants have been received by the Marine and Environmental Research Institute of Pohnpei or myself.

Testimony to the
House Subcommittee on Agriculture, Rural Development,
Food and Drug Administration and Related Agencies
2001
concerning support for the Regional Aquaculture Centers

Written Statement by
Ron Weidenbach, Owner
Hawaii Fish Company
Waialua, Hawaii

Mr. Chairman and Members of the Subcommittee,

Thank you for allowing me to submit testimony on behalf of the Regional Aquaculture Centers and the Center for Tropical and Subtropical Aquaculture (CTSA). My name is Ron Weidenbach and I am owner of Hawaii Fish Company, a commercial aquaculture farm that has just entered its twenty first year of operation with production of more than 10,000 pounds of tilapia, Asian catfish, and milkfish each year. In addition, I am the current president of the Hawaii Aquaculture Association, the leading professional organization for Aquaculturists in the State of Hawaii. I have been directly involved in the CTSA program for the past nine years as a member of the CTSA Industry Advisory Council (IAC), and, in recent years, as a member of the Program Review Committee.

In my thirty plus years as an aquaculture researcher and farmer, I have seen tremendous changes and growth in this business. In Hawaii in particular, aquaculture is seen as one of the most promising segments of the overall agriculture picture. The Hawaii State Department of Agriculture recently projected a 76% increase in Hawaii aquaculture farm values by 2005. This is especially encouraging, considering Hawaii's current sluggish economy. While this projection may seem high, the current depleted state of the world's fisheries has created ample room for this level of growth. Although biologists around the world are making adjustments to try to recover these fisheries, the only option to meeting the ever-growing demand for seafood is through aquaculture.

While the U.S. aquaculture industry struggles to meet this demand, the U.S. continues to import more than forty percent of its fish and shellfish, making it the world's second largest importer of seafood. In 1998, fisheries imports reached a high of $15.6 billion, making them the largest contributor to the U.S. trade deficit among agriculture products and the second largest contributor after petroleum among all natural resources products. Over the past year, China's tilapia exports to the U.S. increased nearly 700 percent, and a similar increase is predicted for this year. Vietnam is reported to have set a target of $1billion for aquaculture exports to the U.S. within five years. These statistics clearly indicate that it is in the national interest to work to further develop the U.S. aquaculture industry, or, our seafood deficit will continue to increase and more U.S. jobs may become in jeopardy.

These ambitious goals can only be reached if aquaculture continues to receive the support needed to break down the barriers that stand in the way of its further development. CTSA has a 13-year history of providing support to the aquaculture industry in its region, which includes Hawaii and the U.S. Affiliated Pacific Islands. As an industry-driven organization, CTSA focuses directly on the most pressing issues that stand in the way of aquaculture reaching its full potential.

Each year, after the IAC identifies the priority areas, CTSA collaborates with the best aquaculture scientists and facilities in the region to develop projects that directly address these issues. Using this industry-driven, collaborative approach, CTSA is able to target aquaculture development problems and develop logical solutions. These technology solutions are then transferred to the industry through workshops, print publications, and the Center's Web site.

Over the years, CTSA has provided funding that has benefited the aquaculture industry in a wide variety of areas including disease management, foodfish cultivation techniques, marine and freshwater ornamental species cultivation, and investigation of new species, to name a few. While CTSA projects may vary in specifics, all of them share the CTSA mission: to support aquaculture research, development, demonstration, and extension education to enhance viable and profitable U.S. aquaculture.

The Regional Aquaculture Centers Program needs your support in order to continue their efforts on behalf of U.S. aquaculture development. I strongly encourage you to approve the authorized full funding level of $7.5 million for the Regional Aquaculture Centers program.

Thank you again for the opportunity to submit this testimony.

Curriculum Vitae

Ron Weidenbach
Hawaii Fish Company
P.O. Box 1039, Waialua, HI 96791
Phone: XXXXXXXXXXX
Email: hawaiifish@msn.com

Education:

M.S., Fishery Biology, Aquaculture. 1976, Rackham School of Graduate Studies, The University of Michigan, Ann Arbor, MI.
B.S., Fishery Biology, Natural Resource Management. 1971, School of Natural Resources, The University of Michigan, Ann Arbor, MI.
A.A., Biology, Business Administration. 1968, Miami-Dade Junior College, Miami, FL.

Professional Experience:

1980 - Present:	Owner/Manager, Hawaii Fish Company, Waialua, HI
1993 - Present:	Principal Investigator, USDA Small Business Innovative Research (SBIR) Program Phase I, Phase II grants, Waialua, HI
1977 - 1991:	Fisheries/Aquaculture Consultant/Research Fellow, East West Center, Environment and Policy Institute, Honolulu, HI
1979:	Aquaculture Consultant, World Bank, Dacca, Bangladesh
1978 - 1980:	Aquaculture Specialist, Aquatic Farms, Ltd., Kaneohe, HI
1974-1976:	Fisheries/Aquaculture Biologist, University of Michigan, Mekong Basinwide Fishery Survey, Saigon, Vietnam/Ann Arbor, MI
1971-1973:	Fisheries Biologist, University of Miami, Rookery Bay Marine Lab, Naples, FL

Affiliations:

1993 - Present:	Member, Industry Advisory Council, Center for Tropical and Subtropical Aquaculture
1996 - Present:	President/Oahu Board Member, Hawaii Aquaculture Association, Honolulu, HI
2000 - Present:	Advisory Committee, University of Hawaii, Sea Grant College Program, Honolulu, HI
1996 - 2000:	Member, Hawaii Aquaculture Advisory Council, Honolulu, HI
Life Member:	American Fisheries Society
Life Member:	World Aquaculture Society
Life Member:	U.S. Aquaculture Association

Major Projects to Date:

Developed culture techniques for Chinese catfish in Hawaii, and am working on culture techniques for two additional Asian food fish species.

Researched and published detailed fisheries and aquaculture reviews on the East Asian and Southeast Asian seas. Helped refine culture techniques for giant freshwater prawns in Hawaii.

Federal Grants:

Pursuant to Clause 2(g)(4) of Rule XI of the rules of the House of Representatives, four (4) USDA Small Business Innovative Research (SBIR) grants awarded from 1993 to 2000 for a total of $402,000; two (2) are still in progress for $300,000 of this total.

USDA/SBIR Phase I Grant No. 93-33610-8618: Evaluation of Controlled Spawning Techniques and Artificial Diets for the Striped Snakehead (*Channa striatus*) -- $47,295

USDA/SBIR Phase I Grant No. 97-33610-4118: Commercial Culture of Striped Snakehead (*Channus striatus*): Captive Maturation and Spawning – $55,000

USDA/SBIR Phase II Grant No. 99-33610-7927: Commercial Culture of Striped Snakehead (*Channa striatus*) – $230,000

USDA/SBIR Phase I Grant No. 00-33610-8903: Commercial Culture of Asian Sea Bass (*Lates clacrifer*): Early Larval Rearing – $70,000

Testimony submitted to the

U.S. HOUSE APPROPRIATIONS SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

written statement by

DR. DAVID A. SMITH, PRESIDENT
FRESHWATER FARMS OF OHIO, INC.
URBANA, OHIO

2001

Aquaculture is now truly the "Wave of the Present"... but **not** in the United States of America. Over half of all shrimp in the marketplace is not wild-caught, and has been raised on shrimp farms ... but **not** from the U.S.A. Half of all salmon at the grocery store seafood counter is not caught in the oceans, but is raised in aquaculture operations ... but **not** from the U.S.A. Recent statistics from the Food and Agriculture Organization (United Nations) now predict that by the end of this decade, the world-wide production of fish and seafood from aquaculture will be greater than world-wide production of cattle from conventional agriculture ... but **not** in the U.S.A. Those of us in the business of aquaculture over the last 20 years have seen the promise of its development in this country, and one by one we have watched other countries take the lead in making it happen. Major aquaculture industries are now in place in China, India, Thailand, Taiwan and Europe. The U.S.A. has become a minor player by the slow pace of aquaculture growth here. We spend less on research and extension in this whole country than the development assistance given to establishing just one aquaculture operation or processing facility in any one of these other countries.

There is a real struggle in having the appropriate research support to establish the growth of aquaculture infrastructure and operations. There are thousands of Americans who want to enter the business of fish farming, but will have to depend on the meager extension and research programs now existing in aquaculture in order to do so. There is a shortage of publications and demonstration projects to help guide these people in making the change to aquaculture, and the shortage of funding for the

71-880 2001 - 7

U.S.D.A. Regional Aquaculture Centers has not helped the situation. The potential of developing a new billion-dollar segment of agriculture in the Midwest, and doing so at the heart of the multi-billion trade deficit in fish and seafood (second only to oil imports) is a very real possibility. Water and feed resources in this north central region are unsurpassed throughout the world, and yet we cobble along with minor funding levels for aquaculture research and development, expecting something to happen without any major investment to get the ball rolling.

The long-term goals of the Centers are headed in the right direction, but the pace is slow because funds are stretched and **have not been increased in the last thirteen years** from their initial 50-60% level of authorized funding. The Centers' research priorities are identified by those of us in commercial aquaculture, and are geared to providing hands-on answers to the specific problems that hold back the economic potential of aquaculture in the United States. They are designed to do this through a network of university research and extension outreach that has a higher potential of economic return than any other program out there.

Please give serious consideration to supporting a higher level of funding for adequate aquaculture research through the Regional Aquaculture Centers. I would like to request on behalf of the aquaculture industry that funding be extended to the fully authorized level of $7.5 million. Just as we have seen space programs do incredible feats in short order with adequate funding, so it is for aquaculture. American farmers and the food-consuming public are counting on you!

VITA

March 2001

David Allen Smith, President
Freshwater Farms of Ohio, Inc.
2624 North U.S. Highway 68
Urbana, OH 43078-9537

Phone: xxxxxxxxxxx
Fax: xxxxxxxxxxx
DrDaveFFO@aol.com
WWW.FWFARMS.COM

EDUCATION

B.S. (Biology), Ohio State University, 1976
M.S. (Marine Sciences), Louisiana State University, 1979
Ph.D. (Nutritional Sciences), University of Wisconsin-Madison, 1987

POSITIONS

President and Founder, Freshwater Farms of Ohio, Inc. (1983-present), an integrated fish hatchery, fish farm, processing plant, and wholesale/retail market operation
Research Director (1986-present), WaterSmith Systems, a division of Freshwater Farms of Ohio, Inc. (providing consultations, public seminars, pond management clinics, and research and development of equipment and systems for the aquaculture industry)
Chairman (1989-1996), Industry Advisory Council, North Central Regional Aquaculture Center, U.S. Department of Agriculture, representative to Interregional Waste Management Initiative (1992)
Aquaculture Industry Representative (1989-1996), Board of Directors, North Central Regional Aquaculture Center
Ohio Aquaculture Task Force, Ohio State University, By-Law Committee (1989-1990)
President (1990-1997), Ohio Aquaculture Association, Ohio representative to North Central Regional Aquaculture Center (1988-present)
Aquaculture Legislative Task Force (1993-1995), Ohio Department of Agriculture
Liaison Committee (1992-present), Piketon Research & Extension Center, Ohio State University
Aquaculture Program Advisory Committee, Ohio State University (1997-present)
Aquatic Nuisance Species Advisory Committee (1997-present), Aquaculture Representative, Division of Wildlife, Ohio Department of Natural Resources

Committee on APPROPRIATIONS
Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name: Dr. Dave Smith, President Freshwater Farms of Ohio, Inc.		
1. Are you testifying on behalf of a Federal, State, or Local Government entity?	Yes	(No)
2. Are you testifying on behalf of an entity other than a Government entity?	(Yes)	No
3. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1999: USDA #98-38500-5863		
4. Other than yourself, please list what entity or entities you are representing:		
5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your representational capacity with the entities disclosed in question number 4: President and Founder Freshwater Farms of Ohio, Inc.		
6. If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships whom you are not representing?	Yes	(No)
7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) which were received by the entities listed under question 4 since October 1, 1999, which exceed 10% of the entities revenue in the year received, including the source and amount of each grant or contracts to be listed: none.		

Signature: David Richard Smith Date: 5-27-2001

Testimony submitted to the

U.S. HOUSE APPROPRIATIONS SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

written statement by

CURTIS HARRISON, OWNER/OPERATOR
HARRISION FISH FARM
HURDLAND, MISSOURI

2001

Thank you for the opportunity to give testimony on behalf of the aquaculture industry. I would like to introduce myself and then ask for assistance with a problem.

I am Curtis Harrison, owner of Harrison Fish Farm, Hurdland, Missouri. I graduated from the Unviersity of Missouri-Columbia with a degree in Agricultural Engineering. The youngest of three boys, I had not planned on returning to our family farm. That changed when my eldest brother became a state trooper and my other brother took a U.S. Postal Service job. We farm 500 acres in northeast Missouri. Corn and soybeans are our primary row crops. Cattle and, until recently, hogs, made up our livestock. The past three years have seen the elimination of our hog operation. Aquaculture is truly the shining star of the future.

Being from the heart of the Midwest, I see first-hand what has become of the American farmer's dream. I do not see a bright future for the American people if their farmers cannot make enough money to meet production costs, let alone, raise a family. What are we going to do when these farmers are gone? Some of which are fourth and fifth generation family operations.

This is a period of crisis for the family farmer here in the United States. We have seen history made with the lowest hog prices ever recorded. Unfortunately, depressed grain prices spell disaster for many young farmers. In our region, our average farmer is in his mid-fifties. No one will be left in less than 15 years.

I ask your assistance in this matter. I'm currently serving on the Board of Directors for the North Central Regional Aquaculture Center (NCRAC), as the chairperson of the Industry Advisory Council. NCRAC serves twelve states. From every state, the cry is the same, "Where is the leadership when we need it the most?" Aquaculture is the fastest growing segment of agriculture. Aquacultural imports far exceed our exports. We consume much more than the U.S. can produce itself in terms of fish. There is a reason for this. Other nations have realized the potential and acted. We need to wake up. Transfer of technology is crucial to success. Japan and the European community have capitalized on this issue and, as a result, have filled a demand that this country has insufficiently addressed.

Our Regional Aquaculture Centers (RACs) are the key instruments for this transfer of information in the United States. The leadership is in place and the facilities needed to make it happen are there.

It amazes me that the shining star of agriculture is continually being ignored or passed over. Being a fish farmer I get phone calls on a weekly basis to give lectures on aquaculture. Farmers continually inquire about ways to convert idle hog facilities. Farmers are desperate for a way to utilize their operations profitably.

Please fund the RACs at the full funding level of $7.5 million. I strongly feel that this may be the answer many of these farmers are desperately seeking for survival.

Ten years ago I was fortunate enough to stumble into this industry. Level funding of $4 million and increased costs have reduced the effectiveness of RAC research and development. Extension and university expenses are on the increase. Still our RACs are funded at "level funding." It is time to make this an issue. The full funding level of $7.5 million is needed. At the rate of decline the family farm is currently experiencing, America's breadbasket may soon crumble. Aquaculture is agriculture, this fledgling industry desperately needs your support. I am living proof that a young farmer can make a living by staying on the farm. What our country needs is a new, younger generation of farmers to continue on this proud and essential heritage. Conventional agricultural commodities are currently at or below production costs. Evidence in great quantity can be presented to support the validity of our request for increased funding. Please help us in our cause to advance aquaculture into the next century.

Thank you!

May God bless.

VITA
March 2001

Curtis Harrison, Owner/Operator
Harrision Fish Farm
Rt. 2, Box 61
Hurdland, MO 63547

Phone: XXXXXXXXXXX
Fax: XXXXXXX

EDUCATION

B.S. (Agricultural Engineering) University of Missouri-Columbia, 1987

PROFESSIONAL EXPERIENCE

Owner/Operator, Harrison Fish Farm, Hurdland, Missouri (1990-present)

PROFESSIONAL HONORS AND AFFILIATIONS

Chairperson, Industry Advisory Council, North Central Regional Aquaculture Center
Member, Board of Directors, Missouri Aquaculture Association

Committee on APPROPRIATIONS
Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name:		
1. Are you testifying on behalf of a Federal, State, or Local Government	Yes	(No)
2. Are you testifying on behalf of an entity other than a Government entity?	Yes	(No)
3. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1999: NONE		
4. Other than yourself, please list what entity or entities you are representing:		
5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your representational capacity with the entities disclosed in question number 4:		
6. If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships whom you are not representing?	Yes	No
7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) which were received by the entities listed under question 4 since October 1, 1999, which exceed 10% of the entities revenue in the year received, including the source and amount of each grant or contracts to be listed:		
Signature: Curtis D. Harrison Date: 3/26/01		

Testimony submitted to the

U.S. HOUSE APPROPRIATIONS SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

written statement by

MIKE BLIZEK, OWNER/OPERATOR
BLYZO FISH FARM
PROMISE CITY, IOWA

2001

Currently the world is in a crisis over the health of agriculture — mad cow disease, hoof and mouth disease, large hog farms, air and water quality. The general public is concerned about the quality of its food source and it should be. With the spread of disease and the failure of farms, many people are going to look for change. With this will be questions that will need answers. Many of these changes will be toward aquaculture. Again people with new challenges will have questions concerning this new field. What species can I raise? Will this be profitable for myself and family? How many years to grow this species? What chemicals to use and what is U.S.D.A. approved?

Future and existing aquaculturists need a place for answers — this brings us to the Regional Aquaculture Centers. To develop a multibillion dollar aquaculture segment, we will need help, research and answers. There are still many questions unanswered. We need to be one step ahead of the issues and two steps ahead toward the answers. The Regional Aquaculture Centers provide us with research to find the answers. Through university research and a hand-ons approach at the local fish farm we are working together.

This is why I ask for your support of full funding ($7.5 million) to the Regional Aquaculture Centers. I firmly believe that the future of aquaculture is in your hands.

VITA
March 2001

Mike Blizek, Owner/Operator
Blyzo Fish Farm
3328 Raccoon Road
Promise City, IA 52583

[redacted]: [redacted]
mblizek@iowatelecom.net

PROFESSIONAL EXPERIENCE

Owner/Operator, Blyzo Fish Farm, Promise City, Iowa (1990-present); raising fish for pond stocking

Participant in two different projects on the culture of walleye (1990-1995) and yellow perch (1993-1996)

PROFESSIONAL AFFILIATIONS

President, Iowa Aquaculture Association (2001-present)

Member, Board of Directors, Missouri Aquaculture Association (1997-present)

Committee on APPROPRIATIONS
Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name:		
1. Are you testifying on behalf of a Federal, State, or Local Government	Yes	No
2. Are you testifying on behalf of an entity other than a Government entity?	Yes	No
3. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1999:		
4. Other than yourself, please list what entity or entities you are representing:		
5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your representational capacity with the entities disclosed in question number 4:		
6. If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships whom you are not representing?	Yes	No
7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) which were received by the entities listed under question 4 since October 1, 1999, which exceed 10% of the entities revenue in the year received, including the source and amount of each grant or contracts to be listed:		

Signature: Michael K Blyzd Date: 3-26-01

Testimony Submitted to

U.S. House Subcommittee on
Agriculture, Rural Development,
Food and Drug Administration and Related Agencies
April 10, 2001
Concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

Written Statement by

Walter J. Canzonier
President
New Jersey Aquaculture Association
P. O. Box 662, Port Norris NJ 08349

Mr. Chairman and members of the Subcommittee: The New Jersey Aquaculture Association represents producers of a diversity of aquatic organisms, ranging from bivalve shellfish and finfish for food use, ornamental plants and fish for stocking aquaria and aquatic gardens, to bait organisms for sport and commercial fisheries. I have been personally involved in a wide variety of aquaculture initiatives for forty-three years in North America, Europe and the Middle East, in the capacity of researcher, technology transfer consultant, and as a small scale shellfish producer.

There is impelling evidence that yields of fish from the traditional wild fishery sector has reached a plateau, and in some categories has already registered a serious decline. Interestingly, the limited capacity for wild estuarine stocks to meet increasing demands for bivalve shellfish has long been recognized, and culture methods for molluscan species have been devised and utilized to sustain production levels of these aquatic organisms since Greco-Roman times. The vast biological potential inherent in stocks of oceanic species has, until recently, buffered the harvest pressures of many traditional fisheries. However, the production limits for many species now has been reached, in some cases exceeded, even in the extensive oceanic populations that heretofore have been considered inexhaustible. Clearly, even with increased landings as a result of improved harvest methods, better utilization of less desirable species, and greater emphasis on resource management, the wild stocks will not be able to meet the demands for fishery products exerted by a burgeoning world population. This deficit in production can best be met by resorting to aquaculture methods, following the strategy that was applied early in human history, when agriculture practices were developed to overcome the natural limits of wild terrestrial plant and animal stocks.

To meet this challenge, applied research must be fostered and technology developed and adapted to a variety of species and environments in order to effectively utilize the latent potential of aquaculture. History has demonstrated that most of the successful efforts to introduce and expand aquaculture in North America have been the initiative of rather small enterprises, often single individuals. These aquaculture enterprises have limited capacity - financial and technical - to address critical research and development exigencies. The concept of Regional Aquaculture Centers (RAC) was proposed to assist the aquaculture industry in meeting this costly component of development, and thereby expedite expansion of existing production systems as well as foster the commercialization of promising innovative approaches. As an industry member of the board of Directors of the Northeastern RAC, I have been in a position to observe

the effectiveness of the RAC approach in assisting the aquaculture producer community. I am convinced that the review, coordination and funding of research and development, as epitomized by the RAC approach, is the most cost-effective mechanism that could be applied to address the diverse development problems of the aquaculture community.

If aquaculture in the United States is to continue to evolve, and remain competitive with those countries that are currently devoting considerable financial support to the development and enhancement of their aquatic product industries, it is imperative that adequate funding be made available through Federal programs such as the RAC system. We, therefore, respectfully request that this Committee carefully consider the eventual benefits that will accrue from appropriate research and development efforts in the field of aquaculture, and recommend funding of the Regional Aquaculture Centers at the full level provided for in the Food Security Act of 1985.

Walter J. Canzonier
44 Cowart Avenue
Manasquan, NJ 08736 USA

Tel. XXXXXXXXXXX
XXXXXXXXXXX

EDUCATION
B.S., Biology, St. Peter's College, Jersey City, NJ, 1957
Graduate Study, Department of Zoology, Rutgers University, New Brunswick, NJ, 1957-1964

PROFESSIONAL EMPLOYMENT
Aquarius Associates, P.O. Box 662, Port Norris, NJ 08349 - Director Res./Devel., 1986-present.
Haskin Shellfish Research Laboratory (NJAES) - Industry Liaison/Visiting Scientist, 1988-present.
Department of Oyster Culture, Cook College, Rutgers University, NJ - Research Associate 1980-87.
UNESCO, Division of Marine Sciences, Paris - Consultant, Marine Laboratory Design, 1978-1986.
Coastal Resources Applied Research Laboratory, COSPAV, Chioggia (VE), Italia - Director, 1977-80.
Istituto di Biologia Marina/CNR, Venezia, Italia - Research Fellow, 1971-77.
Department of Oyster Culture, Rutgers University, NJ - Research Associate, 1968-71.
Department of Oyster Culture, Rutgers University, NJ - Research Assistant, 1960-67.
Department of Zoology, Rutgers University, NJ - Teaching Assistant, 1958-59.

PROFESSIONAL EXPERIENCE
Laboratory and field research in molluscan physiology and pathology; field studies of estuarine dynamics, with emphasis on pollution impacts and resource productivity; applied research related to shellfish sanitation, with special emphasis on uptake and recovery-attrition of microbial and chemical contaminants; management policy development for commercial utilisation of wild and cultured shellfish stocks; design and construction of marine research and bivalve culture and processing facilities; development and application of culture technology for the production of clams, mussels and oysters, and microalgae used as shellfish feeds. Technical consultant to public agencies in the USA, Canada, Italia and Ireland, on various issues related to shellfish sanitation, resource management and aquaculture development. Technical consultant to the seafood production and processing industry. Lecturer in aquaculture and marine science courses (Universita di Padova) and professional development courses for veterinarians (Universita di Milano; Cam. di Commer., Venezia).

APPOINTED AND ELECTED POSITIONS
National Shellfish Sanitation Programme: Technical Committees, 1964-70.
Interstate Shellfish Sanitation Conference: Technical Committees, 1981 - present
Ministero delta Sanita, Italia: Technical Committees, (shellfish sanitation) 1975 - 80.
Ministero della Marina Mercantile, Italia: Technical Committee (fisheries resources).
President, New Jersey Aquaculture Association, 1991- 2000.
Board of Directors, NE Regional Aquaculture Centre, Dartmouth MA, 1992-2000; Ex.. Comm.,1995-98.
Highlands Depuration Commission, New Jersey: technical advisor, 1991-94.
Maurice River Oyster Culture Foundation Inc., Port Norris, NJ: Secretary pro tem., 1992-present.
Member of New Jersey Aquaculture Development Task Force, 1993-94.
Member of New Jersey Oyster Revitalization Task Force, 1997-98.
Member of Oyster Industry Science Committee, Delaware Bay Shellfisheries Council, 1999 - present.
Member of Rutgers Aquaculture Technology Transfer Centre Industry Steering Board, 1998 - present.
Member of New Jersey Aquaculture Advisory Council, 2000-04.

CURRENT INTERESTS
Culture of bivalve molluscs (current NJ Lic. 0-034; two Delaware Bay oyster leases, 50 acres); bivalve deputation and on-shore wet storage; shellfish pathology; public health aspects of shellfish production,

processing and distribution. Personal commitment, as an industry advocate, to fostering the technology transfer needed to enhance seafood production, by perfecting the interface between the academic and technical services communities and the aquaculture and fisheries industries.

PUBLICATIONS

Author of more than fifty scientific, technical and popular publications on molluscan biology and culture, the marine environment and public health aspects of seafood production; list available on request.

Pev. 24/2/00

Pursuant to Clause 2(g)(4) of the rules of the House of Representatives, no Federal grant monies have been received by myself or any business entity represented by myself at this time, nor are any requests for such grants anticipated or awards pending. In the past, I have financially benefited by virtue of employment by entities (Rutgers University; NJ Department of Health; Maurice River Oyster Culture Foundation) which were recipients of Federal grants that supported research activities in which I participated.

Committee on Appropriations

Witness Disclosure Requirement – "Truth in Testimony"

Required by House Rule XI, Clause 2(g)

Your Name: Walter J. Canzoneri

1. Are you testifying on behalf of a Federal, State or Local Government entity?	Yes
2. Are you testifying on behalf of an entity other than a Government entity?	Yes X

3. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1,

None

4. Other than yourself, please list what entity or entities you are representing:

New Jersey Aquaculture Association

5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your repres capacity with the entities disclosed in question number 4:

President of NJAA, 1991 - 2002

6. If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships whom you are not representing?	Yes

7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) were received by the entities listed under question 4 since October 1, 1999, which exceed 10% of the entites revenue in t received, including the source and amount of each grant or contract to be listed:

Signature:_____ Date:_____

Testimony Before

THE HOUSE SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES
2001

Concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

Submitted by

Robert A. Robertson, Associate Professor
Department of Resource Economics and Development
University of New Hampshire
317 James Hall/56 College Road
Durham, NH 03824-3589

Mr. Chairman and members of the Subcommittee: I am Rob Robertson, Ph.D. of Durham, New Hampshire. I am an associate professor at the University of New Hampshire in the Department of Resource Economics and Development. I am a social scientist and I have been actively engaged in a comprehensive research program focused on the social and economic dimensions aquaculture and fishery management for the past eight years. I was recently appointed to serve as a member of the Technical/Industry Advisory Committee. I agreed to donate my time to the Northeastern Regional Aquaculture Center to help the Center review research proposals and manuscripts because I sincerely believe in the importance of bringing the industry together with the academic community. The Regional Aquaculture Centers have an excellent track record in supporting cooperative research projects. I have not personally received any grant support from a Regional Aquaculture Center—but I am very aware of the important role that the centers play.

I appreciate the opportunity to express my support for the USDA's Aquaculture Center. The Centers play an important role in the development of this industry. My research activities illustrate the importance of aquaculture to people of the northeastern U.S., around the country and world (i.e., over 80 percent of a random sample of residents of coastal New Hampshire consider aquaculture to be important to them personally and support aquaculture development). My research also serves to stress the importance of active research program that considers the social and human costs and benefits of the development of this important industry.

Please consider the funding of the Regional Aquaculture Centers as a top priority.

Abbreviated Resume of Principal Investigator

NAME: Robert Alex Robertson, Ph.D.
TITLE: Associate Professor

ADDRESS. 317 James Hall/Department of Resource Economics and Development
Phone: Office [redacted] FAX: [redacted] E-Mail: robertr@cisunix.unh.edu

EDUCATION: Diploma, 1974, Harlem High School, Loves Park, Illinois.
B A. 1981, Western Illinois University, Macomb, Illinois.
M.A.I.S. 1984, Oregon State University, Corvallis, Oregon.
Ph.D. 1990, University of Illinois at U/C, Urbana, Illinois.

EMPLOYMENT: Associate Professor of Applied Social Science with tenure (1997-present). Coordinator Tourism Planning and Development Program, Department of Resource Economics and Development. Prior to that Assistant Professor (1993-1997).

Assistant Professor, (1989-1993). Coordinator Recreation Resource Management Program and adjunct assistant Professor of Environmental Studies (tenure track) at Iowa State University.

Research Assistant, (1986-1989). Institute for Environmental Studies, University of Illinois at Urbana-Champaign.

Naturalist-Resource Specialist- (1984-1986) Forest Preserve District, Byron IL: second professional employee for a newly formed forest preserve district.

Interpretive Naturalist. Indiana Dunes National Lake Shore: (1981); aided in the development of a interpretive program for newly constructed West Beach Area, interpretive hikes, programs and visitor center duties.

Damage Control Technician (1975-1979). United State Coast Guard.

Selected Publications

2000 Robertson, R.A. and M. Butler. Teaching Human Dimensions of Wildlife in U.S. Universities. Accepted for publication in *Human Dimensions of Wildlife Management An International Journal Focusing on the Human Dimensions of Fish and Wildlife Management* (in press).

2000 Butler, M.J., L.V. Steele and R.A. Robertson. Adaptive Resource Management in the New England Groundfish Fishery Implications for Public Participation and Impact Assessment. Accepted for publication in *Society and Natural Resources: An International Journal* (in press).

1999 Robertson, R.A. and R.J. Burdge. "Size of Place of Residence and Encounters with the Adverse Consquences of and Support for Commercial/Industrial Development". In *Proceedings of the 1998 Northeastern Recreation Research Symposium*; 1998 April 5-7; Bolton Landing, NY. Hans g. Vogelsong (editor). Gen. Tech. Rep. NE-255. Radnor, PA: U.S. Department of Agriculture, Forest Service, Northeastern Forest Experiment Station. pp.81-85.

1998 Burdge, R.J. and R.A. Robertson. Social Impact Assessment and the Public Involvement Process, in R.J. Burdge ed., *A Conceptual Approach to Social Impact Assessment*. Middletown, WI: Social Ecology Press. pp. 177-187.

1997 Robertson, R.A. and R. Warnick. Recreation Activities in Rural America, in Gary Gorham ed., *Encyclopedia of Rural America*. Santa Barbra, CA: ABC-CLIO Press. pp. 593-596.

1997 Robertson, R.A. Lessons Learned from the Application of the Social Science Research Planning Process to NH Coastal Zone. *Proceedings of the 1996 Northeastern Recreation Research Symposium*, March 31-April 2, 1996, Bulton Landing, NY. (Ed.) W.F. Kuentzel. Gen. Tech. Rep. NE-232. Radnor, PA: U.S. Department of Agriculture, Forest Service, Northeaster Forest Experiment Station. pp. 238-243.

1997 Hanratty, E. and R.A. Robertson. Examination of the relationship between recreation use and perceptions of the impacts of non-point pollution: The case of the Oyster River Watershed. *Proceedings of the 1996 Northeastern Recreation Research Symposium*, March 31-April 2, 1996, Bulton Landing, NY. (Ed.) W.F. Kuentzel. Gen. Tech. Rep. NE-232. Radnor, PA: U.S. Department of Agriculture, Forest Service, Northeaster Forest Experiment Station. pp. 93-97.

1997 Robertson, R.A., Lindsay, B., D.M. Gardoqui. Scoping the Potential Social Impacts of Marine Finfish Aquaculture in Northern New England. In Open Ocean Aquaculture: Proceedings of an International Conference, May 8-10,

1996, Portland Maine, Marie Polk (ed). New Hampshire/Maine Sea Grant College Program Rpt.#UNHMP-CP-SG-96-9. pp.337-352.

1995 Robertson, R.A. and J.A. Regula. Recreational Displacement and Overall Satisfaction: A Study of Central Iowa's Licensed Boaters, in *Journal of Leisure Research*, Vol.26, No.1. pp. 89-97.

1995 Robertson, R.A. and J. Colletti. Off-site impacts of soil erosion on recreation: The Case of Red Rock Reservoir in Central Iowa. *Journal of Soil and Water Conservation*, Vol. 49, No. 6. 576-582.

1993 Robertson, R.A. and S.V. Simpson. Voluntary Compliance as a Scenic and Cultural Resource Protection Tool: A Critical Review of Wisconsin's Rustic Road Program. *Journal of Environmental Planning and Management*, Vol. 36, No. 3:365-376.

1989 Samdahl, D.M. and R.A. Robertson. Social Determinants of Environmental Concern: Specification and Test of the Model, in *Environment and Behavior*, Vol. 21:1. pp. 57-81.

PARTIAL LISTING OF FUNDED RESEARCH:

Outdoor Recreation User Study at Loch Raven, Prettyboy and Liberty Reservoirs $13,000. (Project is a part of the Greater Baltimore Ecosystem Study Project (which is a Long Term Ecological Research Site). by the USDA Forest Service and Maryland Department of Natural Resources.

Assessment of Coastal Residents Attitudes Towards Marine aquaculture and an Evaluation of the Effects of Using Two Communication Channels". $82, 950. 1998-2000. ME/NH Sea Grant College Program. (Principal Investigator).

Social Science Assessment of White Mountain National Forest for the WMNF Plan Revision. $23,890. USDA Forest Service-White Mountain National Forest. (Principal investigator) Completed late spring of 1999.

Open Ocean Aquaculture: Social Science Components. $88,000.1999-2001. US Department of Commerce/NH Sea Grant College Program. (Principal Investigator).

Outdoor Recreation in New Hampshire: Household Participation Survey. $10,000. (8/1/97-6/30/98) NH Office of State Planning and USDA Forest Service. (Principal Investigator). Project Terminates June 30, 1998.

Improvement of Rural and Agricultural Sample Survey Methods (W-183). $15,000. (7/1/98-6/30/01) USDA Agricultural Experiment Station. (Principal Investigator). Project began July 1, 1998.

Coastal Ecology in Croatia. Co-Investigator. National Science Foundation's Young Investigator Program. May 1. 1997 -- October 31, 1997. Travel to Croatia with a team of young scientists to develop a research plan.

Social Impact Assessment of Finfish Aquaculture in Northern New England $41,000. (7/1/95-6/30/98) US Department of Commerce. Sea Grant College Program.

Development of an Open Ocean Aquaculture Demonstration Project. $118,000. (6/30/98-7/1/00). US Department of Commerce. (Co-PI) Funded).

Study of Public Knowledge, Perceptions, Behaviors and Preferences for Specific Nonpoint Management Practices within the Oyster River Watershed. Principal Investigator. Funded by the NH Office of State Planning Coastal Program, November 1, 1995 to May 1, 1996 ($18,500).

Scenic Byways Tourism Development and the Route 1A/1B Scenic Byway Corridor: Characterizing Supply and Demand Issues. Principal Investigator. Rockingham Regional Planning Commission, New Hampshire Office of State Planning, and the Federal Highway Administration, May 28-October 30, 1996 ($10,000).

Public Access to Lakes and Great Ponds in New Hampshire: A Statewide Needs Assessment. Principal investigator. Funded by the New Hampshire Fish and Game Department, June 1, 1996-May 15, 1997 ($65,400. Total project).

PROFESSIONAL ORGANIZATIONS:

Rural Sociological Society; North American Lake Management Association; International Association for Impact Assessment, Member of Social Science Advisory Committee for the New England Fishery Management Council, New Hampshire Sea Grant Policy Advisory Committee.

Committee on Appropriations
Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name: Robert A. Robertson

1. Are you testifying on behalf of a Federal, State or Local Government entity? Yes No

2. Are you testifying on behalf of an entity other than a Government entity? Yes No

3. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1999: (see attached vita)

4. Other than yourself, please list what entity or entities you are representing: NRAC Volunteer

5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your representational capacity with the entities disclosed in question number 4: none

6. If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships whom you are not representing? Yes No

7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) which were received by the entities listed under question 4 since October 1, 1999, which exceed 10% of the entites revenue in the year received, including the source and amount of each grant or contract to be listed.

Signature:
Rob Robertson Date: March 22, 2001

Testimony Submitted to

U.S. House Subcommittee on
Agriculture, Rural Development,
Food and Drug Administration and Related Agencies
April 10, 2001
Concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

Written Statement by

National Aquaculture Association
111 W. Washington Street, Suite 1
Charles Town, WV 25414
Tel. 304/728-2167 Fax. 304/728-2196

Mr. Chairman and Members of the Subcommittee:

The National Aquaculture Association represents a diversity of aquatic animal producers and suppliers in the United States. We are writing to urge your support for funding of the US Department of Agriculture (USDA) Regional Aquaculture Center program.

Now, more than ever it is crucial to adequately fund these Regional Aquaculture Centers. Since their inception, they have steadfastly fought to guide research dollars in ways that help develop the still fledgling US aquaculture industry. As agricultural enterprises, aquaculture is continually confronted with environmental, food safety and technical challenges that limit development. At the same time, there is tremendous demand for seafood. The US seafood trade deficit is $8 billion per year. A good portion of that seafood deficit comes from aquacultured products produced in other countries; countries that do not have the same rigorous environmental or food safety expectations that we embrace in the US. The USDA Regional Aquaculture Centers provide research funds that ultimately foster more economical US aquaculture, new US aquaculture species and greater environmental sustainability. They help make us more competitive in a global economy.

The USDA Regional Aquaculture Centers have performed well in spite of continued under funding. We strongly support their full funding. We encourage you to also support full funding.

Testimony Submitted to

U.S. House Subcommittee on
Agriculture, Rural Development,
Food and Drug Administration and Related Industries

April 10, 2001

Concerning

SUPPORT FOR THE REGIONAL AQUACULTURE CENTERS

Prepared Statement By

Theodore J. Smith
Trinidad State Junior College, Valley Campus
8351 South River Road
Alamosa, *CO 81101*

Mr. Chairman and Members of the Subcommittee: My name is Theodore Smith. I am presently the Program Director and Assistant Professor for the Aquaculture Technician Program with Trinidad State Junior College located in south-central Colorado. Prior to this position, I spent 12 years in the Aquaculture Industry as a producer of both food and recreational finfish. Having grown up in Northern Illinois and Southern Wisconsin, I began to develop a great appreciation for our national fishery and aquatic resources at the early age of three while fishing with my grandfather on one of Wisconsin's many lakes. I have geared my life's ambitions in this area ever since. Through the practice of aquaculture I am assisting in feeding a growing world population and through aquaculture education I am attempting to instill the same fondness appreciation and awareness that I have for our aquatic resources in new generations of students.

During my 15 years in the Aquaculture Industry, I have witnessed an emerging, fledging industry become one of the fastest growing segments in American Agriculture today. It is my belief the united States is positioned to become a world leader in this fast growing global industry. But we cannot achieve this leadership role on hopes and prayers. We need the research, development and extension that the Regional Aquaculture Centers have been successful in coordinating through the years. Therefore I urge you to support the five Regional Aquaculture Centers at the fully authorized level of $7.5 million.

Clearly, there are many reasons and needs to support the RAC program at its fully funded original authorization. They include but are not limited to:

1. An increase in world population growth.
2. Further decline in wild fishery stocks.
3. Further decline in aquatic habitat and wetlands.
4. An increase in aquatic pollution.
5. An increase in potential aquatic pathogens.
6. An increase in diet-conscious consumers.
7. Feed conversions second to none.
8. Native, endangered and threatened species restoration..
9. The need to reduce national debt.
10. The need for rural development in economically depressed areas.

Since the highly successful RAC program contributes benefits that far exceed its budgetary investment, I encourage you to support the five Regional Aquaculture Centers at the fully authorized level of $7.5 million.

Thank you for the opportunity to provide testimony in support of this very important appropriation.

Theodore J. Smith
8351 South River Road
Alamosa, Colorado 81101
[redacted]

Occupational History

1996-Present	**Program Coordinator/Assistant Professor** of Aquaculture Technician Program Trinidad State Junior College, Valley Campus, Alamosa, Colorado
1992 -1995	**General Manager** Faucette & Smith Fish Company/Colorado Catch, Sanford, Colorado
1989 - 1992	**Manager of Fish Production/Chief Biologist** Aquafarm Associates of Colorado, Inc., Denver, Colorado
1985 - 1989	**Facility Manager/Fish Culturist** Aquatic Systems, Inc., (currently Kent Seafarms, Inc.), San Diego, California
1984 -1985	**Fish Culturist** Colorado Division of Wildlife, Rifle Falls Hatchery & Rearing Unit, Rifle, Colorado

Elected Positions and Committees

1999 - Present	CCCOES Agriculture Tech Prep Consortium, Member
1998 - Present	Industry Advisory Council for the Western Regional Aquaculture Center, Member
1998 - Present	Colorado Aquaculture Association, President
1996 - Present	TSJC Aquaculture Advisory Committee, Member
1995 - Present	Colorado Department of Agriculture State Aquaculture Advisory Board, Member
1992-1998	Colorado Aquaculture Association, Board of Directors
1992 - Present	San Luis Valley Aquaculture Committee, Member

Education

Sept. 1996	Colorado State Board for Community Colleges and Occupational Education Vocational Teaching Credential Specific program area in aquaculture
1980 - 1984	Colorado State University, Fort Collins, Colorado Bachelor of Science Degree Major in Fishery Biology with concentration in aquaculture

Federal Funding Received

1999 to Present	**USDA Hispanic Serving Institutions Educational Grant** **Grant No. 99-38422-8031 Amount $148,229.00**
1997 to 1999	**USDA Hispanic Serving Institutions Educational Grant** **Grant No. Amount $89,995.00**
1985 to 1989	**While an employee of Aquatic Systems, Inc., (currently Kent Seafarms, Inc.), San Diego, California, our company received several grants for the research and development of Industry needs. For information concerning those grants please see Mr. James Carlberg's written testimony regarding present RAC Program funding.**

Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name: Theodore James Smith		
1. Are you testifying on behalf of a Federal, State, or Local Government entity?	(Yes)	No
2. Are you testifying on behalf of an entity other than a Government entity?	Yes	(No)

3. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1999:

Grant No. 99-38422-8031
USDA Hispanic-Serving Institutions EducationalGrant

4. Other than yourself, please list what entity or entities you are representing:

Western Regional Aquaculture Center

5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your representational capacity with the entities disclosed in question number 4:

6. If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships whom you are not representing?	Yes	No

7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) which were received by the entities listed under question 4 since October 1, 1999, which exceed 10% of the entities' revenue in the year received, including the source and amount of each grant or contract to be listed:

Signature [signature] Date March 28, 2001

AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM

STATEMENT OF AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM PRESENTED TO THE U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES

April 10, 2001

Mr. Chairman and Members of the Subcommittee, on behalf of the American Indian Higher Education Consortium (AIHEC) and the 30 Tribal Colleges that comprise the 1994 Land grant Institutions, we thank you for this opportunity to share our funding requests for Fiscal Year 2002 (FY02).

This statement covers two areas: a) it provides a brief background on the Tribal Colleges, and b) it outlines the 1994 Tribal College Land Grant Institutions' ambitious plan through our authorized land grant programs and the RCAP program to fulfill the agricultural potential of American Indian communities and to ensure that American Indians have the skills needed to maximize the economic development potential of our resources. Before providing this information, immediately following is a summary of our Fiscal Year 2002 (FY02) requests.

Summary of Requests

We respectfully recommend the following funding levels for FY02 for our on-going land grant programs. Specifically, we request: $5 million for the 1994 institutions' extension grants program; $12 million for the Native American endowment fund; $3 million for the higher education equity grants; and $3 million for the 1994 institutions' research program.

In addition, we request $5 million be set aside out of the Native American - Rural Community Advancement Program, for the 1994 Tribal College Land Grant Institutions to address the critical facilities and infrastructure needs at the colleges that impede our ability to participate fully as land grant partners.

I. Background on Tribal Colleges

Today, almost 140 years after enactment of the first land grant legislation, Tribal Colleges, more than any other institutions, truly exemplify the original intent of the land grant legislation. The first Morrill Act was enacted in 1862 specifically to bring education to the people and to serve their fundamental needs. The Tribal Colleges fit this definition well, as they are community-based institutions.

The Tribal College Movement was launched in 1968 with the establishment of Navajo Community College, now Diné College, in Tsaile, Arizona. A succession of Tribal Colleges soon followed, primarily in the Northern Plains region. In 1972, the first six tribally controlled colleges established the American Indian Higher Education Consortium to provide a support network for member institutions. Today, AIHEC represents 32 Tribal Colleges and Universities located in 12

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states, begun specifically to serve the higher education needs of American Indian students. Collectively, they serve American Indian students from over 250 federally recognized tribes.

Tribal Colleges offer primarily two-year degrees, although in recent years some institutions have begun to offer baccalaureate and graduate-level degrees. The vast majority of the Tribal Colleges are fully accredited by independent, regional accreditation agencies.[1] Tribal Colleges serve as community centers, providing libraries, tribal archives, career centers, economic development and business centers, public meeting places, and child care centers. Despite our many obligations, functions, and notable achievements, Tribal Colleges remain the most poorly funded institutions of higher education in this country. Most of the 1994 Institutions are located on federal trust territory; states have no obligation and in most cases, do not fund the Tribal Colleges. In fact, most states do not even fund our institutions for the non-Indian state resident students who attend our colleges despite the fact that non-Indian enrollment at the Tribal Colleges averages 20 percent.

Today, one in five American Indians live on reservations. As a result of two hundred years of Federal Indian policy—including policies of termination, assimilation and relocation—many reservation residents live in abject poverty comparable to poverty found in Third World nations. Through the efforts of Tribal Colleges, American Indian communities receiving services they need to reestablish themselves as responsible, productive, and self-reliant citizens. It would be tragic not to expand the modest investment in, and capitalize on, the human resources that will help open new avenues of economic development, specifically through enhancing the Tribal Colleges land grant programs, and adequate access to information technology.

II. 1994 Land grant Programs—Ambitious Efforts to Reach Economic Development Potential

Tragically, due to lack of expertise and training, millions of acres on our reservations lie fallow, under-used, or have been developed through methods that render the resources non-renewable. The Equity in Educational Land Grant Status Act of 1994 is our hope for turning this situation around. Our current land grant programs are modest, yet vitally important to us. It is essential that American Indians learn more about new and evolving technologies for managing our lands. We are committed to becoming, as we were when your forefathers came to this land centuries ago, productive contributors to the agricultural base of the nation and the world.

a) Extension Program: As 1994 Land Grant Institutions enter into partnerships with 1862 Institutions through extension projects, recent years show impressive efforts to address economic development through land use. Our extension program illustrates an ideal combination of federal resources and Tribal college-state institution expertise, with the overall impact being far greater than the sum of its parts. These programs have grown substantially in idea and scope since they were initially implemented in FY96. The current single year competitive grants for what have

[1] The Tribal Colleges and Universities are accredited by regional accreditation agencies and must undergo stringent performance review on a periodic basis. The higher education division of the respective regional accreditation agency accredits twenty-seven of the TCUs. Two new TCUs are at the Pre-candidate stage as they complete work to attain Candidate status; one TCU is at Candidate status. Two TCUs are accredited as "Vocational/Adult Schools by the "schools" division of the respective regional accreditation agency.

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developed into flourishing multiyear projects is no longer an effective or efficient way to administer these vital programs. A mechanism for multiyear funding needs to be explored to give these programs financial stability. Some examples of the innovative programs that are funded through annual competitively awarded grants include:

- United Tribes Technical College and North Dakota State University Extension Service are collaborating to provide diabetes prevention education to Native Americans through nutrition education. Diabetes and its complications have spread epidemically throughout Indian Country. Through nutrition, health, and wellness education programs, which are culturally appropriate and community supported, program participants will have a greater understanding of their role in how to control and even prevent this disease.

- Northwest Indian College in conjunction with Washington State University has launched a tribal grants program aimed at increasing the capacity to address issues such as natural resources restoration and utilization, tribal agricultural projects, air and water quality, food and nutrition, and projects focused on gaining tribal youth participation. The program works with individuals and leaders of Washington and Idaho tribes and will serve the American Indian families, tribal economics, and whole communities. It will also expand to develop ties with the University of Idaho, University of Alaska, and the Oregon State University extension programs.

In FY01, the 1994 institutions were awarded $3,280,000 for extension grants. Additional funding is needed to supplement these programs designed to address the inadequate extension services provided on reservations by the states. It is important to note that this program is specifically designed to complement and build upon the Indian Reservation Extension Agent program and is not duplicative of ongoing extension activities.

For the reasons outlined above, ***we request Congress support this vital program by appropriating funding at the authorized level of $5 million and include report language that would open the door to multiyear funding to encourage the growth and further success of these essential programs.***

b) Native American Endowment Fund: The endowment installments paid into the 1994 Tribal College Land Grants Institutions account remain with the U.S. Treasury only the interest is distributed to our colleges. It is important to note that these funds are not scored as current budget outlay or authority. The latest annual interest payment distributed among all 30 of the 1994 Land Grant Institutions totaled $1,141,821.

Just as other land grant institutions historically received large grants of land or endowments in lieu of land, this sum assists 1994 Land Grant Institutions in establishing and strengthening our academic programs in such areas as curricula development, faculty preparation, instruction delivery, and to address critical infrastructure issues. As earlier stated, Tribal Colleges often serve as primary community centers. Although conditions at some have improved substantially, many of the colleges still operate under deplorable conditions. In order for the 1994 Institutions to become full partners in this nation's great land grant system, we need and deserve the facilities and infrastructure necessary to engage in education and research programs vital to the future

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health and well-being of our reservation communities. ***We respectfully request Congress build upon this much-needed base fund by increasing the FY02 endowment fund payment to $12 million.***

c) 1994 Institutions' Educational Equity Grant Program: Closely linked with the endowment fund, this program has provided almost $52,000 per 1994 Institution to assist in academic programs. Through the modest appropriations made available since FY96, the Tribal Colleges have been able to begin to support vital courses and planning activities specifically targeted to meet the unique needs of our respective reservations. Some examples include:

- Sisseton Wahpeton Community College in Sisseton, South Dakota, has leveraged the equity grant funds with funding from the 1994 Institutions' endowment program to remodel the college kitchen for the development of a food service operation/food safety laboratory and curriculum. The goal of the program is to prepare students to run a modern food service operation including receiving, storing, preparing, cooking, holding, and serving foods. Attention to food safety, including prevention of food borne illness, is a top priority of the program. This project is designed to work in cooperation with the Sisseton Wahpeton Sioux Tribe Indian Health Hospital.

- Fort Peck Community College in Poplar, Montana, is building on its delivery system for instructional programs in food and agricultural sciences designed to meet the technological and social demands of modern living in rural Montana. Through collaboration with current USDA programs and agencies, Fort Peck Community College is focusing on the production, marketing, and distribution of locally produced agricultural commodities; enhanced rural development using distance education technology; and family and consumer sciences through Native customs, values, and traditions.

Other Tribal Colleges have started courses and programs in natural resource management, environmental sciences, horticulture, forestry, nutrition, and buffalo production and management. ***We respectfully request the Subcommittee expand this program by increasing the funding to $3 million, to allow the colleges to build upon the courses and activities that the initial funding launched.***

1994 Research Program: We are requesting increased funding for our research program, which was authorized in the Agriculture Research, Extension, and Education Reform Act of 1998, at "such sums as necessary." We recognize the budget constraints that Congress is working under. However, we feel the current $1 million is simply not adequate, with 30 institutions competing for these research dollars. This research program is vital to ensuring that Tribal Colleges finally become full partners in the nation's land grant system. Many of our institutions are currently conducting agriculture based applied research, yet finding the resources to conduct this research to meet their communities' needs is a constant challenge. This research authority opens the door to new funding opportunities to maintain and expand the research projects begun at the 1994 Institutions. The following is a prime example of the first projects to be funded under this new program.

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- Turtle Mountain Community College in Belcourt, ND, in partnership with North Dakota State University, has launched a project to assess the risk of mosquito-borne Western equine encephalomyelitis (WEE) infection to horses and humans on the Turtle Mountain Chippewa Reservation (TMCR). Through collection and examination of both adult and larvae vector mosquitoes from throughout the reservation, this research will determine the spatial distribution and the proportion of WEE vector species on the TMCR that is infected with the virus. The results will be published in the Journal of Medical Entomology.

Other projects include soil and water quality projects, amphibian propagation, pesticide and wildlife research, range cattle species enhancement, and native plant preservation for medicinal and economic purposes. ***We urge the subcommittee to fund this program at $3 million to enable our institutions to develop and strengthen their research potential.***

d) Rural Community Advancement Program (RCAP): In FY01, $24 million of the RCAP funds were appropriated for loans and grants to benefit Federally recognized Native American Tribes. Report language declared that the conference committee expected $4 million be made available for community facility grants for Tribal College improvements. As stated earlier, the facilities at many the 1994 Land Grant Institutions are in desperate need of repair and in many cases replacement. ***We urge the Subcommittee to designate $5 million of the Native American RCAP funds to address the critical need for improving the facilities at the 30 Tribal College Land Grant Institutions. Additionally, we respectfully request report language directing the Department of Agriculture to set aside $5 million of this RCAP program funds for each of the next five fiscal years to allow our institutions the means to solidly address our facilities needs.***

III. Conclusion

The 1994 Land Grant Institutions have proven to be efficient and effective tools for bringing education opportunities to American Indians and hope for self-sufficiency to some of this nation's poorest regions. The modest federal investment in the Tribal Colleges has already paid great dividends in terms of employment, education, and economic development, and continuation of this investment makes sound moral and fiscal sense. American Indian reservation communities are second to none in their need for land grant programs and no institutions better exemplify the original intent of the land grant concept than the Tribal College Land Grant Institutions.

We appreciate your long-standing support of the Tribal Colleges and Universities and are grateful for your commitment to making our communities self-sufficient. We look forward to continuing our partnership with you, the U.S. Department of Agriculture, and the other members of the nation's land grant system—a partnership that will bring equal educational, agricultural, and economic opportunities to Indian Country.

Thank you for this opportunity to present our funding requests before this Subcommittee. We respectfully request your continued support and full consideration of our Fiscal Year 2002 appropriations requests.

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STATEMENT OF DR. PHILIP HINTON, CHIEF EXECUTIVE OFFICER OF COMMUNITY MEDICAL CENTERS FRESNO, CALIFORNIA

SUBMITTED TO THE

APPROPRIATIONS SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES

UNITED STATES HOUSE OF REPRESENTATIVES

APRIL 6, 2001

Mr. Chairman and Members of the Subcommittee:

My name is Dr. Philip Hinton and I am the Chief Executive Officer of Community Medical Centers in Fresno, California. Community Medical Centers is a not-for-profit, locally owned healthcare corporation that is committed to improving the health of the community. I am pleased to provide the subcommittee with a request for assistance in securing federal monies for a critical project in the Central San Joaquin Valley that would improve healthcare delivery to the growing Hispanic and minority populations by creating a network of clinics accessible to the rural areas. These populations in the five county area of Fresno, Madera, Tulare, Kings and Mariposa face some of the most devastating and worst health outcomes in the state of California and in the nation:

- the third highest asthma mortality rate in the nation;
- the highest rates of teen pregnancy in the state;
- the highest incidence of diabetes among the Hispanic population
- late or no prenatal care for pregnant women
- greater likelihood for newborns to be of low birth weight than the rest of the state
- some of the lowest immunization rates in the nation (62% at age 2 versus 79% nationally)
- the highest rates of syphilis in the state.

These health outcomes are not acceptable and yet they exist because of the following reasons:

- **Limited access to care**
  - Low ratio of primary care providers to population. Fresno County has 178 physicians/100,000 population vs. 235/100,000 in the state.
- Virtually no specialist care located in rural areas
  - Isolation of rural communities from urban areas and poor public transportation.
- **Financial constraints**
  - Many people are without health insurance
  - Accessing healthcare in the urban areas results in a day's lost wages
  - Lack of childcare providers means that patients must bring their entire family with them when they visit the clinic.
- **Educational issues concerning health**
  - Lack of understanding of preventive care
  - Cultural barriers to addressing health issues before they become acute crisis
- **Language barriers**
  - Over 100 languages are spoken in the area

Coupled with high unemployment rates that are twice the state and three times the national average, and adults and children living below the poverty line hovering at 25% and 32% respectively, the statistics and indicators point to the need for aggressive action to address the tremendous health care needs of the population in this five county area.

Community Medical Centers proposes to address this health situation with a pilot project to improve the health of farm workers and residents of the rural communities who make up 41% of the population of the region.

Community Medical Centers has proposed developing a collaborative network that will include local healthcare providers, Federally Qualified Health Centers, county health and human services agencies, local hospitals, dentists, schools, churches and local communities. The network will work to aggressively deliver both preventive and primary health care to the people of the five county region. The new Regional Health Center on the campus of the Regional Medical Center in downtown Fresno will be the center for coordinating these activities. The new Regional Health Center is just one component of a more comprehensive, $210 million medical complex that will also include a new facility to house Level I burn and trauma services, emergency services, in-patient surgery, cardiac services and intensive care beds as well as a University of California San Francisco (UCSF) Medical Education and Research Center to house the teaching program. The Regional Health Center will deliver primary and specialty care, offer easy access to higher level care in an inpatient and outpatient setting, and access the faculty and residents of the UCSF-Fresno Medical Education Program.

This $35 million project will:

- **Improve access to the rural areas** by partnering with existing centers and local healthcare providers to provide access for all patients and utilize and coordinate mobile health care units to go into the areas that are under-served. In addition, provide trained bilingual personnel to qualify people for health care programs and educate them about preventive care.
- **Focus on preventive care and high prevalence diseases** by offering asthma education and management programs; early diagnosis, dietary and medical management of diabetes; teen pregnancy prevention programs; prenatal care; screenings for cancer, diabetes and high blood pressure; and dental and mental health services.
- **Result in a healthier community** by providing primary care to a significant portion of the population and reducing their dependency on hospital emergency rooms for these services; improve people's quality of life and health thereby reducing hospital admissions for asthma, diabetes, hypertension and complications associated with these diseases; reduce the number of premature births.
- **Realize significant savings in medical costs** by focusing on the health needs of the population and emphasizing prevention and disease management as opposed to depending on hospitalization for primary care. We predict a 20% decrease in emergency room visits and hospitalization that would result in a significant savings of $18 million per year.

The human statistics point to the need to address this situation now before it progresses to a crisis. Community Medical Centers is working with the County of Fresno to contribute $17.5 million of state and local monies toward this pilot project. These monies, coupled with an additional $17.5 million from the federal government, would provide key funding support and ensure completion of this critical health care initiative facing our community.

We have identified the **USDA Rural Community Facilities Loans and Grants program funded by the appropriation bill for Agriculture, Rural Development and Related Agencies** as a source of funds. Because our pilot program would serve a vastly under-served rural population with significant health care needs in a five county area, we request your assistance in including a $17.5 million "soft" earmark of these funds to establish a comprehensive primary care and disease prevention program for the residents of these areas. Language in the bill's accompanying report acknowledging the Committee's understanding of our need may prompt the USDA's reviewing authorities to look more favorably on our application for program funding, an application process that we are committed to undertake.

Enclosed is a recent article in the Fresno Bee that highlights the crisis in healthcare that we are facing in the area. The emergency departments in area hospitals are overcrowded and inundated by people who could best be served in a primary care setting that we are proposing. Unless, this critical situation is addressed soon, the conditions will only worsen.

We appreciate your attention to this matter and we hope that you will favorably consider our request to improve healthcare delivery in the Central San Joaquin Valley in California.



Coachella Valley
Water District



Imperial
Irrigation District



The Metropolitan Water
District of Southern
California



San Diego County
Water Authority

April 5, 2001

The Honorable Henry Bonilla
Chairman, Agriculture Subcommittee
United States House of Representatives
2362 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Bonilla:

Fiscal Year 2002 Funding Request for Habitat Conservation and Enhancement

This is a Fiscal Year 2002 budget request to provide $2 million from the Department of Agriculture's wildlife habitat program for habitat conservation and enhancement in and around the Salton Sea area related to agricultural activities in Riverside and Imperial Counties in California. The requested funds would be used to conserve and enhance habitat that could be affected by agricultural water use efficiency improvements needed in order to provide water to meet urban water needs in southern California, and do so without adversely impacting the region's farm economy. More effective water use is a critical part of California's Colorado River Water Use Plan.

California's Colorado River Water Use Plan is a major undertaking by the State and its agencies that will enable California to reduce its reliance on Colorado River water by up to 800,000 acre-feet per year. In the past, California has taken up to 5.2 million acre-feet per year from the river; but due to increased use by other states, California must now find the means to live within its normal year apportionment of 4.4 million acre-feet. Key components of California's Colorado River Water Use Plan include core voluntary cooperative water conservation/transfers from agricultural use to urban use which are needed to meet California's water needs and maintain its urban and agricultural economies. At the same time, we must conserve and enhance critical wildlife habitats that could be affected by water conservation. California and its Colorado River water users will be making expenditures in the billions of dollars to implement California's Colorado River Water Use Plan.

The requested funds would be used to create lower salinity habitat in the Salton Sea deltas and surrounding areas, provide for wetland/upland restoration projects, and enhance piscivorous bird habitat. The local program implementing agency would be the Imperial Irrigation District.

Our collective agencies thank you for your consideration of this important funding request, and respectively request that the funding be part of the Department of Agriculture's Fiscal Year 2002 budget.

Very truly yours,

Ronald R. Gastelum
General Manager
The Metropolitan Water District
of Southern California

Tom Levy
General Manager-Chief Engineer
Coachella Valley Water District

Jesse P. Silva
General Manager
Imperial Irrigation District

Maureen A. Stapleton
General Manager
San Diego County Water Authority

Written Testimony of Samuel N. Penney, Chairman of the Nez Perce Tribal Executive Committee for House Subcommittee on Agriculture, Rural Development, FDA and Related Agencies FY 2002

The Nez Perce Tribe requests the following funding amounts for FY 2002, which are specific to the Nez Perce Tribe:

- **$ 221,575** through the United States Department of Agriculture, Animal and Plant Health Inspection Service for the biological control of noxious weeds for implementation and monitoring.

The Tribe urges support for the full and adequate funding of Tribal programs through the Department of the Interior FY 2002 budget, with the specific request discussed below.

Nez Perce Biological Control Center Funding: USDA, $221,575

The Nez Perce Tribe established the Bio-Control Center in 1999 thanks to grant funds from the USDA-Business Cooperative Services program. Since its inception, the Center has developed partnerships and networks to coordinate the biological control of weeds through the State of Idaho and worked collaboratively with the USDA to develop and implement monitoring protocols. The Center has been instrumental in providing biological control agent releases and monitoring under contractual agreements with private landowners and Agencies throughout the region.

The biological control of weeds uses the weeds' natural enemies to reduce the weeds' ability to compete with the desired vegetation. Biological control techniques have been used in the West since 1940 to reduce weed density on range and wildlands where cultural and chemical control methods are not economically feasible or practical. This allocation would enable the Tribe to rear and provide biological control organisms to private and public entities at no cost, to monitor the impacts, develop technology transfer materials, and host seminars for all interested parties.

For FY 2002, the Nez Perce Tribe requests that Congress earmark $221,575 from the USDA Animal Plant Health Inspection Service to establish nurseries to increase biological control availability, distribute biological control organisms throughout weed infestation areas, monitor the impacts, and provide annual technology transfer seminars to Cooperative Weed Management Area partners. This program will be developed in coordination with USDA, local universities, and regional experts.

BIOGRAPHY

Samuel N. Penney

Samuel N. Penney is Chairman of the Nez Perce Tribal Executive Committee, the governing body of the Nez Perce Tribe. In that capacity, Penney is the Chief Executive Officer of the Executive Committee which is comprised of nine members of the Nez Perce Tribe who are elected at large by tribal voters. Penney was first elected to the Executive Committee in 1989 and in May of 1998 was re-elected to his fourth consecutive three year term.

Officers of the Executive Committee are elected by the Committee members each year. Penney has served eight terms as Chairman of the governing body and three years as Vice-Chairman. He has also served as Chairman of the Law and Order/Intergovernmental subcommittee and has held numerous subcommittee assignments during his years on the Executive Committee.

Penney has also served as an Advisory Board member on the Federal Advisory Committee Act (FACA) for hydroelectric relicensing and presently serves on the tribal advisory board for the Institute for Tribal Government, Hatfield School of Government, Portland State University.

Penney is 46 years old and a life long resident of Kamiah, Idaho, where he resides with his wife, Loretta, and their three children.

Statement of the
American Society of Plant Physiologists
Before the
Subcommittee on Agriculture, Rural Development,
Food and Drug Administration,
And Related Agencies
Committee on Appropriations
U.S. House of Representatives

Submitted April 9, 2001

Relating to the

Fiscal Year 2002 Appropriations for
Research Supported by the U.S. Department of Agriculture

Mr. Chairman, the American Society of Plant Physiologists representing 6,000 plant scientists, appreciates this opportunity to submit comments to the Subcommittee for its consideration of Fiscal Year 2002 appropriations for research sponsored by the Department of Agriculture.

Support by the Subcommittee for the National Research Initiative Competitive Grants Program (NRI) provides the agricultural research community and America's farmers with a highly acclaimed program that determines awards through a rigorous peer review process.

The National Research Council Board on Agriculture and Natural Resources committee report on the NRI last year strongly endorsed support for this competitive grants program. The NRC committee "found the NRI to have financed high-quality scientific work within congressional guidelines....The committee reiterates the extraordinary importance of public merit-based peer-reviewed research in food, fiber and natural resources. In the committee's opinion, past public research and current private activities cannot meet the needs that are being created by population growth, climate change and natural resource deterioration or the challenges related to food safety and nutrition and to the growing convergence of foods and medical research."

The NRC committee recommended that a major emphasis of the NRI continue to be the support of high-risk research with potential long-term payoffs. Much of this research would be classified as fundamental in the traditional use of this term.

A major conclusion of the NRC committee was that, "Without a dramatically enhanced commitment to merit-based peer-reviewed, food, fiber and natural resources research, the nation places itself at risk."

In addition to the direct benefits to farmers and consumers that result from the leading research discoveries sponsored by the NRI, increased support for the program would help maintain the strength and vigor of the nation's agricultural research community. We urge the Subcommittee to increase support for the NRI, including NRI-sponsored plant research to help meet the important long-term research needs of America's farmers.

The Initiative for Future Agriculture and Food Systems (IFAFS) has provided grants at levels that enable scientists of different institutions and disciplines to work together in addressing important research questions. ASPP urges the Subcommittee to continue support for IFAFS in the Fiscal Year 2002 appropriation at the level authorized by statute.

The Agricultural Research Service (ARS) continues to address effectively many important research questions for American agriculture. American farmers and consumers are well-served by the large number of successful research efforts of ARS scientists. Continued support for a balanced research portfolio in the Department including intramural and extramural research is needed to address the many and sometimes devastating problems farmers face in growing crops.

ASPP supports the request of the National Coalition for Food and Agricultural Research (National C-FAR) to double support for agricultural research over five years – a rate of increase averaging more than 14 percent a year. We encourage the Subcommittee to increase support for all agricultural research programs supported by the Department of Agriculture by more than 14 percent this year.

What could be done with this requested increase in funding? In the plant science area alone, we know that extraordinary advances can be achievable with sufficient support and time. Increased funding can be expected to accelerate the time in which advances could be made.

The age of genomics and biotechnology has brought revolutionary new tools to plant scientists to better serve the needs of agriculture. Following this paragraph is a look back to what has happened in agriculture in the past century to offer some guideposts for a look ahead to the new century before us. The look ahead includes projections of what may be expected to be achieved earlier or later in this new century depending upon levels of support for research. We appreciate the assistance of ASPP Education Foundation Chairman Bob Goldberg, Professor at the University of California, Los Angeles, and founding editor-in-chief of the widely cited science journal, *THE PLANT CELL*, for his contributions to this following look back and ahead for plant science and agriculture.

Starting with the year 1900, we find that Mendel's laws of genetics were not widely understood. The tools and knowledge base of those studying plants at the time are now seen as quite primitive. The study of Botany focused more on the classification of species of plants. The study of plant physiology within Botany to learn more of the structure and functions of plants would not emerge as a strong separate discipline until the end of the first quarter of the century.

Despite the modest state of plant science and agriculture in 1900, the ensuing 100 years reaped increases in crop yields in the range of 300 percent. In addition, the number of Americans needed to work on farms to produce food for the rest of us dwindled from one in two people to nearly one in 100.

Along the way, developments in the area of plant breeding, genetic engineering, genomics, irrigation, use of fertilizers, computers, and other advances helped transform plant science, American agriculture and the nation itself.

For the 21st Century, plant scientists predict even more impressive gains – gains for which there are a definite need. In the next 50 years , we will have to produce more food than

has ever been produced in the collective history of people on earth. On a world scale, agriculture on a per capita basis is on a decline as we begin the 21st Century. Today we have hunger even in parts of prosperous nations like the U.S.

At the same time, the world is near the limits of available land and other resources for agriculture. More environmentally benign agricultural practices and more productive plants will be needed. In addition to demands on cropland for food, there will be increased demands on farmers to grow energy feedstocks. Some plant scientists predict that plants will rival petroleum for the production of industrial chemical products such as polymers, polyurethane, nylon and other materials. New high value energy crops will provide new profitable markets for American farmers who will become less dependent on government subsidies.

Major crops will be genetically modified to fix nitrogen as is now found in legumes, leading to less use of applied fertilizers and to a cleaner environment. Dead zones in the Gulf of Mexico and other cases of contaminated waterways reportedly linked to agricultural runoff would be addressed through use of engineered crop plants that can fix nitrogen.

The lines between agricultural research and medical research will blur as advances in plant science will address nutritionally related human health diseases on a mass public health scale. Calcium deficiency is common in the diets of American adolescents, particularly girls, leaving many with less dense bones more susceptible to fracture and osteoporosis later in life. Foods commonly eaten by children will be engineered by plant scientists to contain higher levels of calcium. A number of common mineral and vitamin deficiencies in diets causing various maladies for people here and abroad will be addressed by enhanced foods engineered by plant scientists. Anemia, the most widespread ailment related to nutritional deficiency in the developing world, will be addressed by a new "Golden Rice" with higher levels of usable iron. This rice will also contain higher levels of *beta carotene*, which converts to Vitamin A after human consumption. This enhanced rice could prevent 500,000 cases of child blindness annually.

Millions of Americans and many more people overseas have allergies to proteins in widely consumed existing foods such as wheat and milk. We have already seen success in laboratory experiments supported by the NRI that are eliminating allergens in wheat and milk. Researchers have identified a number of other foods that could be made safer for consumption through this research using biotechnology. Millions of cases of allergic reactions to foods will be averted through these genetically enhanced foods. High value, allergen-free wheat and other commodity products will be grown by American farmers who will find new premium markets for their products.

Plants have long been a major source of pharmaceutical products. As plant scientists combine use of modern transformation technologies with increased knowledge of plant genomes, many more life saving medicines will be developed. Some of these plant-based pharmaceutical products will take the form of edible vaccines – such as bananas genetically engineered to produce a vaccine for hepatitis B or deadly infant diarrhea.

Genomics will help in understanding hybrid vigor to produce enhanced, higher yielding crops. Plant scientists will learn how to change the size and number of plant seeds and organs. The earliest events controlling plant reproduction will be understood.

Scientists may learn how to engineer plants that will better capture higher levels of carbon dioxide in the atmosphere for use with the sun's energy in photosynthesis, leading to faster growing plants and possibly an additional harvest season for some crops.

Plants engineered to tolerate higher levels of salinity will help farmers salvage more of their crops in dry seasons. Increased tolerance of future engineered plants to environmental stresses of cold and freezing will be a boon to the horticultural industry and other growers. The federal government will experience savings in emergency spending for crop disasters – some disasters that will be avoided through use of new, enhanced plants.

Just as we found in the century past, the advances in the 21st Century will transform plant science, American agriculture, the nation and world our grandchildren will inhabit. Indeed, this transformation will have to occur because the well-being and even survival of many in future generations will require it.

Again, thank you for this opportunity to submit comments to the Subcommittee. We appreciate the Subcommittee's leadership in support of agricultural research.

Committee on APPROPRIATIONS

Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name: American Society of Plant Physiologists, Brian Hyps		
1. Are you testifying on behalf of a Federal, State, or Local Government entity?	Yes	(No)
2. Are you testifying on behalf of an entity other than a Government entity?	(Yes)	No
3. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1999: none		
4. Other than yourself, please list what entity or entities you are representing: American Society of Plant Physiologists		
5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your representational capacity with the entities disclosed in question number 4: Public Affairs Director		
6. If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships whom you are not representing?	Yes	(No)
7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) which were received by the entities listed under question 4 since October 1, 1999, which exceed 10% of the entities revenue in the year received, including the source and amount of each grant or contract to be listed: none		

Signature: Brian R. Hyps Date: 4/6/01

THE TEXAS A&M UNIVERSITY SYSTEM
AGRICULTURE PROGRAM

Written Testimony Supporting TAMUS Agriculture Program
Congressional Initiatives
before the
House Appropriations Subcommittee on Agriculture, Rural Development, FDA and Related Agencies

April 1, 2001

Mr. Chairman and members of the Committee, I am Ed Hiler, Vice Chancellor for Agriculture and Life Sciences in The Texas A&M University System. I appreciate the opportunity to describe a few exciting research projects we have underway, and to ask for your support for continued federal funding. New technology is the life blood of American agriculture. With the 1996 Farm Bill and resulting phase down in federal farm programs, it is imperative that research continues providing a technological underpinning for agriculture. Today, I will briefly describe several examples of how we can provide this underpinning to benefit both agriculture and consumers.

DEVELOPING FRUITS, VEGETABLES AND OTHER FOOD PLANTS FOR PREVENTION OF LIFE-THREATENING DISEASES

I want to begin by describing an exciting research area that is joint between agriculture and medicine. Diet-related diseases - certain kinds of cancer, heart disease, stroke, atherosclerosis, and diabetes mellitus - are leading causes of two-thirds of the 2 million deaths that occur in the United States each year. These diseases also have long term costs associated with lost productivity and disease treatment. Scientists are identifying plant "phytochemicals" in food plants that prevent these diseases. Plant breeders, biochemists, and biotechnologists are working to increase levels of the compounds through conventional breeding and new molecular techniques. Our objectives seek to reduce the risk of, or to slow or even prevent diseases such as cancer, heart disease, stroke, and atherosclerosis. Researchers at the Texas A&M Vegetable and Fruit Improvement Center, Institute of Food Science and Engineering, and the Borlaug Crop Biotechnology Center will work with fruit and vegetable producers, seeds producers, and food processors to develop commercially viable products available for all Americans. Scientists at the Texas A&M University-Kingsville Citrus Center, University of Texas Southwest Medical Center in Dallas, Texas A&M University Health Science Center, Baylor College of Dentistry, and South Carolina Cancer Center within the University of South Carolina will cooperate in designing improved food crops for prevention of diseases. Consumers, health care providers, farmers, and government will benefit from the production, consumption, and health effects of producing and consuming these improved plants. **We are requesting increased funding for this important continuing project at $2,000,000 for FY2002.**

POLLUTANTS, ODOR, AND DUST FROM CONCENTRATED ANIMAL FEEDING OPERATIONS IN THE SOUTHERN HIGH PLAINS

The semiarid western United States of Texas, Kansas, Oklahoma and New Mexico produce over one-third nationally of beef and dairy cattle fed in confinement. The region likewise has experienced explosive growth of the dairy industry and large scale, multiple-site swine feeding operations. This industry growth has intensified public concern about effects of air pollution (noxious gases, odors and dust events) from these Concentrated Animal Feeding Operations, or CAFOs. To address public concern, the Texas A&M University System and Kansas State University propose to establish a national program for research and technology transfer of methodologies that agricultural producers, processors, and managers of CAFOs can use to economically comply with air pollution regulations mandated by the Federal Clean Air Act (FCAA) and required by State Air Pollution Regulatory Agencies (SAPRAs). The goal of this initiative will be a reduction of public exposure of pollutants from agricultural operations while minimizing the economic burden on managers of agricultural operations. **We are requesting funding for this project at $1,000,000 for FY 2002.**

INCREASING FOOD SAFETY THROUGH ADVANCED MOLECULAR TECHNOLOGIES

Food safety is among the greatest concerns of the public, particularly safety of the nation's supply of meats, fruits, and vegetables. Foods contaminated with animal wastes and other sources of bacterial pathogens annually cause millions of illnesses and thousands of deaths. In this initiative, we are seeking appropriations to develop and test the application of advanced molecular technologies for enhancing the safety of the nation's food supply. New and rapidly advancing molecular technologies promise to make possible the early and economical tracking and investigation of such pathogens. They also will significantly increase our ability to determine sources of outbreaks and to anticipate the effects of food production and processing practices on the ability of these organisms to cause disease. The Texas and Iowa Agricultural Experiment Stations and Texas Tech University propose cooperative public-private research needed to put such technologies in place throughout the nation and the world. The requested resources will strengthen coordination among Iowa State University, the Institute of Food Science and Engineering at Texas A&M University, and The Center for Research on Animal Production Issues at Texas Tech University. We estimate that implementing this initiative will begin a process that reduces numbers of medical cases associated with food borne pathogens by 210,000 and the numbers of deaths by 380. **We are requesting funding for this project at $1,250,000 for FY 2002.**

PROTECTING U.S. AGRICULTURE FROM BIO-TERRORISM AND EXOTIC BIO-INVADERS

Bio-terrorism is a significant threat to the U.S. agricultural system and the U.S. food supply. The threat of biological weapons during the Gulf War, the planned use of chemical and biological agents by terrorists in Japan's subways, and a deeper understanding of the former USSR's bio-weapons program, underscores the potential threat of bio-terrorism to the U.S. population, its food supply, and the entire U.S. agricultural system. Genetically engineered bio-agents greatly expands the list of naturally occurring biological invaders and underscores the importance of early detection of bio-agents introduced into the U.S. from other parts of the world. An integrated system for protecting U. S. agriculture and its food supply against the threat of bioterrorism is recognized as an increasingly high priority addition to similar systems for protecting humans and cyberspace. The system will also work for natural or accidental outbreaks of animal and plant disease resulting from introduction of exotic bio-agents. The proposed agricultural bio-security system will include a surveillance network using GPS and satellite imaging technology, field and laboratory based diagnostic capacity deploying DNA-chip technology to identify and characterize bio-agents, and a geo-referenced information system for predicting and tracking the spread of bio-agent after introduction. The system will

include means to support intervention and mitigation following attack. We will develop the system in partnership with the USDA's Agricultural Research Service, other universities, and the private sector. **We are requesting funding for this project at $7,000,000 for FY 2002.**

The next few initiatives are collaborative efforts that are currently funded. This funding is greatly appreciated. My purpose in commenting on each initiative is to urge their continued funding in this next fiscal year.

EFFICIENT IRRIGATION FOR WATER CONSERVATION IN THE RIO GRANDE BASIN

Recent drought conditions in the border region of the Rio Grande Basin highlight the importance of ample water resources for the region's economy and environment. More efficient agricultural and urban irrigation systems can conserve large amounts of water that can be used for other purposes. The objective of this two-state initiative is to increase the efficiency of agricultural and urban landscape irrigation and encourage development of efficient water markets in the basin. **We are requesting continued funding for this project at $3,750,000 for FY 2002.**

ANIMAL FIBER RESEARCH

We seek appropriations to continue wool, mohair and cashmere research that will stabilize and increase the profitability of the sheep, Angora, and cashmere goat industries in the United States and Texas while providing U.S. consumers with high quality animal fibers at internationally competitive prices. In this three-state initiative, emphasis will be placed on the development and expanded use of objective fiber measurements in the areas of nutrition, management, selection, harvesting, and marketing. **We are requesting funding for this project at $300,000 for FY 2002.**

FARM-LEVEL IMPACTS OF AGRICULTURAL POLICY

We need continued funding to conduct agricultural policy research that directly supports congressional committees involved in setting agricultural policy. This two-state research activity emphasizes the regional and farm-level effects of alternative agricultural policies on crop producers. Monitoring performance at the farm level continues to be particularly critical as government explores its role in providing an income safety net for American agriculture. **We are requesting funding for this project at $750,000 for FY 2002.**

LIVESTOCK AND DAIRY POLICY ANALYSIS

We need funds to allow Texas A&M University and Cornell University to conduct agricultural policy research on the livestock and dairy industries that will assist congressional committees in developing new legislation for agricultural programs. We will analyze legislative options to determine policy impacts on various sectors of the agricultural economy, markets and land prices. Monitoring the performance of the dairy sector at the farm level will be particularly critical at a time of regulatory dairy policy reform mandated by the 1996 Farm Bill and government roles in providing an income safety net for American agriculture. **We are requesting funding for this project at $925,000 for FY 2002.**

CENTER FOR NORTH AMERICAN STUDIES

This two-state funding initiative, which has received continual support from Congress since fiscal year 1994, would continue and expand the programs of the Center for North American Studies headquartered in The Texas A&M University System. The Center provides leadership for the promotion of stronger agricultural relationships among Canada, Mexico and the United States through cooperative study, research, policy analysis and training. **We are requesting funding for this project at $925,000 for FY 2002.**

SHRIMP AQUACULTURE RESEARCH

Federal support is needed to maintain continued funding for ongoing efforts and to expand programs of the U.S. Marine Shrimp Farming Program (USMSFP). This program, currently funded by the USDA/Cooperative State Research, Extension and Education Service (CSREES) through the Oceanic Institute in Hawaii and the Gulf Coast Research Laboratory Consortium as based in the Texas Agricultural Experiment Station and The Texas A&M University System Agriculture Program. **We are requesting funding for this project at $5,000,000 for FY 2002.**

INTERNATIONAL GOAT RESEARCH AT PRAIRIE VIEW A&M UNIVERSITY

Congressional funds are sought to continue the effort supporting dairy and meat goat research at the International Goat Research Center at Prairie View A&M University, a member of The Texas A&M University System. **We are requesting funding for this project at $750,000 for FY 2002.**

NEW PRODUCTS FROM RANGELANDS AT TEXAS A&M UNIVERSITY-KINGSVILLE

Congressional funds are sought to continue research efforts to support the commercialization of new industrial and food crops from native plants - such as cacti and mesquite - from arid lands, greatly benefitting Americans who live in the southwestern United States. **We are requesting funding for this project at $120,000 for FY 2002.**

SOUTHERN PLAINS COTTON RESEARCH AND EDUCATION CONSORTIUM

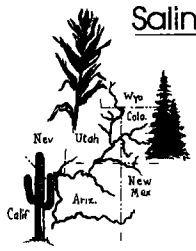
The cotton industry in the Southern Plains is under unprecedented stress from declining prices due to strong global competition, improved boll weevil management, and increased cotton acreage in the southeastern U. S. An agricultural research and education consortium composed of Texas Tech University, the Texas Agricultural Experiment Station, the Texas Agricultural Extension Service, and USDA Agricultural Research Service has been formed to address these challenges in the Southern Plains. The consortium proposes to initiate a five-year, $27.5 million program to increase profits of Southern Plains cotton farmers and processors. The effort will accomplish its goal by developing and disseminating improved cotton germplasm, crop management practices, pest control programs, textile processing technologies, and marketing programs. **We are requesting funding for this project at $5,500,000 for FY 2002.**

AGRICULTURE AND THE ENVIRONMENT - LANDSCAPE ISSUES

The focus of the Texas Institute for Applied Environmental Research is on agriculture and the environment. Funding for this initiative will be used to continue development of 1) conceptual approaches that can be used to resolve environmental problems in agriculture while maintaining the competitiveness of the industry, 2) modeling tools that analyze policy alternatives to determine their effectiveness in achieving environmental objectives and their economic impacts on the targeted industry, and 3) implications of smart growth initiatives on production agriculture. **We are requesting funding for this project from USDA at $1,500,000 for FY 2002.**

Colorado River Basin

Salinity Control Forum



Statement of
the
COLORADO RIVER BASIN SALINITY CONTROL FORUM

to the
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES

presented by
JACK A. BARNETT, EXECUTIVE DIRECTOR
April 3, 2001

Requesting Appropriations
for the
COLORADO RIVER SALINITY CONTROL PROGRAM

GOVERNORS

Jane Dee Hull, AZ
Gray Davis, CA
Bill F. Owens, CO
Kenny Guinn, NV
Gary E. Johnson, NM
Mike Leavitt, UT
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FORUM MEMBERS

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Wyoming

Patrick T. Tyrrell
Dan S. Budd
Gary Baach

EXECUTIVE DIRECTOR

Jack A. Barnett

For the Department of Agriculture

FY 2002 Appropriation

Colorado River Basin Salinity Control
Forum's Recommendation Concerning:

Funding for Environmental Quality Incentives Program

Support increased funding nationwide for the program

Request $12 million be designated to the Colorado River Basin Salinity Control Program

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The Congress concluded that the Colorado River Basin Salinity Control Program should be implemented in the most cost-effective way and realizing that agricultural on-farm strategies were some of the most cost-effective strategies authorized a program for the Department of Agriculture. With the enactment of the Federal Agriculture Improvement and Reform Act of 1996 (FAIRA), the Congress concluded that the Salinity Control Program could be most effectively implemented as one of the components of the Environmental Quality Incentives Program. Since the enactment of FAIRA, the Salinity Control Program has not been funded at a level adequate to ensure that salinity damages from the use of Colorado River water in the United States will not increase.

The Salinity Control Program has been subsumed into the EQIP program without the Secretary of Agriculture giving adequate recognition to the requirement in Section 202(c) in the Colorado River Basin Salinity Control Act to carry out salinity control measures. Water users hundreds of miles downstream are the beneficiaries of this water quality improvement program. Agriculturalists in the Upper Basin, however, see local benefits as well as downstream benefits and have submitted cost-effective proposals to the State Conservationists in Utah, Wyoming and Colorado. Priority Area proposals for EQIP funding are ranked in each state under the direction of the Natural Resources Conservation Service (NRCS) State Conservationist. Existing ranking criteria, however, does not consider downstream benefits (particularly out of state benefits) when proposals are being evaluated.

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After longstanding urgings from the states and directives from the Congress, the Department has concluded that this program is different than small watershed enhancement efforts common to the EQIP program. In this case, the watershed to be considered stretches more than 1200 miles from the river's headwater in the Rocky Mountains to the river's terminus in the Gulf of California in Mexico. The Department has now determined that this effort should receive a special fund designation and has appointed a coordinator for this multi-state effort.

The NRCS has earmarked funds to be used for the Colorado River Basin Salinity Control Program and has designated this an area of special interest. This was done at the urging of this Senate subcommittee. The Forum appreciates the efforts of the subcommittee in this regard. Since the designation, there has been earmarked about $4.5 million annually. The states added about $1.5 million in up-front cost-sharing and local farms, we estimate, contributed about another $2.0 million. The plan for water quality control of the river prepared by the Forum, adopted by the states, and approved by the EPA requires that the USDA portion of the effort to be funded at $12 million. Hence, there is a shortfall from the federal designated funds of about $7.5 million. State and local cost-sharing is triggered by the federal appropriation. The entire effort is only at about 40% of what is needed. The USDA indicated that a more adequately funded the total national EQIP program would result in more funds being allocated to the salinity control program. The Basin states have cost sharing dollars available to participate in on-farm salinity control efforts. The agricultural producers in the Upper Basin are waiting for their applications to be considered so that they might also cost share in the program.

The Forum urges that this subcommittee support the funding of more than $200 million from the CCC in FY 2002 for EQIP. The Forum also requests that this subcommittee advise the Administration that $12 million of these funds be designated for the Colorado River Basin Salinity Control Program.

OVERVIEW

The Colorado River Basin Salinity Control Program was authorized by Congress in 1974. The Title I portion of the Colorado River Basin Salinity Control Act responded to commitments that the United States made, through a minute of the International Boundary and Water Commission, to Mexico with respect to the quality of water being delivered to Mexico below Imperial Dam. Title II of the Act established a program to respond to salinity control needs of Colorado River water users in the United States and to comply with the mandates of the then newly legislated Clean Water Act. Initially, the Secretary of the Interior and the Bureau of Reclamation were given the lead federal role by the Congress. This testimony is in support of funding for the Title II program.

After a decade of investigative and implementation efforts, the Basin states concluded that the Salinity Control Act needed to be amended. Congress agreed and revised the Act in 1984. That revision, while keeping the Department of the Interior as lead coordinator for Colorado River Basin salinity control efforts, also gave new salinity control responsibilities to the Department of Agriculture. Congress has charged the Administration with implementing the most cost-effective program practicable (measured in dollars per ton of salt removed). It has been determined that the agricultural efforts are some of the most cost-effective opportunities.

Since Congressional mandates of nearly three decades ago, much has been learned about the impact of salts in the Colorado River system. The Bureau of Reclamation has conducted studies on the economic impact of these salts. Reclamation recognizes that the damages to United States' water users alone are hundreds of millions of dollars per year.

The Colorado River Basin Salinity Control Forum (Forum) is composed of Gubernatorial appointees from Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming. The Forum has become the seven-state coordinating body for interfacing with federal agencies and Congress to support the implementation of a program necessary to control the salinity of the river system. In close cooperation with the federal agencies and under requirements of the Clean Water Act, every three years

the Forum prepares a formal report analyzing the salinity of the Colorado River, anticipated future salinity, and the program necessary to keep the salinities at or below the levels measured in the river system in 1972.

In setting water quality standards for the Colorado River system, the salinity concentrations measured at Imperial, and below Parker, and Hoover Dams in 1972 have been identified as the numeric criteria. The plan necessary for controlling salinity has been captioned the "plan of implementation." The 1999 Review, Water Quality Standards for Salinity, Colorado River System, includes an updated plan of implementation. In order to eliminate the shortfall in salinity control resulting from inadequate federal funding for the last several years for USDA, the Forum has determined that implementation of the salinity control program needs to be accelerated. The level of appropriation requested in this testimony is in keeping with the agreed to plan. If adequate funds are not appropriated, state and federal agencies involved are in agreement that damage from the high salt levels in the water will be widespread and very significant in the United States and Mexico.

STATE COST-SHARING AND TECHNICAL ASSISTANCE

The authorized cost sharing by the Basin states, as provided by FAIRA, was at first difficult to implement as attorneys for USDA concluded that the Basin states were authorized by FAIRA to cost share in the effort, but the Congress had not given USDA authority to receive the Basin states' funds. After almost a year of exploring every possible solution as to how the cost sharing was to occur, the states, in agreement with the Bureau of Reclamation, with state officials in Utah, Colorado and Wyoming and with NRCS State Conservationists in Utah, Colorado and Wyoming, agreed upon a "parallel" program wherein the states' cost sharing funds will be used. We are now several years into that program and, at this moment in time, this solution to how cost sharing can be implemented appears to be satisfactory.

With respect to the states' cost sharing funds, the Basin states felt that it was most essential that a portion of the program be associated with technical assistance and education activities in the field. Without this necessary support, there is no advanced planning, proposals are not well prepared, assertions in the proposals cannot be verified, implementation of contracts cannot be observed, and valuable partnering and education efforts cannot occur. Recognizing these values, the "parallel" state cost sharing program expends 40% of the funds available on these needed support activities. Initially, it was acknowledged that the federal portion of the salinity control program funded through EQIP was starved with respect to needed technical assistance and education support. The Forum is encouraged with the Administration's determination that 19% of the EQIP funds will be used for technical assistance but observes that this is still not adequate funding for the technical assistance needed. The Forum urges this subcommittee to appropriate adequate funds for these support activities rather than to direct NRCS to borrow these needed funds from the CCC.

Jack A. Barnett
Executive Director

BEFORE THE SUBCOMMITTEE ON
AGRICULTURE, RURAL DEVELOPMENT, FDA, AND RELATED AGENCIES
OF THE HOUSE COMMITTEE ON APPROPRIATIONS

STATEMENT OF THE NATIONAL POTATO COUNCIL

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Submitted: April 4, 2001

BEFORE THE SUBCOMMITTEE ON
AGRICULTURE, RURAL DEVELOPMENT, FDA, AND RELATED AGENCIES
OF THE HOUSE COMMITTEE ON APPROPRIATIONS

STATEMENT OF THE NATIONAL POTATO COUNCIL

My name is Todd Michael. I am a potato farmer from Ohio and current Vice President, Legislative/Government Affairs for the National Potato Council (NPC). On behalf of the NPC, we thank you for your attention to the needs of our potato growers.

The NPC is the only trade association representing commercial growers in 50 states. Our growers produce both seed potatoes and potatoes for consumption in a variety of forms. Annual production in 2000 was 500,000,000 cwt. with a farm value of $2,800,000,000. Total value is substantially increased through processing. The potato crop clearly has a positive impact on the U.S. economy.

The potato is the most popular of all vegetables grown and consumed in the United States and one of the most popular in the world. Annual per capita consumption was 147 pounds in 2000 up from 107 pounds in 1962 and is increasing due to the advent of new products and heightened public awareness of the potato's excellent nutritional value. Potatoes are considered a stable consumer commodity and an integral, delicious component of the American diet.

The National Potato Council's fiscal year 2002 appropriations priorities are as follows:

1. Cooperative State Research Education and Extension Service (CSREES)

   - Potato Special Grant Program - The NPC urges that $1.6 million be appropriated for the special research grant program. The Congress increased the level in fiscal year 2001 by $150,000 to $1.45 million and should the Administration delete these funds from its budget we urge that Congress restore the FY 2001 appropriated level as well as increase the funding to $ 1.6 million. The program had once been at $1.4 million but had been reduced due to various across the board cuts. This has been a highly successful program and the number of funding requests is increasing.

- The NPC also urges that the Congress, once again, include Committee report language as follows:

  "Potato research.—The Committee expects the Department to ensure that funds provided to CSREES for potato research are utilized for varietal development testing. Further, these funds are to be awarded competitively after review by the Potato Industry Working Group."

2. Agricultural Research Service (ARS)

   - The NPC urges that the Congress once again add Committee report language urging the ARS to work with the NPC on how overall research funds can best be utilized for grower priorities.

   - Should the Administration's FY 2002 budget delete the $250,000 for Prosser, Washington and the $300,000 for the Northeast Plant, Soil and Water Laboratory at Onono, Maine, added by the Congress in FY 2001, the NPC urges that the Congress restore these funds.

   - Grand Forks and East Grand Forks

     Appropriate $350,000 for a new scientist to be located at the Potato Research worksite in East Grand Forks, Minnesota. The scientist would address the effects of postharvest storage and treatments on potato market quality and value added traits. Since over 70 percent of the U.S. fall potato crop is placed into storage for year around sale, this research will benefit potato growers throughout the country.

   - Fort Collins, Colorado

     Appropriate $300,000 for the Soil, Plant, and Nutrient Research Program at Fort Collins to conduct research to enhance water and soil quality with precision conservation farming.

   - Aberdeen, Idaho

     Appropriate $150,000 for additional work by the potato breeder at Aberdeen. Since an estimated 96 percent of the current budget is committed to salaries and fixed costs, this additional funding is needed to provide for the development of a strong molecular biology program component to speed the incorporation of disease resistance from wild potato species into the cultivated potato.

     Appropriate $400,000 for planning and design for the construction of an advanced molecular genetics laboratory at the National Small Grains Germplasm Research Facility. This facility at Aberdeen is needed to assure the continuation of advanced molecular genetics research for potatoes and small grains. It is estimated that total construction costs will be $ 3.9 million.

- Albany, California

  ARS has funded Dr. William Belknap in Albany, with the support of the NPC, to develop genetic constructs for potato transformation that will be publicly available without patent restrictions on their use. His laboratory should serve as a source of reagents for use by ARS scientists and others who work in the public sector. Estimated cost of providing this service is an additional $100,000 in fiscal year 2002 for Dr. Belknap's base budget to carry out the potato research.

- Beltsville, Maryland

  Improving the nutritional value of potatoes is a high priority of the NPC. Research should also be initiated at the Beltsville Vegetable Laboratory that combines traditional breeding and plant biotechnology to increase the nutritional value of the potato and add value to the crop. Estimated cost would be $300,000 for fiscal year 2002.

3. National Agricultural Statistics Service (NASS) - The NPC urges that the Congress appropriate $125,000 to the National Agricultural Statistics Service to conduct a Potato Objective Yield Size and Grade Survey. It is important that potato growers not only have objective yield surveys carried out by NASS in the major potato producing states, but also have a size and grade survey completed that estimates the marketable quality of those potatoes.

4. Plant Protection and Quarantine Service (APHIS-USDA) - The NPC urges that the Congress appropriate $610,000 for the Golden Nematode Quarantine Program. The National Potato Council also supports the appropriation of $100 million for the Agriculture Quarantine Inspection (AQI) user fee account; $52 million for the AQI appropriated fund account and $45 million for pest detection. As new trade agreements are negotiated, the agency must have the necessary staff and technology to deal with the threat of pests and diseases.

5. FQPA Funding - The NPC also supports the appropriation of $106 million for USDA to meet the data requirements of the new Food Quality Protection Act (FQPA). This would include $2.6 million for the USDA Office of Pest Management. The NPC has devoted considerable time and resources to the evaluation of pesticides required by the FQPA. However, it is essential that the USDA have adequate resources to assist in this effort. Otherwise, given the tight time frame for these assessments, the EPA will rely on default assumptions in the absence of actual data.



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TESTIMONY

PRESENTED TO THE

THE SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT,
FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

OF THE

COMMITTEE ON APPROPRIATIONS,
U. S. HOUSE OF REPRESENTATIVES

ON BEHALF OF THE

COUNCIL FOR AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING

BY

DANIEL M. DOOLEY
CHAIRMAN

APRIL 10, 2001

TESTIMONY

PRESENTED TO THE

SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES, COMMITTEE ON APPROPRIATIONS U. S. HOUSE OF REPRESENTATIVES

ON BEHALF OF THE COUNCIL FOR AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING BY DANIEL M. DOOLEY CHAIRMAN

APRIL 10, 2001

Thank you, Mr. Chairman. I appreciate the opportunity to provide testimony again this year in support of the highly successful research, education, and extension partnership between the United States Department of Agriculture (USDA) and the Land-Grant University System.

My name is Daniel M. Dooley, Chairman of the Council for Agricultural Research, Extension, and Teaching, commonly called CARET. CARET is a national group of lay support persons working on behalf of the Land-Grant University System. The CARET group, a collaboration of farmers, ranchers and others interested in maintaining America's competitive edge, was formed a number of years ago for the expressed purpose of enhancing national support and understanding of the important role played by the land-grant colleges in the food and agriculture systems, as well as the role of this system in enhancing the quality of life for all citizens of the nation.

Each of the CARET members from across the land can share from personal experience the importance of maintaining a competitive technological edge. In my particular case, I have benefited from university research that has substantially improved production and reduced costs by limiting chemical usage.

I will not burden you with a recitation of all of the contributions that the Land-Grant University System partnership with USDA has made to America's food, fiber, and agricultural production system. I do want you to know, however, that this unique partnership has been an essential ingredient to the success of American agriculture and the health of the American public – in essence, the foundation of this nation's way and quality of life.

Suffice it to say, the Land-Grant University System is very unique and has been a critical component to the long-term success of the nation's agricultural community. It has provided technology and education enabling farmers, ranchers, and other stewards of natural resources in this country to manage their productive resources in a way that is efficient, yields the greatest

and most nutritious quality and quantity of food in the world, and protects the natural environment. The contributions of the Land-Grant University System to American agriculture has had an enormous impact on the nation's economy, our balance of trade, the quality of our workforce, and the health and quality of life for every American citizen. Indeed, the greatest single investment you can make in the long-term health of the American people is to ensure that appropriate investments are made in future technology for the food and fiber system. Unfortunately, this research and education system that has given so much to the country sometimes is taken for granted.

The purpose of my testimony today is to request support for the Fiscal Year 2002 budget recommendations of the National Association of State Universities and Land-Grant Colleges (NASULGC) Board on Agriculture. CARET joins NASULGC in calling for a **doubling of the nation's agricultural research and education funding over the next five years – $200 million in Fiscal Year 2002**. CARET believes that this new funding will help the Land-Grant University System meet the challenges it will be called upon to address in maintaining a highly nutritious and healthy food supply, revitalizing our nation's communities (both rural and urban), cultivating an educated workforce, and protecting our natural environment. CARET also supports continued funding for the Initiative for Future Agriculture and Food Systems (IFAFS).

Although the United States has the safest food supply in the world, millions of Americans are afflicted by food-borne illnesses each year. The young, elderly, and people with compromised immune systems are the most susceptible. Estimates of the annual health care costs for these illnesses range from $2.9 billion to $7 billion. Greater investment in the agricultural research and education system could help reduce the number of food-related illnesses and costs. Additionally, great opportunities exist to utilize technology to tailor food for specific health and nutrition benefits if proper investments are made.

Conservation and economic growth require a delicate balancing act. While agriculture presents challenges to the environment, it also knows that the environment must be respected and protected. Science and education are helping the agricultural industry to protect fragile ecosystems and deal with urban expansion by developing sustainable production systems that protect the long-term productivity of essential resources. Funding of agricultural science and education programs will continue to ensure an adequate and safe food supply and the protection of our precious natural resources.

For four decades, agricultural production in the United States has enabled an unyielding string of successes in our trade balance. Today, experts project that at least $60 billion in food and raw materials – one-third of the nation's production will be sold overseas. Agriculture is one area in the nation's economy without a trade deficit. This competitive advantage should not be lost because of insufficient investments in our agricultural research and education system.

All of the technology and knowledge in the world are useless without the well-trained mind of someone to learn from it, apply it, and expand it. Undergraduate education in colleges of agriculture and life sciences is largely neglected in federal funding. All of the nation's students need to be equipped to become leaders in our nation's workforce. Their future and the nation's future are one in the same, and the nation can ill afford to poorly invest in this critical area.

Tomorrow's science comes with a high price tag, with great advances in biotechnology, genetics, satellite imagery, and other highly technical fields looming on the horizon. Only if funding sources are adequate will new scientific investigation:

- build agricultural production efficiency and profitability
- protect the nation's environment
- revitalize and sustain our nation's communities
- bring diverse student populations into the food and agricultural sciences

The budget recommendations that are being advanced by CARET on behalf of the Land-Grant University System are the result of a broad number of stakeholder meetings and receipt of substantial input from those that benefit from the research and education activities.

It is the belief of the CARET membership that **doubling of the nation's agricultural research and education funding over the next five years – $200 million in Fiscal Year 2002 – is the only way to equip American agriculture for the 21st Century.** This amount of funding will facilitate the maintenance of America's competitive edge throughout the broad range of the production, processing, distribution, and retail system that moves commodities around the world. CARET also firmly believes that this funding level for agricultural science and education will enhance the health and welfare for our own citizenry as well as the people of the world. Certainly, we do not want the recent headlines about the food supply in the European community and other places in the world to be the future headlines in American newspapers.

So, when you go home tonight and sit down at your dinner table, just remember that you do not have to think or worry about:

Will there be enough food for me and my family to eat?
Will this food harm or make my family and me sick if we eat it?

However, if adequate funding for agricultural research and education is not provided now and in the future, your children and grandchildren may have to worry about these and many other questions in relation to the food and fiber that the nation produces and consumes.

Thank you for this opportunity to provide this testimony in support of the appropriations for continuing the fine work being done and the work that must be done at America's Land-Grant University System – a true national treasure!

DANIEL M. DOOLEY
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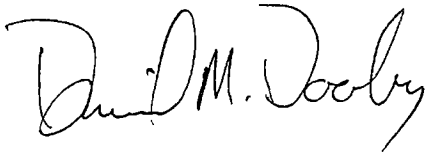
Daniel M. Dooley is a partner in the Visalia, California law firm of DOOLEY & HERR. DOOLEY & HERR (Dooley in particular) represents many agricultural and water interests throughout the San Joaquin Valley. Included among these interests are numerous public irrigation and water districts, private ditch companies, river associations, joint powers authorities, and farmers. Dooley also serves as City Attorney for the City of Visalia. On behalf of these interests, Dooley appears before state and federal courts, state and federal fish and wildlife agencies, Bureau of Reclamation, Department of Water Resources and State and Regional Water Resources Control Boards. Additionally, DOOLEY & HERR provide general business and commercial litigation services with particular focus on environmental and environmental insurance coverage litigation.

Dooley is admitted to the California and District of Columbia Bar Associations and is licensed to practice before the U. S. District Court, Eastern District of California. He is a member of the American Bar Association, Section on Natural Resources, Environmental, and Energy Law.

Dooley has previously served as Chief Deputy Director of the California Department of Food and Agriculture and as Chairman of the California Water Commission. He presently serves on or in the following capacities: member and former Vice Chair of the National Agricultural Research, Extension, Education, and Economics Advisory Board to the U. S. Department of Agriculture; Chairman of the Council for Agricultural Research, Extension, and Teaching (CARET); member and former Chair of the Farm Foundation Bennett Agricultural Roundtable; member of the Farm Foundation Board of Trustees; and, Chair of the Board of Trustees of Valley Children's Hospital.

Dooley also is a partner of DOOLEY FARMS, a diversified farming operation specializing in the production of cotton, alfalfa, forage crops, and walnuts. He is a past director of the County Line Cooperative Gin and is a graduate of the California Agricultural Leadership Program. He has a degree in agricultural economics from the University of California at Davis and a law degree from the University of Pacific, McGeorge School of Law. He is married and has two daughters.

Neither I, my law firm and farming operation, nor the Council for Agricultural Research, Extension, and Teaching (CARET) have received any federal grants or contracts during the current fiscal year or during the two previous years.



BEFORE THE UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES

TESTIMONY
OF
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
ON
THE DEPARTMENT OF AGRICULTURE'S FISCAL YEAR 2002 APPROPRIATIONS
APRIL 9, 2001

CHAIRMAN BONILLA AND MEMBERS OF THE SUBCOMMITTEE:

The Metropolitan Water District of Southern California (MWD) appreciates the opportunity to submit testimony regarding the U.S. Department of Agriculture's (USDA) Fiscal Year (FY) 2002 budget, for the Hearing on Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations. MWD is a public agency created in 1928 to meet supplemental water demands of those people living in what is now portions of a six-county region of southern California. Today, the region served by MWD includes 17 million people living on the coastal plain between Ventura and the international boundary with Mexico. It is an area larger than the State of Connecticut and, if it were a separate nation, would rank in the top ten economies of the world.

Included in our region are more than 225 cities and unincorporated areas in the counties of Los Angeles, Orange, San Diego, Riverside, San Bernardino, and Ventura. We provide nearly 60 percent of the water used in our 5,200-square-mile service area. MWD's water supplies come from the Colorado River via the district's Colorado River Aqueduct and from northern California via the State Water Project's California Aqueduct.

Introduction

MWD continues to favor USDA implementation of conservation programs. MWD firmly believes that interagency coordination along with cooperative conservation programs, that are incentive-based and facilitate the development of partnerships are critical to addressing natural resources concerns, such as water quality degradation, wetlands loss and wildlife habitat destruction. It is vital that Congress provide USDA with the funding necessary to successfully carry out its commitment to natural resources conservation.

Our testimony focuses on USDA's conservation programs that are of major importance to MWD. In particular, MWD urges your full support for funding for USDA's Environmental Quality Incentives Program (EQIP). Funding for this program is essential for achieving Colorado River Basin salinity control objectives through the implementation of salinity control

measures as part of EQIP. Sufficient federal funding for USDA programs is necessary to achieve source water quality protection objectives in the Colorado River Basin.

Environmental Quality Incentives Program

EQIP provides cost-sharing and incentive payments, technical assistance and educational assistance to farmers and ranchers for the implementation of structural practices (e.g., animal waste management facilities, filterstrips) and land management practices (e.g., nutrient management, grazing management) that address the most serious threats to soil, water and related natural resources. EQIP is to be carried out in a manner that maximizes environmental benefits per dollar expended. This assistance has been focused in conservation priority areas identified by the Natural Resources Conservation Service's (NRCS) State Conservationists, in conjunction with state technical committees and Farm Service Agency personnel.

In Public Law 104-127, Congress amended the Colorado River Basin Salinity Control Act to direct the Secretary of Agriculture to carry out salinity control measures in the Colorado River Basin as part of EQIP. Beginning with the first full year of EQIP funding in 1997, USDA's participation in the Colorado River Salinity Control Program (Salinity Control Program) has significantly diminished. The mechanism by which funding had been allocated by USDA inherently masked projects for which benefits are interstate and international in nature. After requests had been made by the Colorado River Basin Salinity Control Forum (Forum), the interstate organization responsible for coordinating the Basin states' salinity control efforts, and others, and directives from the Congress, USDA has concluded that the Salinity Control Program warranted a multi-state river basin approach.. The Forum is composed of Gubernatorial appointees from Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming. Clearly, Colorado River salinity control has benefits that are not merely local or intrastate in nature, but continue downstream. Federal funding in an amount greater than $200 million through financing provided by the Commodity Credit Corporation is critical for implementation of EQIP in order to achieve nationwide EQIP objectives. This would allow acceptance and funding of additional EQIP proposals nationwide. USDA staff have indicated that a more-adequately funded EQIP would result in the availability of more funding for the Salinity Control Program.

The Colorado River is a large component of Southern California's regional water supply and its relatively high salinity causes significant economic impacts on water customers in MWD's service area, as well as throughout the Lower Colorado River Basin (Lower Basin). MWD and the Bureau of Reclamation (Reclamation) completed a Salinity Management Study for Southern California in June 1999. The first phase of the study (completed in February 1997) updated the findings of previous studies and concluded that the high salinity from the Colorado River continues to cause significant impacts to residential, industrial and agricultural water users. Furthermore, high salinity adversely affects the region's progressive water recycling programs, and is contributing to an adverse salt buildup through infiltration into Southern California's irreplaceable groundwater basins. In April 1999, MWD's Board of Directors authorized implementation of a comprehensive Action Plan to carry out MWD's policy for management of salinity. The Action Plan focuses on reducing salinity concentrations in Southern California's water supplies through collaborative actions with pertinent agencies, recognizing that an

effective solution requires a regional commitment. MWD, the Association of Groundwater Agencies, the Southern California Association of Publicly Owned Treatment Works, and the WateReuse Association of California have formed a Salinity Management Coalition which will be holding a Salinity Summit next month.

Reclamation estimates that water users in the Lower Basin are experiencing hundreds of millions of dollars in annual impacts from salinity levels in the river, and that impacts would progressively increase with continued agricultural and urban development upstream of California's points of diversion. Droughts will cause spikes in salinity levels that will be highly disruptive to Southern California water management and commerce. The Salinity Control Program has proven to be a very cost-effective approach to help mitigate the impacts of higher salinity. Adequate federal funding of the Salinity Control Program is essential.

The Forum issued its *1999 Review, Water Quality Standards for Salinity, Colorado River System (1999 Review)* in June 1999. The *1999 Review* found that additional salinity control was necessary with normal water supply conditions beginning in 1994 to meet the numeric criteria in the water quality standards adopted by the seven Colorado River Basin states and approved by the U.S. Environmental Protection Agency (USEPA). For the last eight fiscal years (1994-2001), funding for USDA's salinity control program has not equaled the Forum-identified funding need for the portion of the program the Federal Government has the responsibility to implement. While NRCS has designated Colorado River Basin salinity control as an area of special interest and allocated about $4.5 million in fiscal year 2001, with states and local cost-sharing adding about $3.5 million, it is essential that implementation of salinity control efforts through EQIP be accelerated to reduce economic impacts. The Basin states and farmers continue to stand ready to pay their share of the implementation costs of EQIP.

The Forum has determined that allocation of $12 million in EQIP funds in fiscal year 2002 is needed for on-farm measures to control Colorado River salinity. This level of funding is necessary to meet the salinity control activities' schedule to maintain the state adopted and USEPA approved water quality standards. With this level of federal funding, an additional $9.3 million in states and local cost-sharing could be committed.

Conservation Technical Assistance

MWD also supports adequate funding for Conservation Technical Assistance (CTA) within the NRCS Conservation Operations Program. Conservation technical assistance provides the foundation for implementation of EQIP and other conservation programs. While USDA has determined that 19 percent of the EQIP funds will be available for technical assistance, adequate funding for technical assistance and educational activities should be provided through the Conservation Operations Program, permitting these EQIP funds to be utilized for contracts with agricultural producers. USDA staff has indicated that the percentage of EQIP funds available for technical assistance is inadequate. Consequently, the Basin states have agreed that 40 percent of the states' cost sharing funds be utilized for technical assistance and educational activities. However, only through adequate federal funding as well for technical assistance and educational activities can advance planning, proposal preparation assistance, comprehensive proposal review, and periodic verification of contract implementation occur.

Conclusion

MWD urges you and your Subcommittee to support funding of greater than $200 million for EQIP and adequate funding for NRCS CTA, and advise USDA that $12 million in EQIP funds be designated for the Salinity Control Program. Thank you for your consideration of our testimony. USDA's conservation programs are critical for achieving Colorado River Basin salinity control objectives, as well as broader source water quality protection objectives in the Colorado River Basin.

SOCIETY FOR ANIMAL PROTECTIVE LEGISLATION
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Statement in Support of
$14.5 Million for the APHIS Animal Care Program,
$1 Million for the Animal Welfare Information Center at the National Ag. Library,
$7.263 Million for Investigative and Enforcement Services,
$500 Thousand for Enforcement of the Horse Protection Act,
$16.2 Million to Wildlife Services for the Rabies Oral Vaccine Program, and
Increased Oversight of Other Wildlife Services Activities
for FY 2002

Submitted to the Senate Appropriations Subcommittee
on Agriculture, Rural Development and Related Agencies
by Christine Stevens, Secretary and Cathy Liss, Legislative Director

April 10, 2001

We appreciate the support this Subcommittee has provided to these programs of the United States Department of Agriculture (USDA) and respectfully request the following modest appropriations to ensure the protection of animals and people and that the laws passed by Congress are being carried out effectively.

A $14.5 Million Appropriation Is Needed for APHIS/Animal Care's Enforcement of the Animal Welfare Act.

A coalition of organizations including the American Veterinary Medical Association, the American Zoo and Aquarium Association and the Society for Animal Protective Legislation has joined together seeking adequate funds for enforcement of the Animal Welfare Act (AWA). This represents a unique meeting of the minds between the regulated community and the animal welfare community, who recognize the desperate need for increased funding for this vital program.

The AWA is the chief federal law for the protection of animals. The USDA seeks compliance with its minimum standards for the care and treatment of animals during transportation and at the approximately 10,000 sites of dealers, research, testing and teaching facilities, zoos, circuses, carriers (airlines, motor freight lines and other shipping businesses) and handlers (ground freight handlers).

Forty-two percent of the facilities that are inspected by USDA are found to be noncompliant. Facilities with serious deficiencies require reinspections to ensure that corrective action is taken, but lack of funds has prevented USDA from conducting this much-needed follow-up.

In 1966 the Laboratory Animal Welfare Act (later renamed the Animal Welfare Act) was adopted in an effort to prevent the sale of lost or stolen pets into research. Nevertheless, this has continued to be a serious problem. In an attempt to address this problem in the 1990s, APHIS Animal Care (AC) instituted a policy of conducting quarterly inspections of random source

dealers. Since stepping up its enforcement in this area (which has come at the expense of inspections conducted elsewhere), USDA has revoked 11 dealer licenses and imposed more than $500,000 in fines. The number of random source (USDA licensed Class B) dealers supply dogs and cats to research has dropped from 104 to 23.

This example illustrates the value of frequent, unannounced inspection of licensees and registrants. Increasing the number of inspections will ensure effective compliance with the law. Facilities need to comply with the minimum standards under the law, or they should not be operating businesses that involve the use of animals under the AWA.

The 1985 amendment to the AWA mandates at least one inspection per year of all registered research facilities. A vigorous inspection program is critical to maintaining public confidence in the quality of research and ensuring the humane treatment of experimental animals. With the need to evaluate performance, as well as engineering, standards, each inspection is time-consuming and necessitates skilled veterinary inspectors.

Increased funding will permit AC to hire and equip more inspectors, and thereby increase the number of facilities that are inspected. Additional training of inspectors to improve the quality of their inspections will be possible, too. AC will be able to increase its searches for unlicensed facilities, an important effort because failure to obtain licensure is a widespread problem with many entities purposefully evading AC and the requirements of the AWA. An area frequently ignored for lack of sufficient funds has been inspection of airlines. Increased funding will permit AC to conduct an adequate number of inspections of airlines in an effort to protect against the injury, loss or death of animals being transported by air and to help meet the requirements of the recently adopted Federal Aviation Administration amendment for safe transport of animals by air.

An Appropriation of $7.263 Is Needed for APHIS' Investigative and Enforcement Services.

Investigative and Enforcement Services (IES), the enforcement arm within APHIS, is responsible for conducting investigations, tracking unresolved cases, coordinating investigations within APHIS and between APHIS and other federal and/or state agencies and train APHIS inspectors in the collection of evidence and documentation of violations. IES provides support to AC and to three other APHIS programs.

An increased appropriation is needed for IES to provide timely and complete investigations of alleged AWA violations. A $1 million increase will enable IES to fill a critical vacancy for an enforcement specialist and to continue to support four field investigators, now temporarily funded by the APHIS Administrator. IES would also fill four new field positions strategically located in the states with the greatest need. Additional funds to IES will: permit deployment of "quick-response" teams to address high-priority/visibility violations, permit implementation of an electronic case report format to accelerate case routing and processing, reduce the time to complete investigations, and allow investigators to accompany AC inspectors to noncompliant facilities when necessary.

A $1 Million Appropriation Is Needed for the Animal Welfare Information Center with a Cap of 5% to Agriculture Research Services and/or the National Agricultural Library.

The Animal Welfare Information Center (AWIC) was established by the 1985 amendment to the Animal Welfare Act, the Improved Standards for Laboratory Animals Act, to serve as a clearinghouse and educational resource of information on alleviating or reducing pain and distress in experimental animals (including anesthetic and analgesic procedures), reducing the number of

animals who must be used for research and identifying alternatives to the use of animals for specific research projects.

AWIC is the single most important resource for educating research facility personnel on their responsibilities under the AWA. There are more than 1,200 registered research facilities nationwide, and the services of the AWIC are available to all individuals at these institutions including the members of the Institutional Animal Care and Use Committees.

The AWIC staff, four full-time professionals, one technician and two part-time professionals, respond to requests for information on topics covered by the AWA including alternatives to painful procedures, unproved methodologies, training, environmental enrichment for nonhuman primates, and checking for unintended duplication. The staff conducts training, present at meetings, exhibit at conferences, produce documents, maintain a website and work on special projects.

The AWIC website (http://www.nal.usda.gov/awic), which receives approximately 45,000 hits per month, is a growing medium of information dissemination that needs to be expanded and updated. Annually the AWIC staff fills about 20,000 requests for specific publications and has provided reference services in response to more than 1,500 requests.

The AWIC appropriation has remained at $750,000 since it establishment 15 years ago, and over time this has increasingly restricted the services that AWIC is able to provide. In addition, the National Agricultural Library (NAL) and the Agriculture Research Service (ARS) have been collecting "overhead" from AWIC, leaving the Center with a mere $365,000 to operate—less than half of their appropriation! This siphoning off of AWIC's resources warrants an inquiry. A cap on monies provided to ARS and NAL is needed.

Additional funds will permit AWIC to sponsor workshops in different regions of the country and to develop web-based interactive training modules to educate the regulated community and thereby increase compliance with the Animal Welfare Act. The website would be expanded with additional material and an updated search engine to maximize the data available and the efficiency of obtaining it.

A $500 Thousand Appropriation Is Needed for APHIS/Animal Care's Enforcement of the Horse Protection Act.

Congress adopted the Horse Protection Act (HPA) more than 30 years ago yet soring of Tennessee Walking Horses continues to be a widespread problem. Soring is defined by APHIS as "the application of any chemical or mechanical agent used on any limb of a horse or any practice inflicted upon the horse that can be expected to cause it physical pain or distress when moving." Horses are sored to produce an exaggerated gait.

The most effective method of reducing the showing of hoses who have been sored is to have Animal Care (AC) inspectors present at the shows. AC has been restricted to attending about 10% of horse shows because of insufficient funds. Unless funding is provided to enable AC to attend more events, the industry will continue to defy the law with impunity. Certain members of the Walking Horse industry with a careless disregard for the HPA have utilized a variety of strategies to prevent fair and proper enforcement of this law. The current effort to undermine the law is to deny inspectors the ability to use digital palpation of the pastern to determine soreness in horses. *Use of digital palpation, an accepted veterinary diagnostic technique, is vital to AC's ability to enforce the law.*

Lack of financial support has made it necessary for AC to rely heavily on the industry to assume responsibility for enforcement of the law. This is the same industry that has turned a blind eye to compliance with the law since 1970! "Designated Qualified Persons" (DQPs) are the "inspectors" from industry who are supposed to assist AC in identifying sore horses and pursuing action against the individuals who are responsible. The history of DQPs reveals their failure to achieve the level of enforcement of the unbiased, well-trained, professional AC inspectors. The gap is widening between the enforcement when AC inspectors are present versus the level of enforcement by unsupervised DQPs, clearly demonstrating the abysmal failure of the industry to regulate itself. For example, in FY 1999 the rate at which DQPs turned down horses for soring was .44%. *The turndown rate more than tripled* to 1.49% when government inspectors were present to oversee the activities of the DQPs. The record was still worse for certain Horse Industry Organizations like the Kentucky Walking Horse Association; there was a nearly 12-fold increase in horses who were turned down for soring when AC inspectors were present as compared to when DQPs were unsupervised!

We respectfully request that the Subcommittee resist all efforts by the industry to restrict AC's ability to enforce the Horse Protection Act. An increase in appropriations to $500,000 would permit AC to attend a greater percentage of horse shows, thereby ensuring significantly stronger compliance with the HPA.

A $16.2 Million Appropriation Is Needed for Wildlife Services' Oral Vaccine Effort Against Rabies.

Wildlife Services (WS) has been involved in a wildlife rabies vaccine program which uses treated baits in an effort to curb the spread of rabies. An appropriation of $16.2 million is needed to continue the expansion of regional barriers. Resources should be maximized to address the rabies threat. We encourage that full funding be provided for this critical effort: $7.8 million through legislative appropriations and $8.4 million through the Commodity Credit Corporation. These funds will be used to assist participating states by: 1) continuing the vaccination program in Texas to control and eliminate gray fox rabies, while maintaining an effective barrier to prevent the reintroduction of canine rabies in coyotes, 2) maintaining the vaccination barrier in Ohio and West Virginia to keep raccoon rabies from advancing along the Ohio River Valley, 3) increasing existing vaccination barrier zones and establishing new critical barriers in the New England States and New York State to contain raccoon rabies and to establish raccoon rabies-free areas in the northeastern United States, with the ultimate goal of merging regional programs in Ohio and New York State, and 4) establishing a regional vaccination barrier program in the Southeaster United States to prevent the westward spread of raccoon rabies through Alabama and Louisiana.

Congress Needs to Provide Increased Oversight of Wildlife Services' Operations and Research.

Wildlife Services (WS) needs to utilize a variety of tools for management of wildlife under its purview. However, it is essential that these tools are effective and publicly acceptable.

WS needs to begin a phase out of steel jaw leghold traps. Leghold traps slam shut with bone-crushing force on the limbs of their victims, tearing ligaments and tendons, severing toes and causing excruciating pain. These traps, opposed by the vast majority of Americans, have been condemned as "inhumane" by the American Veterinary Medical Association, the American Animal Hospital Association and the World Veterinary Association.

On December 11, 1997, the U.S. Government reached an "understanding" with the European Union in which the U.S. agreed to phase out use of "conventional steel-jawed leghold restraining traps." WS has the responsibility of complying with the U.S. obligation by ending it use of these barbaric devices.

WS should begin by immediately prohibiting use of leghold traps for 3 species for which there is extensive documentation that effective, publicly acceptable, less cruel alternatives exist. These species are raccoon, beaver and opossum. While we believe that this policy should extend to all species, there is no justification for refusing to implement this modest step in alleviating unnecessary animal suffering at once.

WS should pursue no further testing of leghold traps as this would be an extremely wasteful use of taxpayer money and cause unnecessary animal cruelty. Previously, funds designated for trap research were merely passed on to a nongovernmental organization to utilize as it saw fit, without involvement and oversight from WS. If funds are allocated for trap testing, WS should conduct the research since the agency has the appropriate technical expertise.

Further, WS should adopt a policy of checking all restraining traps within a 24-hour period. A wealth of scientific studies documents the fact that the longer an animal is in a restraining trap, the greater the injury. For this reason, the majority of states have a daily trap check requirement. Animals should not be subjected to long-drawn out pain because of a failure to assume the responsibility of carefully checking traps every day. This policy will help reduce the trauma experienced by non-target animals, too, ensuring that more of these animals will be able to be released alive.

Committee on APPROPRIATIONS

Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name: CATHY LISS

1. Are you testifying on behalf of a Federal, State, or Local Government entity?	Yes	(No)
2. Are you testifying on behalf of an entity other than a Government entity?	(Yes)	No

3. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1999:

NONE

4. Other than yourself, please list what entity or entities you are representing:

SOCIETY FOR ANIMAL PROTECTIVE LEGISLATION

5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your representational capacity with the entities disclosed in question number 4:

Christine Stevens - Secretary
Cathy Liss - Legislative Director

6. If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships whom you are not representing?	(Yes)	No

7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) which were received by the entities listed under question 4 since October 1, 1999, which exceed 10% of the entities revenue in the year received, including the source and amount of each grant or contract to be listed:

NONE

Signature: Cathy Liss Date: April 10, 2001

CHRISTINE GESELL STEVENS

Date of Birth: March 10, 1918 **Place of Birth:** St. Louis, Missouri

PROFESSION: Volunteer work in the area of animal protection.

EDUCATION: University High School, Ann Arbor, Michigan (1934-38); University of Michigan College of Literature, Science and the Arts (1936-38); further study at the Society of Arts and Crafts, Detroit, and Cranbrook Art Institute, Bloomfield Hills (both in Michigan) (1938-42).

PERSONAL BACKGROUND: Daughter of Dr. Robert Gesell, Chairman, Department of Physiology, University of Michigan Medical School, and Cora Lees Gesell, strong advocate of animal protection and care. Married in 1938 to Roger L. Stevens, investor, theatrical producer, and Founding Chairman of the Board of the John F. Kennedy Center for the Performing Arts, Washington, D. C. Their daughter, Christabel Stevens Gough, lives in New York City.

PROFESSIONAL CAREER: Her work has always been in the field of animal protection as an unpaid, though full-time worker. In 1951, at the suggestion of her father, she founded the Animal Welfare Institute to further the cause of humane treatment of laboratory animals. Reform of cruel methods of trapping, farm animal welfare, marine mammals and endangered species (particularly whales), animal transportation, slaughterhouse conditions, and humane education are also major issues of the Animal Welfare Institute. Mrs. Stevens has served as the President of the Institute since its inception. In 1955, she founded the Society for Animal Protective Legislation to lobby actively for better laws to protect domestic and wild animals. Fifteen federal laws to protect animals are on the books, and twelve have been passed through the Society's efforts. Mrs. Stevens is the Secretary of the SAPL Board.

ACTIVITIES: Mrs. Stevens has served as observer and delegate to numbers of national and international meetings and has contributed to magazines and books in addition to the active publications program of the Animal Welfare Institute where she writes for the *AWI Quarterly* and edits the many books, leaflets, pamphlets and mailings that are published. At the Society for Animal Protective Legislation, she is responsible for the circular letters to keep thousands of interested letter writers current with legislative programs.

RELATED ACTIVITIES: Mrs. Stevens serves on the Boards of Monitor USA, Monitor International, and is an Honorary Trustee of Bat Conservation International. She has attended eight of the annual International Whaling Commission meetings and five of the meetings of the Convention on International Trade in Endangered Species of Wild Fauna and Flora as an observer or a delegate.

For her work in animal welfare, Mrs. Stevens has been given awards from the American Society for the Prevention of Cruelty to Animals; The Rachel Carson Council, Inc.; and the Cathedral of St. John, The Divine. This past year, she was presented with the George W. Angell Medal, the highest award given by the Massachusetts Society for the Prevention of Cruelty to Animals.

CATHY ANN LISS

Date of Birth: July 26, 1960

Place of Birth: Huntington, New York

Current Address: 4828 Randolph Drive, Annandale, VA 22003

Education: Graduated in 1982 with a Bachelor's Degree from Virginia Polytechnic Institute and State University, Blacksburg, Virginia

Background: Founded the Society for the Protection and Preservation of Animals, a campus-based humane organization, in 1980. Served as volunteer humane investigator for the Montgomery County Humane Society and as a volunteer weekend assistant with the Animal Welfare League of Arlington, both of Virginia.

Professional Career: In 1980, while continuing studies at Virginia Tech, worked as an intern for the Animal Welfare Institute (AWI) and the Society for Animal Protective Legislation (SAPL). Upon graduation began full-time employment with AWI and SAPL as an Administrative Assistant. Promoted to Research Associate of the Animal Welfare Institute in 1984 and to Executive Director in 1991. Serve as Legislative Director of SAPL.

Professional Activities: Member of the National Animal Damage Control Advisory Committee, 1992-1998. Member of the U.S. Technical Advisory Group on Humane Trap Standards (under the auspices of the American National Standards Institute) from 1992 to the present.

Conduct site visits of animal research laboratories and animal dealer facilities. Give presentations and write articles on a regular basis on a variety of animal welfare topics. Attend, as an observer and a delegate, various national and international meetings.

Serve on the Board of Directors of the Animal Welfare Institute, on the Board of the Winley Foundation and on the Advisory Board of the Berryman Institute.



National Corn Growers Association
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Statement of the
National Corn Growers Association
Submitted to the
Subcommittee on Agriculture, Rural Development,
Food and Drug Administration, and Related Agencies
Committee on Appropriations
House of Representatives

April 10, 2001

The National Corn Growers Association (NCGA) appreciates the opportunity to provide the Subcommittee with our recommendations for fiscal year 2002 appropriations for key programs administered by the U.S. Department of Agriculture. The NCGA represents 30,000 corn growers in 48 states and the association's mission is to create and increase opportunities for corn growers in a changing world and to enhance corn utilization and profitability.

The NCGA, strongly, urges the Subcommittee to:

- Increase the ARS plant, animal, and microbial genomics programs by $5.0 million;
- Increase funding for the National Plant Germplasm System by $10 million; and
- Maintain $120 million in funding for the Initiative for Future Agriculture and Food Systems.

While many federal agricultural programs are important to the nation's corn growers, the NCGA believes that the future of the corn industry is written in corn's genetic code and that plant genomics will give us the fundamental information necessary to revolutionize American agriculture. Plant genomics research advances our understanding of the structure, organization and function of plant genomes.

Since 1996, funding for plant genomics has been the number one appropriations issue for the NCGA. The Plant Genome Initiative (PGI), a multi-agency program

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For additional information, contact Kellye Eversole at (301) 951-3345 or Mike Rohan at (314) 275-9915.

focused on structural and functional genomics, will help scientists, geneticists, and plant breeders identify and utilize genes (from corn and other plants) that control important traits, such as nutritional value, stress tolerance, and resistance to pests. In a recently published report, the Interagency Working Group on Plant Genomes, estimated that $600 million, over three years (FY 2001-20032) was needed for the National PGI. While the NSF will provide a significant level of funding for the PGI, USDA must increase its plant genomics funding, substantially, if we are to meet the minimum level of need. Further, USDA must begin a concerted effort in animal and microbial genomics.

For the fiscal year 2002 agricultural appropriations bill, the NCGA requests an increase of $5.0 million for plant, animal, microbial genomics at the Agricultural Research Service (ARS). The NCGA, also, urges the Subcommittee to allow full funding to continue for the Initiative for Future Agriculture and Food Systems as a significant portion of the funds are supporting plant, animal, and microbial genomics research.

To take full advantage of the plant genomics revolution, diverse plant germplasm must be available for crop breeders to develop the varieties necessary to meet the changing circumstances and needs of the future. The USDA National Plant Germplasm System (NPGS) –

- Acquires germplasm;
- Develops and documents information on the germplasm;
- Preserves and distributes germplasm upon request; and
- Maintains quarantine facilities for testing imported germplasm.

Funding for the NPGS has declined significantly, in constant dollars, since 1992, while demands on the system have increased. The NSF-funded plant genome research program has increased, tremendously, the amount of genetic stocks for the NPGS to manage. For example, one maize grant will generate, at least, 50,000 new maize genetic stocks, doubling the size of the NPGS maize stock center. Comparable situations will exist for several other economically important crops as well. Without a significant increase in funding, the NPGS will not be able to manage current stocks, much less the increased stocks generated through genomics research. It is critical that these resources remain in the public domain to ensure continued accessibility to all scientists and breeders. The NCGA believes that the NPGS is a fundamental, strategic resource, and urges the Subcommittee to provide a $10 million increase for the NPGS.

Advances in basic plant science that result from a vigorous plant genomics program and a strong, viable National Plant Germplasm System will allow us to create new hybrids and varieties that will –

- Improve human and animal health;
- Reduce medical costs due to more nutritious, healthier, food for individuals;
- Reduce worldwide malnutrition through higher yielding and more nutritious crops;
- Reduce environmental problems for crop and livestock growers;
- Expand plant-based renewable resources for chemicals and energy; and
- Allow growers to get more income from the market and reduce grower reliance on Federal farm programs.

The National Plant Genome Initiative, the National Plant Germplasm System, and the competitive USDA programs that support genomics research are critical to the long-term viability of U.S. agriculture as they will provide our growers with the tools to meet the challenges and demands of the 21st century. The NCGA, strongly, urges Congress to provide a $5 million increase in ARS funding for plant, animal, and microbial genomics research and a $10 million increase for the USDA National Plant Germplasm System.

Thank you for your consideration of our views.

National Corn Growers Association
Disclosure Statement to Accompany Congressional Testimony

Pursuant to clause 2(g)(4) of Rule XI of the Rules of the House of Representatives, the National Corn Growers Association received the following Federal grants during fiscal years 1999, 2000, and 2001:

DOE/Genetic Engineering Research	$168,000.00;
EPA (Jointly with the American Soybean Association)	$240,000.00;
USDA, NRCS	$ 32,057.91;
DOE/Industries of the Future	$337,181.00;
DOE Separation of Corn Fiber (FY 2000-02)	$1,700,000.00.

COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES
THE SUBCOMMITTEE ON AGRICULTURE RURAL DEVELOPMENT AND RELATED AGENCIES

Testimony of Illinois Governor George H. Ryan
Lt. Governor Corinne Wood
April 10, 2001

Thank you for this opportunity to provide our views and recommendations for the Illinois Rivers 2020 project. As you know the Illinois Rivers 2020 proposal is a comprehensive approach that will allow local interests and landowners as well as the State of Illinois and federal agencies to restore and protect the Illinois River Basin from further deterioration brought about by the forces of erosion, sedimentation and nutrient enrichment.

Last spring the Illinois River Coordinating Council, chaired by Lieutenant Governor Wood, developed Illinois Rivers 2020 with the full cooperation of the State Departments of Agriculture, Natural Resources and the Environmental Protection Agency.

Last fall with the support of the entire Illinois congressional delegation and over 350 mayors and village presidents, Congress authorized up to $100 million for the program under the Water Resources Development Act for three years. This was a tremendous accomplishment and a great start for Illinois Rivers 2020.

The State of Illinois is asking and has to date received much support from environmental, agricultural and other citizen groups and organizations for this landmark effort.

Today we seek to fully fund USDA/Farm Bill programs and provide dollars for technical assistance. Specifically:

- Fully fund the Environmental Quality Incentives Program at $200 million with $4 million earmarked for the Illinois River Basin;
- Fully fund the Wildlife Habitat Improvement Program at $50 million with $100,000 earmarked for the Illinois River Basin;
- Increase the Wetlands Reserve Program cap to 2 million acres with 1,000 acres designated for the Illinois River Basin;

- Increase the Conservation Reserve Program cap to 50 million acres with 200,000 acres designated to special contracts for the Illinois River Basin;
- Expand the existing Conservation Reserve Enhancement Program to the entire Illinois River Basin from the currently approved 100,000 acres to 232,000 acres; and
- Increase funding for technical assistance to the USDA Natural Resources Conservation Service to support the implementation of these pending programs.

Overview of Illinois Rivers 2020

Illinois Rivers 2020 was created by my Administration through the assistance and support of many. Last year, I asked my Lt. Governor, Corinne Wood, who also chairs the Illinois Rivers Coordinating Council, to help me carry the message of this new initiative to Washington. Rivers 2020 is a $2.5 billion, 20-year Federal-State Initiative to restore and enhance the Illinois River Basin. It is a bold initiative, which builds upon the success of the Illinois River Conservation Reserve Enhancement Program (CREP) and other successful state and federal programs.

It is a voluntary, incentive-based approach that attempts to address all the threats to the economic and environmental sustainability of the Illinois River Basin's vitally important waterways.

Illinois Rivers 2020 utilizes existing agencies, programs and delivery mechanisms in Farm Bill programs, the Clean Water Act (CWA) and seeks special consideration under the Water Resources Development Act (WRDA).

With the State of Illinois' proven record in delivering the nation's most successful CREP Program, we are currently in excess of 65,000 acres enrolled,Illinois Rivers 2020 is the next logical step for restoration of the Illinois River Basin. It will serve as a national model to be replicated across the United States.

The Purpose of Illinois Rivers 2020

Illinois Rivers 2020 moves beyond studies and begins implementation of restoration and prevention throughout the basin rather than just maintaining the status quo.

This expanded voluntary, incentive-based program was developed through a cooperative partnership among the Illinois River Coordinating Council, agricultural, environmental and natural resources agencies. It will develop new technologies and innovative approaches to:

- Enhance the waterway as a vital transportation corridor
- Improve water quality within the entire Basin
- Protect farmland and open space
- Provide for land treatment of storm water and best management practices for upland areas
- Restore, enhance and preserve habitat for plants and wildlife
- Increase economic opportunity for agriculture and business communities

Benefits of Implementing of the Illinois Rivers 2020 Program to Agriculture

Improved transportation via enhanced maintenance of the Illinois River Navigation Channel

- One gallon of diesel fuel will move one ton of freight 59 miles by truck, 202 miles by train and 514 miles by barge. This equates to barge movement of goods being 2.5 times more fuel efficient than rail and 8.7 times more fuel-efficient than trucks.
- More than 60 million tons of commodities, including about 20 million tons of farm products, are shipped on the Illinois River each year.
- More than ½ of each bushel of grain grown in Illinois (700 million bushels) is transported to market over the river. With current grain prices, this is equivalent to approximately $2.45 billion dollars of grain moved via the Illinois River each year.

Increased availability of public-funded incentive-based, voluntary conservation tools through EQIP, CREP, CRP, WHIP, and WRP

- Past enrollments in many of these programs have been limited by fund availability. Expanded funding levels and raising the current 100,000 acre

CREP participation acreage cap to the authorized 232,000 acres will result in almost 8,300 more farmers participating in these programs.

- Additional funding to NRCS for Technical Assistance will result in more conservation practices being implemented "on-the-ground". Such additional funding will also make other existing cost-share programs, which also depend on NRCS technical support more efficient and effective. Every $1 of public funding has leveraged an additional $0.89 of private investment in the installation of conservation practices on highly erodible land.

Streambank stabilization activity expansion

- About 7% of the 31,800 miles of streambanks within the Illinois River Basin or approximately 2,226 miles of streambanks are in need of some type of stabilization activity.
- $5 million of new cost-share monies through the Clean Water Act will result in nearly 50 miles of streambanks stabilized against unnecessary erosion resulting in less sediments in the river system and improved water quality throughout the watershed.

Enhanced flood protection for adjacent cropland

- Channel sediment removal will reduce flood pressures on the existing levee system. In the 1993 Great Midwestern Flood, 18% of all federal levees and 78% of non-federal levees were overtopped. Basin wide, approximately 35 million acres were adversely affected and agricultural damages were estimated at $3.85 billion. In Illinois, 872,000 crop acres were either inundated or destroyed.
- Water level management studies will allow for better management of lock and dam impacts to river stages.

Opportunity for Midwest Agriculture to pro-actively respond to national water issues such as TMDLs and Gulf Hypoxia

- Flood plain restoration through voluntary programs such as CRP, CREP, WHIP, EQIP, and WRP are consistent with varoius water quality improvement initiatives such as the federal TMDL program and the Gulf Hypoxia Action Plan and provide farmers an additional incentive to improve both in-basin and Gulf water quality.

Increased protection of agricultural land from conversion caused by competing uses

- Funding through NRCS will enable local units of government and not for profit organizations to purchase agricultural conservation easements from willing sellers, thus protecting agricultural land from unnecessary conversion
- Through the purchase of agricultural conservation easements, landowners receive liquid capital that can be used for investments that benefit their farm operations while ensuring continued agricultural use.
- Contingent upon federal appropriations, thousands of farmland acres could be permanently protected through the use of conservation easements.

This program has great likelihood for demonstrated success because it will help meet the unfulfilled demands of private landowners wishing to conserve soil and water resources and all new funding will be substantially used for program implementation, not administration.

Thank you again for the opportunity to provide comments relative to the importance of the Illinois Rivers 2020 initiative and the integral part Farm Bill programs and funding will play in its ultimate success.

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Testimony of Wenonah Hauter
Director, Critical Mass Energy and Environment Program
Public Citizen, Washington, D.C.

Presented before the House Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations

April 10, 2001

Chairman Bonilla, Ranking Member Kaptur and Members of the Subcommittee. My name is Wenonah Hauter I am Director of Public Citizen's Critical Mass Energy and Environment Program. As you know, Public Citizen is a consumer organization founded by Ralph Nader in 1971. We represent 150,000 members. I welcome this opportunity to give our views on a key public health issue.

Public Citizen has thoroughly investigated the process by which both the Food and Drug Administration (FDA) and the United States Department of Agriculture (USDA) legalized irradiation as a technology to "treat" food. Our investigation has turned up some very disturbing facts:

1) The FDA failed to adhere to federal regulations and its own protocols when the agency assessed the safety of irradiated food for human consumption in accordance with 21 CFR 170.20 and 170.22, which mandate the procedures for reviewing proposed food additives;
2) In the course of legalizing irradiation for numerous classes of food since 1986, the FDA has relied on many studies dating to the 1950s and 1960s that agency scientists had deemed to be "deficient,"
3) Exposing food to ionizing radiation results in the formation of potentially carcinogenic and/or mutagenic chemical compounds;
4) The FDA has failed to recognize recent research that found a unique chemical formed in certain irradiated foods (called 2-DCB) to cause genetic damage to rats and to human cells;
5) Irradiation destroys vitamins (such as A, B-complex, C, E and beta carotene), and disrupts amino acids and essential fatty acids.
6) Due to deficiencies in implementing the Hazard Analysis Critical Control Point (HACCP) Program by both the FDA and the USDA, food irradiation is being advocated as the new panacea in food safety technologies;
7) Realizing that consumers will not purchase food that has been exposed to high doses of ionizing radiation, the food irradiation industry has come to Congress to put pressure on the FDA to weaken labeling requirements;
8) With consumers rejecting irradiated food, the food irradiation industry is turning to Congress for a bailout by attempting to compel the USDA to purchase irradiated food for its various nutrition programs, such as the National School Lunch and the Women, Infants and Children programs;
9) Many of our key FDA and USDA officials are delegates to the Codex Alimentarius Commission, which sets international food standards. The current Codex chair is Thomas Billy, administrator of the USDA's Food Safety and Inspection Service. Our food safety laws are being threatened and undermined by efforts by the Codex to "harmonize" food safety rules. Irradiation is being promoted as a key technology to eliminate trade barriers in agriculture.

Allow me to expand on each of these points.

The FDA Failed to Follow Federal Regulations and Protocols, and the Relied on Flawed Science

The FDA's first major legalization of irradiation as a food additive occurred when the agency approved its "Omnibus Rule" on April 18, 1986.[1] The Omnibus Rule legalized the irradiation of fruit and vegetables, and tripled the maximum irradiation dose for spices. In so doing, however, the FDA failed to follow its own protocols for approving irradiation as a food additive, and it relied on studies that the agency had deemed deficient only a few years earlier.

Specifically, the FDA failed to follow federal regulations that require the establishment of at least a 100-fold safety factor for humans when the agency legalizes a food additive for human consumption.[2] Furthermore, the FDA did not comply with the agency's "Redbook," which details the types of experiments that must conducted before a food additive is approved.[3] And, the FDA failed to identify, quantify and evaluate the potential toxicity of new chemicals formed when food is irradiated, in violation of its own procedures

What has made the Omnibus Rule even more perplexing is the fact the FDA relied on studies that the agency's own scientists had deemed "deficient" in 1982. None of the seven key studies met the FDA's own testing protocols for approving food additives. Some of the studies actually suggested that eating irradiated food might be harmful to humans. A 1972 German study had not only had been deemed "deficient," it also suggested that irradiated food could cause reproductive problems and nutritional deficiencies.[4] And, three of the studies were written in French. When Public Citizen inquired about them, we discovered that the FDA did not have English translations. Perhaps most disturbing is the fact that none of the seven studies included short-term experiments to gauge the carcinogenic and mutagenic potential of irradiated food.

But the FDA's flawed decision-making did not stop in 1986. The agency repeated these mistakes when it expanded the use of irradiation for poultry (1990), beef (1997), juice (2000), eggs (2000) and sprouting seeds (2000). To this day, the FDA continues to rely on antiquated, 30- and 40-year-old studies that were based on questionable science — a fact revealed in numerous internal FDA memoranda, which acknowledge that some studies being used to support this expansion are, in fact, deficient.

Irradiation Can Form Known and Potential Carcinogenic and/or Mutagenic Compounds

Numerous studies have revealed that when certain foods are irradiated, chemical compounds are formed that would not otherwise appear in the foods. For example, a 1977 Army-funded study showed that when beef is irradiated, 35 chemicals appeared that would not otherwise naturally appear in beef. Five other chemicals that appeared do not appear naturally in *any* food. And, 15 other chemicals appeared in higher concentrations after the beef was irradiated — 650 percent higher in the case of benzene, a known human carcinogen according to the U.S. Environmental Protection Agency Other chemicals included four compounds suspected to cause birth defects: ethanol, hexane, methyl ethyl ketone and toluene.[5]

The new compounds formed by irradiation are called unique radiolytic products (URPs), about which we know very little FDA and other government agencies have done very little research on the potential harmful effects that these could have on humans.

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[1] 51 Federal Register 13376, April 18, 1986
[2] 21 CFR 170 20 and 170.22.
[3] *Toxicological Principles for the Safety Assessment of Direct Food Additives and Color Additives Used in Food* Bureau of Foods, FDA, 1982.
[4] FDA Memorandum form Marcia van Gemert to Clyde Takeguchi, December 28, 1982
[5] "Evaluation of the Health Aspects of Certain Compounds Found in Irradiated Beef," Life Sciences Research Office, Federation of American Societies for Experimental Biology, Bethesda, Maryland Prepared for U.S. Army Medical Research and Development Command, Fort Detrick, Maryland, Contract N. DAMD-17-C-6055. August 1977 and Supplements I and II, March 1979.

Recent German Studies Find a Unique Radiolytic Product to Cause Genetic Damage

In 1998, a German study found that a unique radiolytic product called 2-DCB, which is formed when certain fat-containing foods are irradiated, "clearly" caused cellular and genetic damage to human and rat cells.[6] A second study found 2-DCB to cause "significant" genetic damage when fed to rats.[7]

The disturbing irony of this situation is that 2-DCB is only formed when food is irradiated, and consequently, it is commonly used as "marker" when scientists attempt to discern whether food has been irradiated.[8] Public Citizen raised this issue at a public briefing meeting on February 13, 2001, of the U.S. delegation to the Codex Committee on Food Additives and Contaminants (CCFAC) [9] On CCFAC's agenda for its meeting in The Hague March 12-16 was a proposal to remove the cap on the allowable irradiation dose for foods.

Public Citizen urged the U S. delegates to oppose this proposal until further experiments could be conducted on the possible carcinogenic and/or mutagenic effects of eating irradiated foods — in particular, the potential health hazards of 2-DCB. Not only did our delegation choose to ignore this study when it went to The Hague and supported the proposal to remove the irradiation dose cap, our delegates also supported the further weakening of safeguards for consumers and for workers employed at food irradiation facilities.[10]

Irradiation Depletes Vitamins, and Disrupts Amino Acids and Essential Fatty Acids

It is well known within the scientific community — and within the FDA and the food industry itself — that irradiation causes substantial losses of key vitamins that are essential to human nutrition. These include vitamins A, B-complex, C, E and beta carotene. Irradiation also breaks down amino acids and essential fatty acids.[11] The FDA is well aware of these problems, yet the agency legalized the irradiation of juice despite the fact that irradiation destroys 48 percent of beta carotene and 13 percent of vitamin C in orange juice.[12]

The Deficiencies of HACCP and Irradiation

As both the FDA and USDA continue to struggle with the implementation of the Hazard Analysis and Critical Control Point (HACCP) program for the various food safety systems they are responsible to inspect, the agencies have embraced irradiation as a possible panacea and fail-safe technology to protect the public against food-borne pathogens. There have already been numerous investigative reports conducted by the USDA Inspector General,[13] the U S. General Accounting Office,[14] and the news media that show that the implementation of HACCP leaves much to be desired.

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[6] Delincee, H. and Pool-Zobel, B "Genotoxic properties of 2-dodecylcyclobutanone, a compound formed on irradiation of food containing fat " *Radiation Physics and Chemistry*, 52 39-42, 1998.
[7] Delincee, H. et al "Genotoxicity of 2-dodecylcyclobutanone " Food Irradiation: Fifth German Conference, Karlsruhe, November 11-13, 1998.
[8] Tewfik, I.H. et al A rapid supercritical fluid extraction for the qualitative detection of 2-alkylcyclcyclobutanones in gamma-irradiated fresh and sea water fish. *International Journal of Food Science and Nutrition*, 50. 51-56, 1999.
[9] Public Meeting Addressing the Codex Committee on Food Additives and Contaminants. U.S. Department of Agriculture / U S. Food and Drug Administration, February 13, 2001. Federal Office Building 8, Washington, D.C.
[10] Letter from F. Edward Scarbrough, U.S. Manager for Codex, to S.P J. Hagenstein, Codex Commission on Food Additives and Contaminants. Draft released February 13, 2001.
[11] Murray, D.R. *Biology of Food Irradiation*. Somerset, England: Research Studies Press Ltd., 1990.
[12] FDA Memorandum, Elke Jensen, October 27, 1999.
[13] *Food Safety and Inspection Service Implementation of the Hazard Analysis Control Point Systems*, USDA Office of Inspector General, Report No. 24001-3, June 2000.
[14] *Food Safety Federal Oversight of Seafood Does Not Sufficiently Protect Consumers* U.S General Accounting Office, GAO-01-204, January 2001.

Consequently, both the FDA and USDA are seeking out technologies to ensure that the food consumers eat is safe, and as way to cover up the holes left by HACCP. Irradiation is one these technologies. If meat is diseased or filthy during the slaughtering process, all irradiation will do is to sanitize that disease and filth. It will not remove the filth. It will not make that meat wholesome. As was pointed out above, because the FDA has failed to take into account the potential harmful effects that irradiation will have on humans, the premise that irradiation will make food safe to consume is also specious.

The Consumers' Right-to-Know is Being Threatened

The food irradiation industry realizes that consumers will not purchase their products. FDA regulations currently require that irradiated food be labeled with the "radura" (an international symbol for irradiation), as well as the phrase "treated with irradiation" or "treated by irradiation."[15] Since 1997, the food irradiation industry has been coming to Congress to compel the FDA to change the current labeling requirements. Instead, the industry wants to use misleading and meaningless euphemisms such as "cold pasteurization" and "electronic pasteurization."

In 1999, the FDA published an advance notice of proposed rulemaking in which the agency solicited comments from the public about changing the labeling requirements [16] The agency received more than 20,000 comments — and a vast majority of the comments opposed any changes to the labeling rules.[17] In addition, our sister consumer organization, the Center for Science in the Public Interest, conducted national poll on this issue, and 89 percent of those surveyed stated that they did not want the labeling requirements changed, and most people opposed the use of euphemisms to describe irradiation.[18]

During the 2000 appropriations process, report language was added to the FY 2001 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill that directed the FDA to revisit this issue and report back to the Congress.[19] Despite the overwhelming majority of public comments opposed to changing the labeling requirements, the FDA stated that it could not discern a "consensus" and was going to start the process anew in 2001.[20] The FDA plans to use focus groups to try to develop alternative, consumer-friendly terms to describe irradiation. In fact, FDA has requested the Office of Management and Budget to speed the approval for the funds to conduct these focus groups.[21] The USDA has also contracted with the University of California-Davis to develop "educational" materials to attempt to dispel consumer concerns about irradiation and to develop alternative terms to describe the process.[22] The National Food Processors Association has made changing the labeling rules its No. 1 priority [23]

Public Citizen believes that spending taxpayer dollars on focus groups and indoctrination campaigns is improper. It is not government's role to promote a technology — particularly one that is flawed — and it is clearly not its role to deceive the public. Consequently, we urge this Subcommittee to stop the funding of these activities immediately.

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[15] 21 CFR §179.26.
[16] 64 Federal Register 7834, February 17, 1999.
[17] The agency's official position is that it received only 4,500 comments. Public Citizen submitted a petition with more than 16,000 signatures opposing the proposed changes FDA counted the petition as one comment
[18] Food Irradiation, April 16-18, 1999. Bruskin Goldring Research, conducted for Center for Science in the Public Interest.
[19] Report Language, The Conference Committee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations, FY 2001
[20] FDA Response to Congressional Request on Irradiated Labeling Concern.
[21] 66 Federal Register 17183, March 29, 2001.
[22] "Consumer Food Safety and Food Irradiation Education," Christine Bruhn, Principal Investigator, Grant No. 00-51110-9766. USDA Integrated Research Education & Extension Competitive Grant Program
[23] Remarks by the National Food Processors Association at "Food Irradiation 2001" conference, February 26-28, 2001, Washington, D.C

Should School Kids and Poor Women Bail Out the Food Irradiation Industry?

The recent controversy concerning rescinding the Salmonella testing requirements for beef sold to the National School Lunch Program and permitting the purchase of irradiated meat illustrates how desperate the food irradiation industry has become. Also embedded in the report language of the FY 2001 Appropriations Bill is a direction to the USDA's Agricultural Marketing Service (AMS) to purchase foods for the government's nutrition programs using new food safety technologies that have been approved by the USDA.[24] AMS officials interpreted this to mean that they were being directed to buy irradiated foods for the National School Lunch Programs and other federal nutrition programs, such as the Women, Infants and Children Program.

The public outcry against this proposal was instantaneous and intense. Taxpayers should not be put in a position to bail out the food irradiation industry. If their products are not being accepted by the general public, they should not be force-fed to unsuspecting school children and indigent mothers. The Subcommittee should direct the AMS not to purchase irradiated food for the federal nutrition programs.

Our Food Safety Laws are Being Undermined by International Trade Organizations

In the rush to implement free trade, our food safety laws and regulations are being threatened by international trade bodies that are endeavoring to break down trade barriers. One of the technologies being strongly advocated to advance that goal is food irradiation. At the center of this is the Codex Alimentarius Commission, which sets international food safety standards for 160 countries and 97 percent of the world's population. As I mentioned above, the Codex is already moving toward eliminating the food irradiation dose cap. The construction of food irradiation facilities is proceeding at a frenetic pace in countries such as Brazil and Mexico.

Recent comments by officials from the USDA have caused us great concern. A high-ranking official with the Animal and Plant Health and Inspection Service (APHIS) recently stated publicly that his agency has transformed from one that inspects imported agricultural products and protects our borders from non-native pests to an agency whose "mantra is to help facilitate trade."[25] Among the ways his agency is looking to break down trade barriers is increasing the use of irradiation. The administrator of the Food Safety and Inspection Service, Thomas Billy, is also the chair of the Codex, and he is streamlining that organization's decision-making process to expedite the approval of new technologies as a way to break down trade barriers. The U.S. delegates to the Codex are primarily high-ranking officials within the FDA and USDA who have been in the forefront of advancing the cause of food irradiation.

Our food safety laws and regulations are under attack by these international forces. Public Citizen urges the Subcommittee to look into the activities of our delegates to Codex and direct them to protect American consumers against unsafe and unwholesome imported foods. In addition, we urge the Subcommittee to direct our Codex delegation to withdraw its support for food irradiation until such time as the FDA completes a thorough analysis of this technology in accordance with federal regulations.

I thank you for this opportunity to express our views.

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[24] Report Language, The Conference Committee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations, FY 2001.

[25] Remarks by Arnold Foudin at "Food Irradiation 2001" conference, February 26-28, 2001, Washington, D.C.

Committee on APPROPRIATIONS

Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name:		
1. Are you testifying on behalf of a Federal, State, or Local Government entity?	Yes	(No)
2. Are you testifying on behalf of an entity other than a Government entity?	(Yes)	No

3. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1999: NONE

4. Other than yourself, please list what entity or entities you are representing:

Public Citizen, A Consumer Advocacy

5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your representational capacity with the entities disclosed in question number 4:

Director of Public Citizen's Congress Watch Division, and Investments Policy Analyst

6. If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships whom you are not representing?	Yes	No X

7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) which were received by the entities listed under question 4 since October 1, 1999, which exceed 10% of the entities revenue in the year received, including the source and amount of each grant or contract to be listed: NONE

Signature: [signature] Date: 4/10/01

Wenonah Hauter joined Public Citizen in 1997 as Director of the Critical Mass Energy and Environment Program, which has programs on nuclear waste, nuclear safety, electricity deregulation, food safety and food irradiation. From 1996 to 1997, she was Environmental Policy Director for Citizen Action, where she directed campaigns to maintain funding for Superfund site clean-up, to reduce pesticide contamination and to protect consumers and the environment as the electricity market was deregulated. From 1989 to 1995 she was at the Union of Concerned Scientists (UCS). During her tenure at UCS as a Senior Organizer, she coordinated broad-based sustainable energy campaigns in several states. Previously, Wenonah spent ten years working on poverty and aging issues in rural and urban Virginia. Wenonah is also a trainer for the Midwest Academy, and she has a Masters Degree in Anthropology from the University of Maryland.

Coalition for Food Aid

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Executive Director:
Ellen S. Levinson

April 10, 2001

The Honorable Henry Bonilla
Chairman
Agriculture, Rural Development, FDA,
and Related Agencies Subcommittee
Committee on Appropriations
United States House of Representatives
2362 Rayburn House Office Building
Washington, DC 20515

Re: P.L. 480 FY 2002 Appropriations

Dear Chairman Bonilla:

On behalf of the members of the Coalition for Food Aid, I respectfully submit for the record this letter supporting a total FY 2002 program level of $1.1 billion for the P.L. 480 ("Food for Peace") program. Although this will only make up $83,000,000 of the $673,000,000 cut in P.L. 480 that has occurred since FY 1993, it will at least bring the program closer to its program level of FY 1997 and 1998. Within the P.L. 480 budget, we urge that the title II program be appropriated $887,000,000, a $50,000,000 increase over the FY 2001 appropriations, but $40,000,000 less than the actual FY 2001 title II allocation. We are also seeking Committee Report language to encourage improved US Agency for International Development (USAID) and US Department of Agriculture (USDA) administration of food aid programs.

The members of the Coalition are private voluntary organizations and cooperatives (jointly referred to as "PVOs") that develop and implement food aid programs overseas, including title II programs. We are very concerned about the decline in P.L. 480. In FY 1993, P.L. 480 provided 6 MMT; in FY 2001 it will only provide 2.9 MMT.

For PVOs, it is not just a matter of how much food aid is provided – it is how this food is used. Food aid is more than a hand out of US grain, oilseed and dairy products, dry peas, beans and lentils, and other agricultural products. When linked with human and economic development activities that are developed and implemented by PVOs, food aid can have a lasting benefit. This makes title II a very effective program.

Food Aid is Needed

For developing countries that are strapped with debt and cannot afford to import adequate amounts of food to meet the nutritional needs of their populations, food aid is very important. According to the United Nations Food and Agricultural Organization report, "The State of Food and Agriculture 1998," approximately 828,000,000 people are chronically undernourished in the world. While no region is immune to hunger, the vast majority of these people live in 87 low-income, food-deficit countries. The USDA Economic Research Service reports that about 15 MMT of food aid is needed a year to meet the "food gap" in the 60 countries that are considered to be least developed and reliant on food imports.

Hunger has many causes and manifestations, but is most often associated with poverty and lack of empowerment. In developing countries, where poverty is endemic, employment opportunities are lacking, governments are unable to provide basic health and education services or sanitation and clean water due to low revenues and high debt burdens, agricultural productivity and marketing systems are usually weak and under-performing, and many people struggle just to meet their basic needs.

During the Uruguay Round Trade Agreement negotiations, it was acknowledged that low-income, net food-importing countries often have hard currency limitations and cannot afford to meet their food needs through commercial imports. Their need for food aid was expected to increase as the availability of subsidized commercial commodities decreased. Because of this, the Ministers declared that donor countries would seek to increase food and agricultural aid to these low-income countries.

Emergencies abroad also require food aid interventions. Recent events dramatically show the need - severe human and property losses due to hurricanes in and earthquakes in Ecuador and India, and ongoing emergencies in Africa caused by drought and war. These disasters compound the suffering of the poor, erase the economic progress made by struggling, developing countries and thrust millions of low-income, and even middle-income, families into poverty.

Responsible Use of US Resources

The essence of US food aid programs is the expression of American good will through "people-to-people" programs. American farmers produce the food, American businesses process, package and transport the food, and American PVOs make sure it is used properly and effectively. PVOs target areas of need, establish programs in cooperation with local communities and institutions, and provide efficient management.

PVOs are supported by the American public through contributions and are accountable to their donors. When they receive food and cash assistance from the US Government, they must account for the use of the resources and are audited and evaluated according to US Government-procedures. They have established mechanisms for food monitoring and reporting from point of departure from the US to the ultimate recipient. In the case of monetization (commodity sales

and the use of funds for pre-approved program activities) or if funds have been provided for program support, itemized records of the use of such funds are maintained. They also keep records to assess the ultimate impact of the program on the intended beneficiaries.

Effective Programs for Lasting Benefits

Food aid can tackle the root causes of hunger in many ways. It is not accomplished just by distributing U.S. commodities - it takes thoughtful planning and outreach to make sure these programs help people to help themselves. There are many examples. Nutritious foods along with immunization and health care are provided during critical growth periods for mothers and children. Infrastructure and sanitation in poor communities are improved by giving food as payment for work on sewage and water systems. Land use and conservation are enhanced when food is provided as an incentive for community participation in reforestation and land conservation projects. Agricultural productivity and incomes are improved by selling donated food and then using the sales proceeds to finance agricultural, small business and credit programs.

One innovative approach to food aid programming is monetization -- the sale of donated commodities in poor, food deficit countries and the use of the sales proceeds for such things as (1) the distribution of food to pregnant women, mothers, children and others; (2) purchasing equipment, services and supplies to enhance the impact of food-for-work, school feeding or child and maternal health care programs; and (3) supporting programs that help improve agriculture productivity, marketing, post-harvest storage and processing or provide employment and business opportunities to increase incomes of the poor. The process of monetization itself can stimulate wider participation of traders in the market of the recipient country, thereby strengthening the free market system. The sales transactions are carefully planned to avoid interference in commercial trade or local production and marketing.

Linkages to US Agriculture: Aid to Trade

In contrast to developing countries the U.S. agricultural sector is the most productive in the world. A great part of the American tradition is to lend a helping hand to those less fortunate. The United States has used its agricultural bounty to help others through food aid programs. The donations have a positive impact on the US economy, creating business for farmers, food processors, packaging companies, railroads, ports and shipping companies.

Food aid is one intervention in a range of programs that can lead from aid to trade. Many of the countries where PVOs operate have not been analyzed or targeted by US agricultural organizations since they are low income and are not current targets for commercial sales. Yet, there is growing interest among agricultural organizations to explore how food aid can be integrated into their long-term planning.

In the short term food aid provides an additional market for US goods. There is a long term benefit, as well. If properly planned, food aid programs promote "food security" -- the

ability of people to produce, to buy or otherwise to access enough food to meet their nutritional needs. As a family improves economically, it can afford to buy more and as a developing country improves its economic situation, the demand for food and higher-valued food increases. Thus, there are linkages between food aid programming and future market development.

History has shown that US food aid can be the foundation for trade. Today, 40% of our commercial agricultural exports are sold to countries that were food aid recipients.

Agricultural organizations cooperate in different ways with PVOs. Some provide information about their products and respond to questions by PVOs about the efficacy of using a particular commodity. Others directly assist or work with a PVO to conduct market analyses and to develop monetization plans in a target country.

As an example, the U.S. soybean producers, through their contributions to the United Soybean Board (USB) and state soybean boards, initiated a collaborative effort with PVOs to identify the best uses for donated soybean products in developing countries. The purposes are (1) to provide soybeans, soybean meal and soybean oil to countries that need these products, (2) to have a long-term benefit by integrating the proceeds from the sales of these products into economic and social development programs implemented by PVOs, and (3) to identify opportunities to use soy protein products to improve the nutritional quality of foods available in a target country. PVOs and USB have been working together to plan effective programs that use food aid in ways that can have a benefit on the recipient country's economy and a nutritional benefit to targeted populations.

Title II Funding Increase Needed

The FY 2001 expenditures for title II will exceed appropriations by $90,000,000. These extra funds are carryovers and transfers from other accounts. USDA's budget submission states that in FY 2002 such carryovers and transfers can not be assumed.

In FY 2001, USAID asked PVOs to reduce commodity levels for several ongoing programs because of budget shortages. Thus, even with the transferred funds that increased the total program level for title II, cuts were made in ongoing programs. Since developing a title II proposal is a very lengthy, costly and in-depth process, when USAID states that it has limited resources or wants to limit the number of programs it approves, PVOs are hesitant to draft proposals to start new programs. USAID also places constraints on PVOs by making it difficult to develop and to gain approval of certain types of programs, such as food for education and HIV/AIDS programs.

Thus, without increased appropriations, title II actual expenditures are very likely to drop in FY 2002 and valuable programs that reduce malnutrition and improve the availability of food in poor households will be cut. We therefore ask you to appropriate $887,000,000 for title II, which will provide $50,000,000 more than the FY 2001 appropriations, and about 125,000 MT in additional food aid.

Reforming Food Aid Program Administration

USAID's administration of title II programs is through an unwieldy and constantly changing set of regulations, guidelines, policy announcements, handbooks and individual program officer decision-making. At USDA, the process is murky and unpredictable for Food for Progress and surplus disposal programs. There are some disturbing trends in USDA policy governing surplus disposal under section 5(d) of the Commodity Credit Corporation (CCC) Charter Act and the Section 416 program, including the way the FY 2001 Global Food for Education Initiative ("GFE") is being managed. There is little or no consultation between USDA and PVOs about the program approval criteria or elements for a successful project, even though many PVOs can offer a great deal of help due to years of hands-on, field experience. The review process used by USDA is not transparent and changes are made in program rules midstream, after proposals have been developed to meet the program rules that were originally published.

PVOs try to navigate this administrative maze, but it is exhausting and takes away from their ability to target programs to meet local needs

US PVOs should be considered partners in US food aid. Reforms are needed that will enhance the positive impacts of food aid by streamlining administration and giving PVOs greater flexibility to pick the right commodity for the right use, supporting monetization as a valuable method for food distribution and strengthening economies, providing flexibility for a PVO to develop the type of project that would be most appropriate for the local setting and circumstances, and focusing on the use of food as a resource for growth and development. User-friendly program guidance and flexibility for PVOs to adapt a program to meet the changes encountered during the implementation phase are necessary.

If a PVO has demonstrated the capability to conduct programs, the administrative agency should give the PVO flexibility to develop a program that responds to local needs without trying to micromanage PVO decisions. This would give PVOs greater flexibility to make programmatic changes as they work to achieve program objectives. PVO programs are audited according to US Government-proscribed procedures, are subject to US government audit and are independently evaluated. Besides a high level of accountability, the value added by a PVO is its ability to develop a program that meets local needs and to work directly with communities, institutions and people in poor countries to make lasting changes.

Thank you for this opportunity to submit testimony on the P.L. 480 and other food aid programs. We appreciate your support for food aid over the years and seek your continued help to maintain funding for this program.

Sincerely,

Ellen S. Levinson
Executive Director

CADWALADER

Cadwalader, Wickersham & Taft

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Ellen S. Levinson is Government Relations Advisor in the Washington, DC office of Cadwalader, Wickersham & Taft. She develops strategic plans that enable clients to achieve their public policy, business development, regulatory and legislative goals, including gaining access to U.S. Government contracts, grants and project/trade financing.

Ms. Levinson represents clients on matters before the U.S. Congress, federal agencies and multilateral organizations. This includes making presentations before such entities and preparing testimony, briefing papers, press releases, reports, articles and comment letters. For example, recently she has presented testimony before Congress on the upcoming international trade negotiations under the World Trade Organization; lobbied and prepared clients to testify on issues ranging from foreign aid programs to commodity futures regulation; and assisted U.S. and foreign organizations and businesses in gaining access to U.S. government and international financing.

Over the past 15 years, Ms. Levinson has managed lobbying efforts to amend governmental appropriations, foreign assistance, trade, maritime, commodity futures and agriculture laws. She has had a direct impact on the development of regulations and procedures for the implementation of international assistance programs, including those administered by the U.S. Agency for International Development and the U.S. Department of Agriculture. Among the clients she has assisted are: mining, construction and manufacturing companies, financial institutions, futures and securities exchanges, transportation industries, charitable organizations, foreign governments, agricultural companies and associations and ports.

Since 1985, Ms. Levinson has served as Executive Director of the Coalition for Food Aid, maintaining a high profile before Congress

Ellen S. Levinson
(continued)

and government agencies for a coalition of leading U.S. charitable organizations that provide humanitarian and development assistance overseas. In addition, she was appointed to and currently serves on the Agriculture Policy Advisory Committee on Trade to the U.S. Trade Representative and the Secretary of Agriculture.

Prior to joining Cadwalader, Ms. Levinson was Government Relations Advisor to Lord Day & Lord, Barrett Smith and had administered her own consulting firm. From 1983 to 1985, she served as Legislative Director to U.S. Representative Richard J. Durbin of Illinois, who is now a U.S. Senator. Previously, she directed a U.S. Department of Agriculture research project to determine the appropriateness of various methodologies for monitoring nationwide food consumption, served as a teaching assistant in the University of Maryland's Chemistry Department, was a biological research assistant for the U.S. Department of Interior and gained funding for and directed a nutrition education project for St. Mary's County, Maryland.

Ms. Levinson received her Master of Science degree in Nutrition and her Bachelor of Science degree in Zoology from the University of Maryland.

Statement of
Gary R. Lytle, Interim President and CEO
UNITED STATES TELECOM ASSOCIATION
before the UNITED STATES HOUSE OF REPRESENTATIVES
Committee on Appropriations
Subcommittee on Agriculture, Rural Development, FDA, and Related Agencies
April 10, 2001

SUMMARY OF REQUEST

PROJECT INVOLVED: Telecommunications Loan Programs Administered by the Rural Utilities Service of the U.S. Department of Agriculture.

ACTIONS PROPOSED: Supporting RUS loan levels and the associated funding subsidy for the hardship, cost of money, Rural Telephone Bank and loan guarantee programs in FY 2002 in the same amount as loan levels specified in the FY 2001 Agriculture Appropriations Act, and opposing the Administration's proposal which was contained in "A Blueprint for New Beginnings" to not fund Rural Telephone Bank loans. Also supporting an extension of the language removing the 7% interest rate cap on cost of money loans. Also supporting continuation of the restriction on the retirement of class A Rural Telephone Bank stock in FY 2002 at the level contained in the FY 2001 Agriculture Appropriations Act and an extension of the prohibition against the transfer of Rural Telephone Bank funds to the general fund. Opposing the proposal contained in the budget to transfer funds from the unobligated balances of the liquidating account of the Rural Telephone Bank for the Bank's administrative expenses. Supporting funding in the amount of $27 million in loan and grant authority designated for distance learning and telemedicine purposes, including allocation of $2 million of that funding to extend the pilot program begun last year of direct loans and grants to finance broadband transmission and local dial-up Internet service in rural areas.

The United States Telecom Association (USTA) represents over 1000 local telecommunications companies that provide over 95 percent of the access lines in the United States. USTA members range from large public-held corporations to small family-owned companies as well

as cooperatives owned by their customers. I am Gary Lytle, Interim President and CEO of USTA. I submit this testimony in the interests of the members of USTA and their subscribers.

USTA members firmly believe that the targeted assistance offered by a strong RUS telecommunications loan program remains essential in order to maintain a healthy and growing rural telecommunications industry that contributes to the provision of universal telephone service. We appreciate the strong support this committee has provided for the telecommunications program since its inception in 1949 and look forward to a vigorous program for the future.

A CHANGING INDUSTRY

As Congress recognized through passage of the Telecommunications Act of 1996, telecommunications in the United States is in the midst of the most significant changes any industry has ever undergone. Both the technological underpinnings and the regulatory atmosphere are dramatically different and changing at an extraordinarily rapid pace. Without system upgrades, rural customers will be left out of the emerging information revolution.

The need for modernization of rural telecommunications technology employed by RUS borrower rural telecommunications companies has never been greater. In addition to upgrading switching capability to allow new services to be extended to rural subscribers, it is crucially important that rural areas be included in the nationwide drive for greater bandwidth capacity. In order to provide higher speed data services, such as Digital Subscriber Line (DSL) connections to the Internet, outside plant must be modernized in addition to new electronics being placed in switching offices. With current technology, DSL services cannot be provided to customers located on lines more than three miles from the switching office. Rural areas have a significant percentage of relatively long loops and are therefore particularly difficult to serve with these higher speed connections. Rural telecommunications companies are doing their best to restructure their networks to shorten loops so that DSL may be provided, but this is not an inexpensive proposition and may not be totally justified by market conditions. However, these services are important for rural economic development, distance learning and telemedicine. RUS-provided financial incentives for additional investment encourage rural telecommunications companies to build facilities which allow advanced services to be provided. The economic externalities measured in terms of economic development and human development more than justify this investment in the future by the federal government.

Greater bandwidth and switching capabilities are crucial infrastructure elements which will allow rural businesses, schools and health care facilities to take advantage of the other programs available to them as end users. The money spent on having the most modern and sophisticated equipment available at the premises of the business, school or clinic is wasted if the local telecommunications company cannot afford to build facilities that quickly transport and switch the large amounts of data that these entities generate. RUS funding enhances the synergies among the

FCC and RUS programs targeted at improving rural education and health care through telecommunications.

The RUS program provides needed incentives to help offset regulatory uncertainties related to universal service support, interstate access revenues and interconnection rules with a reliable source of fairly priced, fixed-rate long term capital. After all, RUS is a voluntary program designed to provide incentives for local telecommunications companies to build the facilities essential to economic growth.

RUS endures because it is a brilliantly conceived public-private partnership in which the borrowers are the conduits for benefits from the federal government which flow to rural telephone customers, the true beneficiaries of the RUS program. The government's contribution is leveraged by the equity, technical expertise and dedication of local telecommunications companies. The small amount of government capital involved is more than paid back through a historically perfect repayment record by telecommunications borrowers as well as the additional tax revenues generated by the jobs and economic development resulting from the provision and upgrading of telecommunications infrastructure. RUS is the ideal government program – it generates more revenues than it costs, it provides incentives where the market does not for private companies to invest in infrastructure promoting needed rural economic development, it allows citizens to have access to services which can mean the difference between life and death and it has never lost a nickel of taxpayer money. Furthermore, if the Administration's projected lower interest rates materialize, the already very small subsidy required to maintain this program will be even further reduced.

IMPACT OF CREDIT REFORM ON THE RURAL TELEPHONE BANK

Contrary to the intent of Congress, the interpretation of credit reform by the Office of Management and Budget (OMB) has significantly affected the operation of the Rural Telephone Bank (RTB). One of the most damaging impacts of OMB's interpretation of the credit reform law is to essentially cleave the RTB into two banks -- a liquidating account bank which is responsible for pre-credit reform loans, and a financing account bank which is responsible for post credit reform loans. USTA has protested this arrangement since it began, since it prevents the relending of borrower repayments to fund new loans in direct contravention of Sec. 409 of the Bank's enabling act. This, in turn, forces the RTB to borrow unnecessarily from the Treasury to fund new loans. It also permits funds to build up in the liquidating account that were generated by GAO-documented interest rate overcharges, instead of those funds being returned through relending to the same universe of borrowers that initially generated them. OMB should adhere to Sec. 409 of the Rural Electrification Act and allow those repayments to be used to fund new RTB loans.

RECOMMENDATIONS

Continuation in fiscal year 2002 of the loan levels and necessary associated subsidy amounts for the RUS telephone loan programs that were recommended by this committee and signed into law

for fiscal year 2001 would maintain our members' ability to serve the nation's telecommunications needs, maintain universal service and bring advanced telecommunications services to rural America.

USTA strenuously objects to the proposal in the budget outline to not fund Rural Telephone Bank loans in FY 2002. The proposal is fundamentally flawed. The RTB's mission is far from complete. Loans made today are to provide state of the art telecommunications technology in rural areas. Furthermore, the budget savings are miniscule. If no RTB loans were made in FY 2002, at the current loan level of $175 million, the outlay savings next year would amount to less than $26,000, not the $3 million quoted in the budget outline, because RTB loans are funded over a multi-year period. Moreover if administration interest rate predictions are accurate, RTB loans could potentially generate a profit for the government because there is a minimum statutory interest rate of five percent!

Not funding RTB loans will not "generate increased member and borrower support for statutorily authorized privatization". This ignores the fact that privatization of the RTB began in 1995 under the current law and is proceeding annually. Over $115 million, or almost 20 percent, of the government's equity investment in the bank has already been retired. As a matter of fact, not funding new loans in FY 2002 could actually impede privatization since the law requires that the Bank annually retire government stock at the rate of at least five percent of the amount of new loans. With no new loans, there is no minimum requirement for retirement of government stock.

The Administration budget proposes that funds be transferred from the unobligated balances of the Bank's liquidating account to fund the Bank's administrative expenses, instead of those expenses being funded through an appropriation from the general fund of the Treasury. This proposal would not result in budgetary savings and has been specifically rejected by this Committee in previous years.

For a number of years, through the appropriations process, Congress has eliminated the seven percent "cap" placed on the insured cost-of-money loan program. The elimination of the cap should continue. If long term Treasury interest rates exceeded the 7% ceiling contained in the authorizing act, adequate subsidy would not be available to support the program at the authorized level. This would be extremely disruptive and hinder the program from accomplishing its statutory goals. Accordingly, USTA supports continuation of the elimination of the seven percent cap on cost-of-money insured loans in FY 2002.

The restriction on the retirement of the amount of class A stock by the Rural Telephone Bank, adopted in fiscal 1997, should be continued. The Bank is currently retiring Class A stock in an orderly, measured manner as current law requires. This should continue. The Committee should also continue to protect the legitimate ownership interests of the Class B and C stockholders in the Bank's assets by continuing to prohibit a "sweep" of those funds into the general fund.

Recommended Loan Levels.

USTA recommends telephone loan program loan levels for fiscal year 2002 as follows:

RUS Insured Hardship Loans (5%)		$ 75 million
RUS Insured Cost-of-Money Loans		$300 million
Rural Telephone Bank (RTB) Loans		$175 million
Loan Guarantees		$120 million
Broadband Pilot Program		$100 million
	Total	$770 million

Distance Learning and Telemedicine

USTA strongly supports the loan and grant proposal and recommends its funding for FY 2002 at the levels adopted in last year's Agriculture Appropriations Act, that is, $27 million for loans and grants. This program is a perfect complement to the traditional RUS telecommunications loan programs. For distance learning and telemedicine to become a reality, schools and hospitals need training and equipment. Similarly, local telecommunications companies need modern infrastructure to connect these facilities to the telecommunications network.

USTA also supports continued allocation of $2 million of this appropriation for the pilot program of loans and grants to finance broadband transmission and local dial up access to the Internet in rural areas. In its initial year, $100 million of loans for these important purposes were made. RUS was founded on the notion that rural Americans should have no lesser service, facilities and prices for telephone service as those living in more densely populated, lower cost areas. As we move into the Information Age, in which increases in productivity, economic development, education and medicine can greatly benefit from the tremendous potential of the Internet, it is a continuation of the historic mission of RUS to support the extension of vital new services to rural America.

CONCLUSION

Our members take pleasure and pride in reminding the Subcommittee that the RUS telecommunications program continues its **perfect record of no defaults in over a half century of existence**. RUS telecommunications borrowers take deadly seriously their obligations to their government, their nation and their subscribers. They will continue to invest in our rural communities, use government loan funds carefully and judiciously and do their best to assure the continued affordability of telecommunications services in rural America. Our members have confidence that the Subcommittee will continue to recognize the importance of assuring a strong and effective RUS Telecommunications Program through authorization of adequate loan levels.

Committee on APPROPRIATIONS

Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name: Gary R. Lytle

1. Are you testifying on behalf of a Federal, State, or Local Government entity?	Yes	(No)
2. Are you testifying on behalf of an entity other than a Government entity?	(Yes)	No

3. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1999:

None

4. Other than yourself, please list what entity or entities you are representing:

United States Telecom Association

5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your representational capacity with the entities disclosed in question number 4:

Interim President and Chief Executive Officer

6. If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships whom you are not representing?	Yes	No ✓

7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) which were received by the entities listed under question 4 since October 1, 1999, which exceed 10% of the entities revenue in the year received, including the source and amount of each grant or contract to be listed:

Signature: Gary R Lytle Date: 4/10/01

United States Beet Sugar Industry

Introduction

The United States Beet Sugar Industry continues a long and productive working relationship with the Agricultural Research Service of the United States Department of Agriculture. Since before 1938, USDA-ARS research on sugarbeet has provided essential germplasm and knowledge to the U.S. sugarbeet industry. USDA-ARS research continues to enhance the productivity and profitability of growers across the United States. Over 50 years ago, the Beet Sugar Development Foundation signed a Memorandum of Understanding with the USDA-ARS, providing for close cooperation in defining, funding, and meeting challenges to the sugarbeet industry through research. No other public program in the United States, other than ARS, is involved in breeding disease resistance for sugarbeet. And no other program in the United States is involved with the fundamental biology of sugarbeet.

Sugarbeets are produced on over 10,000 farms in 15 states (including seed production). often in northern tier states where crop choices are limited, population densities are low. and rural economies are heavily reliant on sugarbeet production. Market forces are reshaping sugar processing economics, with the increasing result that most growers own and operate their factories as cooperatives. Few, if any, of these cooperatives are able to provide the needed basic research that will keep the U.S. sugar beet industry viable

Over the years, the industry has noted a decline in the number of USDA-ARS scientists involved in sugarbeet research. As it has been in the past, the products of this research are vital for the future of our domestic industry. Currently, there are five USDA-ARS stations serving the national research needs of the U.S. sugarbeet industry. A brief summary of the activities and accomplishments at each sugarbeet research location as well as the status of personnel and funds at each location is provided below. Also included is an industry perspective on the resources required at these locations to maintain and enhance our current efforts. For budgeting. we have used the USDA-ARS baseline figure of $300,000 per SY (scientist year).

Kimberly, ID

There is one very large void in the USDA-ARS sugarbeet research program. We grow 230,000 acres of sugarbeets in Idaho and eastern Oregon. Although all of the USDA/ARS stations work together on common problems in the industry nationwide, there is a great need for USDA/ARS sugarbeet research for this growing area with its unique challenges. The USDA/ARS has an existing research station in Kimberly ID, in the heart of the beet growing area. The addition of a sugarbeet unit to this existing station would be an excellent fit. We know that a USDA/ARS sugarbeet research program at this location would strengthen national sugarbeet research in three significant ways. We propose a new unit that would include a Physiologist, an Irrigation Specialist and an Agronomist / Crop Fertility Specialist.

The Station at Kimberly has particular strength in Irrigation / Water Use research. The Irrigation Specialist would fit well with that group. It has been many years since irrigation work was done on sugarbeets, and this is especially needed with the increase in overhead irrigation. In growing areas where we are required to irrigate, the cost of water, along with the energy costs of pumping and distributing the water are major factors in the cost of production. With the current energy situation and outlook, an irrigation specialist for sugarbeet and other row crops is desperately needed.

Although there has been considerable work done on sugarbeet fertility, basic work has been lacking recently on the interactions between fertility, genotype, irrigation, and crop quality. The research an Agronomist / Crop Fertility Specialist would do in this area is very much needed. This is an area that is also tied to the energy situation, since the majority of our fertilizers are produced from petroleum products. The costs of these inputs are steadily increasing. Also, a major problem in sugarbeet processing in the presence of impurities in the beet. This can be caused by over or improper fertilization. Of course, fertility is not isolated to one years' crop, but must be studied as an ongoing evolution, taking into consideration the other crops in the rotation.

Finally, a Physiologist to work with crop biochemistry and post harvest storage is needed, not only for the Idaho area, but also for all growing areas. The area of crop biochemistry is directly related to the Irrigation Specialist and the Fertility Specialist. The basic knowledge to understand the best and most efficient usage of water and fertilizer, will require the input of physiological factors in sugarbeet development. Sugarbeet storage has been mentioned at three locations in this write-up. This is not by accident, and certainly not a duplication of efforts. Decreasing losses in the storage pile is a major component to profitability of the beet sugar industry. Each of the areas, where storage work in either going on or proposed to go on, are unique. Therefore they need to be investigated independently, however, these three stations working in unison would definitely be able to interact, and we are sure, speed up the delivery of useful results. Information obtained from all of these research areas is a national priority. We feel we would need $1,250,000 to start this program with three SY's and capital investments in research equipment.

Ft. Collins, CO

This station currently has three SY's working on CRIS projects involving sugarbeets. There is one Research Geneticist/Plant Breeder, one Plant Physiologist/Biochemist and one Plant Pathologist. The Fort Collins Unit is funded at a level of $750,413.00. A Molecular Geneticist is needed to complement the skills of the current geneticist and plant breeder, who is also Research Leader. An increase of $500,000 is needed in this program.

This station is the primary source of germplasm with resistance to Rhizoctonia root rot worldwide. It also is the primary ARS station involved in breeding for resistance to Cercospora leaf spot and has a very active program breeding for resistance to the curly top virus.

One of the major pests lowering sugarbeet production in the US is the sugarbeet cyst nematode. Basic biochemical research on the mechanism of action of mustard and radish crops that can be used to decrease the soil concentration of this nematode has been undertaken in Fort Collins. Use of these "trap crops" can contribute to gains in productivity without the use of fumigants.

Biological control research is ongoing at Fort Collins using *Trichoderma* strains. In other crops, a single seed treatment with similar strains has been demonstrated to reduce severity of several diseases, which cause seedling death. The use of one treatment to control multiple diseases would reduce cost of fungicides for disease control.

Critical to solving many disease problems is the ability to complement traditional breeding, biochemistry, and plant pathology approaches with a molecular genetics approach. Researchers at Fort Collins have begun investigations to provide molecular markers and to identify resistance genes for sugarbeet diseases to increase efficiency in the plant breeding process.

In addition to improved germplasm, new plant breeding techniques, and better disease management techniques, the Fort Collins scientists emphasize research addressing sugarbeet's biochemical quality, especially as it affects the amount of sugar that can be recovered through current processing technology. Scientists have worked with processing companies to assess and improve sucrose and chemical quality analysis procedures, which has reduced processing costs. Research to assess the effects of various diseases on the quality of beets held in storage before processing is being planned. Disease can have a tremendous impact on the potential amount of sucrose that can be extracted from such stored beets, and increase the cost of processing.

East Lansing, MI

This Station currently has three SY's working on two CRIS projects involving sugarbeets. They include one Molecular Geneticist, one Geneticist and one Pathologist. The Genetics CRIS has two scientists, and a total of $389,000, short $211,000 from the ARS target. The Pathology CRIS has one scientist projected to retire in the near future and a total of $169,500, or $130,500 short. Each of these positions is needed for future viability of the industry. In addition, a Physiologist / Biochemist position is needed to characterize processes of sucrose accumulation and focus on modifying those processes for alternative uses for sucrose. Expanding the uses of sucrose is the key to expanding profitability in sugarbeet production. This position would require $300,000. Therefore, a total request for East Lansing of $641,500.

The sugarbeet Genetics program at East Lansing has three primary responsibilities: (1) to continue and strengthen sugar beet germplasm enhancement for the Eastern U.S. growing areas ongoing for 70 years, (2) to develop and apply molecular methodologies for dissection of genetic traits, and (3) to elucidate mechanisms and engineer solutions to persistent seedling emergence and stand establishment problems.

Field emergence and stand establishment is perennially among the concerns for sugar beet growers. Recent results implicate a single gene that describes the difference between good emerging varieties and poor emerging varieties. This conclusion could only be drawn by the judicious application of the modern, and expensive, technologies that can now be applied to solve pernicious problems in sugarbeet growth.

In very few instances is it known what genes influence agronomic traits in sugarbeet. With increasing requirements for multiple disease resistant sugarbeets in all areas of the U.S.. it is imperative to be able to tailor gene combinations efficiently to meet changing environmental challenges imposed by these new disease pressures. The East Lansing location is developing the requisite materials to discover and deploy these genes.

The Pathology / Physiology position at East Lansing conducts disease nurseries and examines pathogen populations throughout the growing regions, examining the structure of pathogen populations for type and fungicide resistance, and examining mechanisms of disease resistance that may be exploited for germplasm enhancement. This position interacts closely with growers and agronomists, and provides management options and recommendations when disease problems occur. The pathogens that affect the Eastern growing region occur elsewhere. but are particularly severe and occur regularly in Michigan. One reason costs of production are lower in Michigan than elsewhere in the U.S., aside from the lack of irrigation costs, is the wide use of disease resistant varieties. Resistance appears to carry a yield penalty, and one important future goal is to create high yielding, highly resistant sugarbeet germplasm that can be deployed through breeding.

One of the keys for any commodity to develop new uses to identify alternative market. Sucrose is the most abundant, chemically pure, renewable resource on the planet, and would be ideal as a chemical feedstock for industrial and other chemicals. The only limitation for using sucrose industrially is its over-functionality. That is, chemical reactions are difficult to control because of the large number of potentially reactive sites on the sucrose molecular. The goal of the Physiologist / Biochemist CRIS is to develop strategies that would block most of the reactive groups, and allow for controlled chemical reactions.

Fargo, ND

The Fargo ARS Station currently has three SY's working on CRIS projects involving sugarbeets. Unit scientists include one Pathologist, one Geneticist and one Physiologist. The CRIS funding for this location is $974,084.00. The sugarbeet industry is plagued by several major production problems in this area. Pre-harvest losses include crop damage incurred by the sugarbeet root maggot and by fungal diseases, such as root rot caused by Aphanomyces and leaf spot. Unit research activities include two major thrusts addressing these issues. Research focusing on both disease resistance and crop protection, as well as pathogen virulence is being actively pursued and is making excellent progress. A major portion of the unit's Genetics and breeding efforts is directed at identifying and introducing plant resistance to the sugarbeet root maggot. Research on sugarbeet physiology is directed toward identifying the internal processes that affect sucrose accumulation and retention in sugarbeets.

Decreased pesticide use would greatly reduce producer's input costs. To this end. an entomologist conducting research on root maggot biology or on other insect-related problems of national importance (e.g. sugarbeet root aphid, beet army worm, nematodes) could be added. This research would compliment current unit efforts in breeding natural resistance to sugarbeet root maggot as well as investigating field application of a biological insecticide for root maggot control.

Improvements in the management of postharvest beet storage would also result in increased profitability. Postharvest deterioration of piled beets due to storage pathogens. harvest injury, and temperature extremes and other physiological processes occurs frequently and results in the loss of a large portion of the harvested sucrose. Fundamental research into maintenance of sugarbeet quality during storage would therefore be appropriate for this location. These studies would complement current physiological studies on sucrose metabolism in sugarbeets. We feel an increase of $300,000.00 would be needed to fill either an Entomology or Storage (Physiology) SY position at this location.

Salinas, CA

This station currently has four SY's working on CRIS projects involving sugarbeets. They include two Virologists and two Geneticists. The Virology CRIS is funded at $647,027.00. This virology program has been very productive in the past and continues to produce information which is used not only in California, but across the entire sugarbeet production area. This team continues the excellent virology work at this station. At this time. this CRIS, we feel has adequate funding. The Genetics CRIS is funded at $571.620.00. According to USDA/ARS baseline, the Genetics CRIS is currently under funded. we agree. Salinas unquestionably has the world's foremost sugarbeet breeding program. Germplasm created from this program has been used worldwide. The incorporation of genes for Rhizomania resistance, not only saved the industry in California, but is now used throughout the country and

throughout the world. They are also concentrating their breeding efforts on sugarbeet cyst and rootknot nematode. These are a major pest in many growing areas, and ones that have very limited chemical control means. The chemical control means available are very expensive. It is imperative that this program continue. We are requesting and increase of $100,000.00 annually to fund this CRIS at a level where quality research can be conducted.

Beltsville, MD

This Station currently has two SY's working on CRIS projects involving sugarbeets. They include one Microbiologist and one Pathologist. This station is adequately funded at a level of $650,000.00 and doing a good job. No additional funding is requested for Beltsville.

Summary of Needed Funding

Kimberly, ID	$1,250,000.00
Ft. Collins, CO	$500,000.00
East Lansing, MI	$641,500.00
Fargo, ND	$300,000.00
Salinas, CA	$100,000.00
Beltsville, MD	-0-

Contact:
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RURAL ENTERPRISES OF OKLAHOMA, INC.
TESTIMONY BEFORE THE HOUSE OF REPRESENTATIVES
AGRICULTURE, RURAL DEVELOPMENT
AND RELATED AGENCIES
SUBCOMMITTEE ON APPROPRIATIONS

April 10, 2001
WITNESS:
Tom Seth Smith
President & CEO
Rural Enterprises of Oklahoma
Durant, Oklahoma

As President and CEO of Rural Enterprises of Oklahoma, Inc. (REI), Durant, Oklahoma, I appreciate this opportunity to submit testimony to the committee concerning the economic future of our local economies, and ultimately our nation. Specifically, I will be addressing REI's assistance to small businesses and community development programs.

CONGRESSIONAL ACTION REQUIRED
Appropriate $300,000 for this USDA rural economic development effort and technology transfer projects in rural Oklahoma to facilitate the needs of small businesses. In addition, each year Congress has allocated another $326,000 for technology transfer projects in Oklahoma and Mississippi and continuation of $79,920 to REI from this funding source is also imperative to expand the organization's economic development programs. We believe REI's successful track record (discussed in the following narrative) of creating jobs through its small business and community services confirms the need to continue such funding.

NEED FOR CONTINUED FUNDING
The demand from rural Oklahoma entrepreneurs and small businesses for the economic development services and programs of REI justifies the need for continued funding. These services and programs are:

- Financial Services
- Business Development (Business Incubators\Equipment)
- Rural Housing Program/Mortgage Credit Certificate Program
- Technology Services\Resources
- International Trade Assistance
- Community Finance Program

The demand is evidenced by total financing secured of $15,139,733 for 60 Oklahoma small businesses in 2000 which helped to create\retain 613 jobs; the REI-managed business incubator program created 24 jobs in 2000; 6 rural Oklahoma businesses were able to obtain needed equipment to improve their operations which created\retained 21 jobs.

To further assist Oklahoma entrepreneurs and their workforce, REI is the Issuer of mortgage revenue bonds providing low and middle income families the opportunity to become home owners. Currently, over 800 rural Oklahoma working families have been assisted under this program that provides down payment assistance.

Complementing the rural housing program, the Mortgage Credit Certificate program offers an additional incentive to home buyers. The MCC provides a tax credit and is available in 60 Oklahoma counties. The service area for the MCC will soon be expanded to include an additional six counties.

Additionally, requests from entrepreneurs for engineering and technology assistance are on the rise, which has resulted in an Oklahoma Cooperative Extension (OCES), Oklahoma State University engineer being housed at REI. This further solidifies the need for a continued partnership with OCES. REI and OCES have a memorandum of agreement to provide business, engineering and technical assistance to help rural businesses improve competitiveness.

BACKGROUND AND MISSION

Rural Enterprises of Oklahoma, Inc. is a private non-profit 501 c (3) economic development firm incorporated in 1982 to encourage the development of small businesses in rural Oklahoma.

The mission of REI is to provide financial and technical assistance to entrepreneurs and rural communities for the creation and retention of jobs to improve the economic conditions of the local community.

The entrepreneurial development programs of REI are crucial to small businesses, specifically in the rural areas suffering from under-employment, dependency upon state and federal assistance and outmigration of university and vocational technical students as well as a skilled labor force in search of higher-tech, higher-paying jobs. However, with adequate appropriations, REI has been able to create a substantial number of new jobs and increase small business opportunities through its economic development services.

TESTIMONY OF NEED FOR SERVICES RENDERED

Appropriations from USDA have allowed REI to provide financing and loan packaging assistance for rural Oklahoma businesses. Since 1981, $181,368,970 in financing has been secured for small businesses.

REI is a Certified Development Company of the U. S. Small Business Administration and has been designated as an SBA One Stop Capital Shop. The organization has also been funded as a Community Development Financial Institution by the U. S. Department of Treasury.

There was remarkable diversity in the types of businesses financed in 2000. These included such businesses as a mobile detailing company, greenhouse, directional boring, convenience stores, equestrian trail ride concessionaire, rock quarry and many more.

Since 1993, REI has also administered the SBA microloan program statewide. This program is specifically for entrepreneurs needing financing of $35,000 or less. Since inception of the microloan program, over $1.5 million total financing has been secured for Oklahoma entrepreneurs needing equipment, working capital, etc.

Appropriations from USDA have also allowed REI to continue and develop its business incubator program. Currently, REI manages business incubators in eight rural Oklahoma communities. Tenants include a security alarm systems business, a producer of semi-conductor materials, an international company producing granite and marble products and light manufacturing operations.

USDA funds have also enabled the organization to successfully operate an equipment program, which provides businesses with the opportunity to lease\purchase equipment at below market rates.

In 2000, REI also introduced its Community Finance Program. This is a creative tax-exempt financing pool to address the growing demand of rural communities as an alternative to secure capital for community improvements, such as streets, sewer and water treatments, city halls, city parks, law enforcement needs and much more. The REI board of directors had the vision to see that community improvements are a key ingredient for attracting new businesses and new residents. Therefore, the REI board unanimously agreed the organization should serve as the Issuer of the bond program, which provides the funding for a Community Finance program.

REI has a strong and dedicated network of partnerships to accomplish its mission. One such partner is the Oklahoma Alliance for Manufacturing Excellence, Inc. This partner complements our finance, business incubator and equipment programs. The organization is committed to assisting small and mid-sized manufacturers with problem-solving techniques. The Alliance administers its program through manufacturing extension agents stationed throughout the state. One of the manufacturing extension agents is located at REI headquarters.

Another partnership strengthening REI's services and programs is with the Oklahoma Department of Commerce. The Department has regional directors throughout the state to work with the local economies. One of the regional directors is headquartered at REI.

REI headquarters also accommodates the Oklahoma Small Business Development Center by providing office space for a special projects manager. This organization provides assistance with business plans, projections and workshops for small businesses.

Technology services and resources are provided by REI through the memorandum of agreement discussed above with the Oklahoma Cooperative Extension Service through the in-house OCES applications engineer.

REI will also serve the Oklahoma Technology Commercialization Center as the rural link to assisting entrepreneurs with the commercialization of new technology.

The establishment for a Foreign Trade Zone further substantiates the need for the organization to broaden its services, specifically in the fields of foreign trade and new technology. Exploration of these two fields is crucial to Oklahoma's rural businesses. The Foreign Trade Zone, with business incubators and resources located within the Zone, is was the first step in bringing technology and international trade opportunities within reach of rural Oklahoma businesses.

USDA appropriations have permitted REI to expand its participation in the Wes Watkins New Product and Process Fair. The Fair encourages the development of ideas and innovations into marketable products or processes.

SUMMARY

REI's combination of entrepreneurial and community development programs, and its ability to envision needs for the future, are what sets it apart from other economic development agencies.

Evidence of the organization's vision is the establishment of an International Trade and Development Division. REI also held an open house for its International Trade and Incubation Center. The incubator space within the Center is designed to attract higher-tech, higher-paying jobs usually offered by technology-based businesses. Two technology-based business will be locating into the facility. This project further substantiates the need for continued USDA appropriations since it will require additional resources to continue to manage the incubator and market the Foreign Trade Zone. Foreign trade specialists will also be needed to continue to educate and assist rural businesses to enter the international marketplace.

REI has attained a very credible reputation for its successful economic development activities. However, the REI board of directors is cognizant of the fact that such success comes with accountability. We believe we are responsible to the rural small businesses and communities to provide the assistance they need and we believe we are accountable to our funding agencies to utilize their dollars effectively and efficiently. USDA appropriations are essential for continuation of entrepreneurial and community development programs to serve our communities and small businesses -- the foundation of our nation's economy. Thank you for your consideration.

RURAL ENTERPRISES OF OKLAHOMA, INC.
FEDERAL CONTRACTS
FOR THE YEARS OF 1999, 2000, 2001

CONTRACT	DATE	AMOUNT	PROJECT NAME
Oklahoma Cooperative Ext. Service	10/01/99 – 09/30/00 10/01/00 – 09/30/01	$78,240 $78,240	Technology Transfer Project
U.S. Department of Agriculture	10/01/99 – 09/30/00	$144,000	Demonstration Project for Creation of Jobs in Rural Depressed Areas
Office of Community Services-DHHS	10/01/99 – 09/30/04	$500,000	Construction of 100,000 sq ft Distribution Incubator
U.S. Small Business Administration Technical Assistance Grant	10/01/99 until Loan Maturity	$36,341	Technical Assistance for the Microloan Demonstration Project
	04/01/00 until Loan Maturity	$49,953	
	10/01/00 until Loan Maturity	$146,526	
U.S. Small Business Administration	09/30/99 – 10/01/00	$185,000	Rural Export Assistance Center
U.S. Department of Agriculture - Rural Development	06-07-2000	$127,100	Construction of Rural Service Incubator
U.S. Small Business Administration	10/01/00 – 09/30/01	$200,000	Completion of International-Trade Assistance Center

Committee on APPROPRIATIONS

Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name: TOM SETH SMITH		
1. Are you testifying on behalf of a Federal, State, or Local Government entity?	Yes	(No)
2. Are you testifying on behalf of an entity other than a Government entity?	(Yes)	No
3. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1999: SEE ATTACHED LISTING		
4. Other than yourself, please list what entity or entities you are representing: RURAL ENTERPRISES OF OKLAHOMA, INC.		
5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your representational capacity with the entities disclosed in question number 4: PRESIDENT/CEO		
6. If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships whom you are not representing?	Yes	(No)
7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) which were received by the entities listed under question 4 since October 1, 1999, which exceed 10% of the entities revenue in the year received, including the source and amount of each grant or contract to be listed: SEE ATTACHED LISTING		

Signature: Tom Seth Smith Date: 4/5/01

STATEMENT FOR THE RECORD BY THE ASSOCIATION COORDINATION COUNCIL (ACC), NATIONAL LABOR COORDINATION COUNCIL (NLCC), AND UNION COORDINATION COUNCIL (UCC)
PREPARED BY MICHELLE C. CORRIDON
FOR THE HOUSE APPROPRIATION SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES
REGARDING THE PROPOSED DEPARTMENT OF AGRICULTURE OF BUDGET, FISCAL YEAR 2002
APRIL 6, 2001

4/5/01

Chairman Bonilla, Ranking Member Kaptur, and members of the Subcommittee, I am Michelle Corridon, Communications Chairperson for the ACC, NLCC, and UCC. I thank you for this opportunity to offer comments on the proposed Department of Agriculture of Budget for fiscal year 2002.

INTRODUCTION

For the past year three years, the Association Coordination Council (ACC), the National Labor Coordination Council (NLCC), and the Union Coordination Council (UCC) have been working together on issues of substance, which will maximize customer service and provide employees with a positive working environment. Our councils represent a coalition of employees who are located in both the USDA Field Service Centers and headquarters locations who work for the Farm Service Agency (FSA), Rural Development (RD) and the National Resources and Conservation Services (NRCS). We are the employees who deliver USDA programs on a daily basis and have first hand knowledge of what can be successful regarding our USDA Service Centers and the customers that we serve.

Since 1998, the Office of the Chief Information Officer (OCIO) and the Service Center Agencies have been working together to modernize the USDA Service Center Information Technology architecture. The employee coalitions have directly been involved and have supported those effects and worked with the OCIO to secure funding for these improvements. We have taken our case to the Office of Management and Budget (OMB) and to the Congress. We are also working closely with our Service Center partners, which includes the local Soil and Water Conservation Districts. Most Service Center employees will agree that the new computers, printers, software, and telecommunications upgrades are bringing our business into the 21st century. However, the USDA modernization is only 70% complete and some of the additional components including GIS, will provide dramatic improvements in how we can serve our customers.

E-COMMERCE IS THE DIRECTION OF THE FUTURE

With the passage of H.R. 852, "The Freedom to E-File Act", USDA employees face the challenge that our customers will have service expectations that are greater than the level of service provided today. USDA employees are concerned that they will be on the "bad-side" of the digital divide. Our customers often have better equipment than the average USDA employee does and we are concerned that we will not be able to process electronic service requests as intended in the Act, the technology modernization, including the upgrading of our Service Center telecommunications system.

Our customers expect other e- commerce activities such as the sale of government owned real estate, electronic data interchange (EDI), and loan processing. Our Rural Development Guaranteed Rural Housing program lenders expect electronic processing of loan applications and loan underwriting. Lenders face the same problems as USDA employees, a lot of work with fewer employees. Web-based loan processing allows the

lender to spend more time on more complicated applications while still maintaining volume. Without a web-based solution to process and underwrite loans, Rural Development and the Farm Service Agency will fall further behind in market share. That will mean we are not serving Rural America in the manner in which we are charged.

As important as e-commerce is to our future, we all know that USDA will continue to have a large part of its customer base that is either not "e-savvy" or simply wishes to do business with us in other ways. We also have a large segment of Rural America that has traditionally not used our services such as Native American tribal organizations. Maximizing delivery of e-services and providing "mobile" technology tools will free up staff time to better address those needs.

HUMAN CAPITAL CRISIS

It is anticipated that within the next 5 years, approximately 50% of the USDA employee population can and will retire. We can all agree that the possibility of replacing those employees is not good. Additionally, USDA has lost about 22% of its' employee population within the past 5 years with a corresponding increase in program level activity of approximately 78%. Also within that same time frame, employees have only been able to complete work that is absolutely necessary and have been unable to donate adequate time to important issues such as outreach to under served communities. For example in FSA, credit employees are mandated to provide supervised credit to borrowers. Employees have been unable to do so because of the demands of greeting borrowers, providing reports to upper management, and closing loans. USDA needs to stabilize employee numbers while updating outdated technology.

The GIS tools will save a lot of time for NRCS, FSA, and RD employees. The Old methods of designing practices such as buffer strips used to take days; with GIS now being deployed, an employee can generate options for the customer in about 15 minutes. FSA employees are using GIS maps and GPS units to measure complex CRP signup fields in hours instead of days. Many offices map oriented processes are seeing 80 to 90% efficiency improvements. The customer spends less time in the office, giving them more time to spend on farm management. The employee is able to assist more customers.

FARM BILL ISSUES

The crisis in the farming community will mean a hard look at the current farm bill. Most farmers and FSA employees will agree that "Freedom to Farm" is not working. Due to the economic crisis across the U.S. and the world, the open market concept has not brought economic success to our American Farmers. FSA employees are under mandate from Congress to provide assistance checks to farmers because of low prices. These employees are stretched to the limit and need modern automation tools.

WHAT IS NEEDED FOR FISCAL YEAR 2002

In order for USDA to meet its obligations to Rural America, both in the short run and for the future, we ask that you provide FY 2002 funding sufficient to:

A. Maintain current staffing levels to allow us to provide current services while at the same time devoting resources to modernize our program delivery.

B. Complete the Common Computing Environment (CCE), as originally planned by the end of FY 2002.

In terms of the CCE, we believe that it is important to continue to provide these funds continually under the OCIO so that the new equipment is not "owned and controlled" by any one of the Service Center agencies but is available to all. We also know that from the USDA Service Center Modernization Technology Blueprint published in December 2000 and through our work with the OCIO technology team, that $100 million will be required in fiscal year 2002 to complete the CCE as scheduled. This will provide the critically needed telecommunications upgrade ($15 million), the needed GIS/application hardware, software and enterprise license ($44 million), the necessary labor saving tools such as digital cameras, GPS units, scanners etc. ($32 million) and support training, architecture, and security at the levels needed to successful ($9 million). Not funding the completion of the CCE in fiscal year 2002 will delay the benefits and stretch out the technology modernization to five year when same of the initial components begin reaching the point of needing replacement. The completion of the CCE in FY 2002 and the establishment of a "refresher fund" in FY 2003 will ensure that we will have a viable common technology infrastructure to provide customer service on into the future.

CONCLUSION

USDA employees are committed to serving Rural America in the finest possible manner. However, it is difficult to do this without the proper tools. Your committee has been very supportive of our modernization efforts in the past and provided some special funding for this in FY 2000 and 2001. We ask that you ratchet up this support to the point that we can finish this job this year and begin providing the kind of services that our customers deserve and a work environment that makes full utilization of the skill and knowledge that our employees have to offer. Mr. Chairman, on behalf of the many employees at the Service Center agencies, I want to thank you for this opportunity to present testimony and I offer the assistance of the employee councils at any time.

4/5/01

National Organization for Rare Disorders, Inc.®

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TDD (for hearing impaired) (203) 746-6927
http://www.rarediseases.org • e-mail: orphan@rarediseases.org



MEMBER ORGANIZATIONS
Alpha One Antitrypsin Deficiency Association
Alpha One Foundation
ALS Association
American Brain Tumor Association
American Laryngeal Papilloma Foundation
American Porphyria Foundation
American Syringomyelia Alliance Project
Aplastic Anemia Foundation of America
Association for Glycogen Storage Disease
Association of Gastrointestinal Motility Disorder, Inc.
Batten Disease Support & Research Association
Benign Essential Blepharospasm Research Foundation Inc.
Charcot-Marie-Tooth Association
Chromosome 18 Registry and Research Society
Cleft Palate Foundation
Cornelia de Lange Syndrome Foundation, Inc.
Cystinosis Foundation, Inc.
Dysautonomia Foundation, Inc.
Dystonia Medical Research Foundation
Dystrophic Epidermolysis Bullosa Research Association (D E B R A.)
Ehlers-Danlos National Foundation
Epilepsy Foundation of America
Families of Spinal Muscular Atrophy
Foundation Fighting Blindness
Foundation for Ichthyosis & Related Skin Types (F I R S T)
Genetic Alliance
Guillain-Barre Syndrome Foundation International
HHT Foundation International Inc.
Hemochromatosis Foundation, Inc.
Hereditary Disease Foundation
Histiocytosis Association of America
Huntington's Disease Society of America, Inc.
Immune Deficiency Foundation
International Fibrodysplasia Ossificans Progressiva (FOP) Association, Inc.
International Joseph Diseases Foundation, Inc.
International Rett Syndrome Association
Interstitial Cystitis Association of America, Inc.
Lowe Syndrome Association
Malignant Hyperthermia Association of the United State
Mastocytosis Society
Myasthenia Gravis Foundation
Myeloproliferative Disease Research Center
Myositis Association of America
Mucolipidosis Type IV Foundation (ML4)
Narcolepsy Network, Inc.
National Adrenal Diseases Foundation
National Alopecia Areata Foundation
National Ataxia Foundation
National Foundation for Ectodermal Dysplasias
National Hemophilia Foundation
National Incontinentia Pigmenti Foundation
National Marfan Foundation
National Mucopolysaccharidoses Society, Inc.
National Multiple Sclerosis Society
National Neurofibromatosis Foundation
National PKU News
National Sjogren's Syndrome Association
National Spasmodic Torticollis Association
National Tay-Sachs & Allied Diseases Association, Inc.
National Urea Cycle Disorders Foundation
Neurofibromatosis, Inc.
Osteogenesis Imperfecta Foundation
Parkinson's Disease Foundation, Inc.
Prader-Willi Syndrome Association
Pulmonary Hypertension Association
PXE International, Inc
Reflex Sympathetic Dystrophy Syndrome Association
Scleroderma Foundation, Inc.
Sickle Cell Disease Association of America, Inc.
The Paget Foundation
Tourette Syndrome Association, Inc.
Trigeminal Neuralgia Association
United Leukodystrophy Foundation, Inc.
United Mitochondrial Disease Foundation
VHL Family Alliance
Wegener's Granulomatosis Support Group, Inc.
Williams Syndrome Association
Wilson's Disease Association

TESTIMONY SUBMITTED FOR RECORD

To The

HOUSE APPROPRIATIONS SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES

By The

NATIONAL ORGANIZATION FOR RARE DISORDERS (NORD)

100 Route 37
New Fairfield, Connecticut 06812-8923
(203) 746-6518

Regarding

FY 2002 APPROPRIATIONS FOR THE ORPHAN PRODUCTS RESEARCH GRANT PROGRAM AT THE FOOD AND DRUG ADMINISTRATION (FDA)

Associate Members

Acid Maltase Deficiency Association
ALS Association/Greater Philadelphia Chapter
American Autoimmune Related Diseases Association
American Behcet's Disease Association, Inc.
American Pseudo-obstruction & Hirschsprung's Disease Society Inc.
American Self-Help Clearinghouse
Angel Idea Cri-du-Chat Children's Foundation
A-T Project
Canavan Foundation
CDGS Family Network
Dravet Syndrome Foundation
Children's Leukemia Foundation-Michigan
Children's Living with Inherited Metabolic Diseases
Children's Medical Library
Children's PKU Network
Chromosome Deletion Outreach, Inc.
Chronic Granulomatous Disease Association, Inc.
Committee of Multiple Sclerosis Centers
Contact A Family
Costey's Angels Foundation
Cushing Support & Research Foundation
Earl Goldberg Agitato Awards Foundation
Family Caregiver Alliance
Family Support System for North Carolina
Fraumeni-Bratton Parent Support Group
Hydrocephalus Association
International Foundation for Alternating Hemiplegia of Childhood
Klippel-Trenaunay Support Group
Lela Dural Tay-Sachs Foundation
Lou Tanner ALS Foundation, Inc.
National Association for Parasite/Hopeless Elsewhere
National Gaucher Foundation
National Lymphedema Network
National Niemann-Pick Disease Foundation
National Pediatric Air Transport Helpline
National Spasmodic Dysphonia Association
Organic Acidemia Association
Osteoporosis and Related Bone Diseases National Resource Center
Parents Available to Help (PATH)
Parent to Parent of Guelph, Inc.
Parent to Parent of New Zealand
Rare and Expensive Disease Management Program
Recurrent Respiratory Papillomatosis Foundation
Restless Legs Syndrome Foundation
Sandal Hollowchog Association
Shwachman Syndrome Support Group
Sickle Cell Disease Association of Texas Gulf Coast
Society For Progressive Supranuclear Palsy, Inc.
Sotos Syndrome Support Association
Sturge-Weber Foundation
Tuberous Sclerosis Association
Treacher Collins Foundation
Vaincre les Maladies Lysosomales/France

* Associations are joining continuously For newest listing, please contact the NORD office

6/00

Dedicated to Helping People with Orphan Diseases

National Organization for Rare Disorders
Testimony Submitted for the Records Regarding
FY 2002 Funding for the Orphan Product Research Grant Program
April 2001

Mr. Chairman and members of the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies, the National Organization for Rare Disorders (NORD), wishes to express its views regarding appropriations for the Orphan Products Research Grant Program administered by the Office of Orphan Product Development (OOPD) at the Food and Drug Administration (FDA).

NORD is a federation of approximately 140 voluntary health organizations and over 70,000 individual patients, healthcare providers and clinical researchers dedicated to helping the 25 million people in the United States suffering with rare "orphan" diseases. An orphan disease is defined by statute as any disease or condition impacting less than 200,000 Americans. [1] It makes no difference whether you are male or female, rich or poor, young or old, white, African-American, Latino, Asian or American Indian. These diseases affect everyone.

On behalf of the rare disease community, we are respectfully requesting that just one dollar for each and every person suffering with a rare disease be appropriated by this Subcommittee for the FDA'S Orphan Products Research Grant Program. Twenty-five million dollars would represent a minimal investment by the federal government in the development of lifesaving treatments that the private sector is not interested in. But the return on investment could be phenomenal if only a few new orphan drugs or devices are developed to reduce the burden of disease and death for thousands of patients with rare disorders.

As you can imagine, appropriating just one dollar for each rare disease patient in America, rather than the current funding level of a mere fifty cents per patient, is a win-win situation. Patients win when their symptoms are alleviated or cured. Families win when their loved ones no longer suffer. Society, as a whole, wins when patients are able to return to school or work to become productive tax-paying citizens. Pharmaceutical and biotechnology companies win when they are able to market new therapeutic products when part of the development costs are subsidized. The scientific community wins when the knowledge they gain can be applied to more prevalent diseases. And, finally, the government wins when the drain on healthcare dollars is minimized.

FDA Orphan Products Research Grant Program

This Subcommittee created the research grant program in FY 1983 to provide funding for pivotal clinical trials on new orphan drugs, medical devices, and medical foods for rare diseases. The funds have been made available to academic scientists and small companies. By definition, "orphan products" are treatments for rare conditions that have small potential markets and thus are not attractive to the commercial sector. Such treatments were not being developed for "orphan" diseases by the private sector until the *Orphan Drug Act* was enacted in 1983.

[1] Orphan Drug Act of 1983

Since then, the FDA has approved over 218 orphan drugs for marketing, and more than 800 additional drugs are in the research pipeline. Of those products approved for marketing, 27 (23 drugs and 4 medical devices) were developed with funding from the orphan product grants. **These 27 treatments would not be on the American market today saving the lives of thousands of Americans, enabling them to return to school or work, if this Subcommittee had not created this small but critically important pool of research funds.**

Most of FDA's Orphan Products Research Grants support small clinical trials at academic institutions throughout the nation to develop the preliminary evidence that is necessary to attract commercial sponsors. It is the quintessential model for a successful government/industry partnership. There is no more appropriate program deserving of federal support because it fills a major gap between academic research and the private sector, and it creates lifesaving products that are needed throughout the world.

For example, children with Severe Combined Immune Deficiency ("Bubble Boy Disease") no longer have to live in a plastic bubble because now their immune systems can fight off germs, thanks to an orphan drug developed with these grant funds. Children with urea cycle disorders no longer slip into a coma and die because an orphan drug enables their bodies to eliminate toxic levels of ammonia. Babies born without ribs no longer suffocate in infancy because an artificial rib (orphan medical device) is being developed now with funds from the Orphan Products Research Grant Program that allows the children's lungs to expand and breathe. Cystic fibrosis, Crohn's disease, and multiple sclerosis drugs are on the market today only because these grants supported some of their research.

Unfortunately, there are many diseases and conditions that are simply too rare to attract private investment because the commercial sector is simply not interested in developing treatments for small markets. The investment necessary for research and development of new drugs and devices is too large in comparison to the size of the potential market for a rare disease. Case in point, there are only about 125 patients in the United States suffering with an orphan disease called fibrodysplasia ossificans progressiva (FOP), Only 15,000 with Huntington's disease or Duchenne Muscular Dystrophy, and only 30,000 with cystic fibrosis. Many of the genetic diseases each impact no more than 40,000 Americans. Whereas, drugs for cancer, arthritis or hypertension, for example, each affect many millions of Americans, representing several billion dollars in potential sales each year.

Given the fact that the Orphan Products Research Grant Program is attracting greater attention, more researchers are eager to participate each year. Therefore, it is very unfortunate that the annual appropriation for this program cannot begin to cover all of the meritorious grant requests for promising research projects. Today, about 100 grant applications are received annually, but many scientifically important applications are never funded simply because the appropriation is too small to meet the needs of the program. In fact, the appropriation now is less than it was in FY 1995, and has remained between $10 to $12 million for many years.

Mr. Chairman, if the government does not fund this research, who will? The private sector is simply not interested in rare diseases. If this Subcommittee does not meet the need of this unique sector of scientific research, people with rare diseases will be further victimized by the injustice of the supply and demand marketplace. For these diseases, no company wants to supply a treatment when the market demand is small.

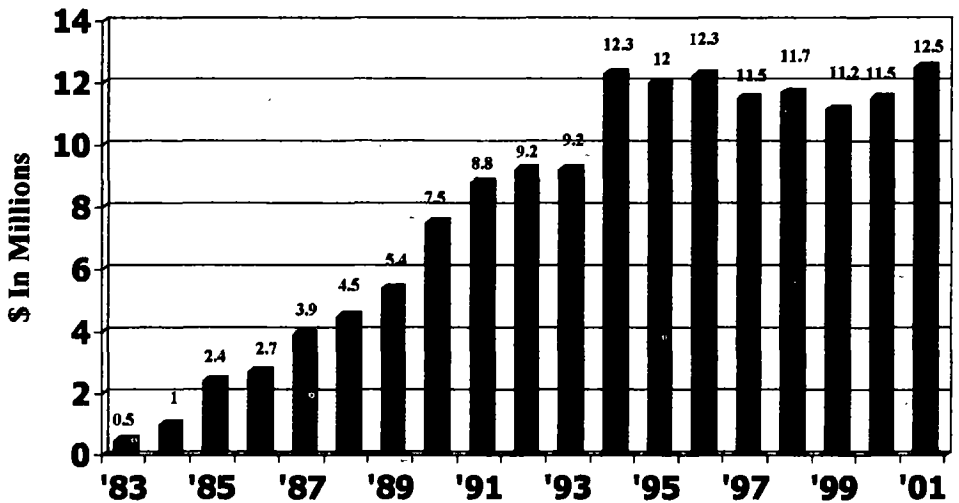
Conclusion

In 1989 the HHS *National Commission on Orphan Diseases* estimated that only 30 percent of the 25 million patients suffering with rare diseases receive a diagnosis in three to five years after the onset of symptoms. That works out to about 7.5 million patients who are shuffled from specialist to specialist, year after year. Fifteen percent, or 3.7 million people, wait seven years or more. And even after diagnosis, they can only hope that someone, somewhere, will conduct research to develop a treatment for their disease.

And so, on behalf of those medically disenfranchised Americans and their families, we respectfully request that the members of this Subcommittee appropriate no less than $25 million dollars to the FDA Orphan Products Research Grant Program for FY 2002 We are relying on the members of this Subcommittee to fill the void between government and the private sector, and propel these treatments forward from academic laboratories to our local pharmacies. Ultimately, your compassion and insight will put new orphan drugs and devices into the waiting hands of critically ill patients. If you don't provide adequate resources for the Orphan Products Research Grant Program, unfortunately no one else will

Thank you.

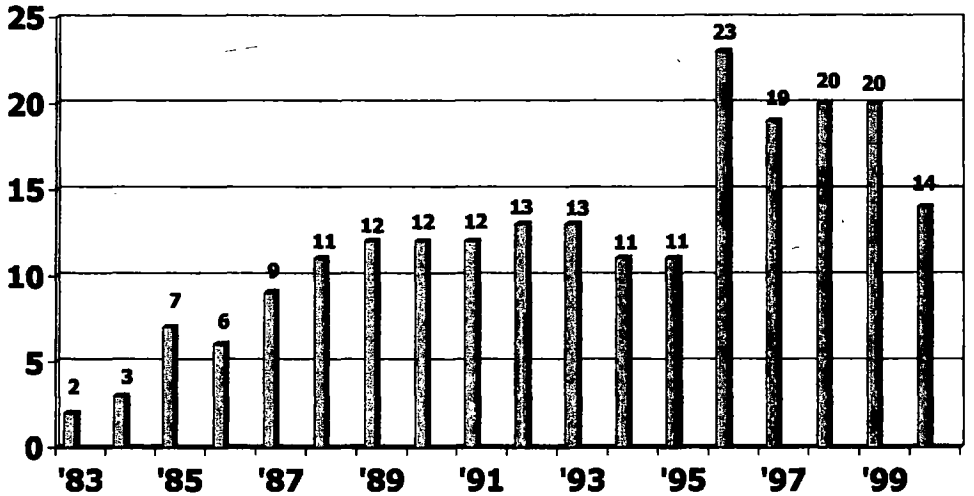
FDAs Office of Orphan Product Development Grants Funding Program



Note: 2001 funding: $8.5 million for active grants The remaining $4 m will be designated for approximately 12 to 15 new applications.

...out of the darkness
into the light...

FDAs Office of Orphan Product Designated Products Receiving Market Approval = 218



...out of the darkness
into the light...

U.S. Food and Drug Administration

Grants Supported Products with Marketing Approval

Product: 4-methylpyrazole (trade name Antizole); Fomepizole

Indication: Ethylene Glycol and Methanol Poisoning

Approval Date: 12/04/1997

Institution: Orphan Medical, Inc.

Investigator: Dr. Dayton Reardan

Product: Actimmune

Indication: Osteopetrosis

Approval Date: 02/11/2000

Institution: Medical University of South Carolina

Investigator: Dr. Lester Key

Product: Auditory Brainstem Implant

Indication: Bilateral deafness

Approval Date: 10/24/00

Institution: Cochlear Corp.

Investigator: Dr. Steven J. Staller

Product: Anti-TNF (cA2) (trade name Remicade)

Indication: Severe Crohns Disease

Approval Date: 08/24/1998

Institution: Centocor, Inc.

Investigator: Dr. Richard McCloskey

Product: Baclofen Intrathecal (trade name Lioresal)

Indication: Severe Spasticity

Approval Date: 06/25/1992

Institution: Rush-Presbyterian-St. Lukes' Medical Center

Investigator: Dr. Richard Penn

Product: Betaine (trade name Cystadane)

Indication: Homocystinuria

Approval Date: 10/20/1996

Institution: University of Virginia

Investigator: Dr. William Wilson

Product: Busulfan IV

Indication: Bone Marrow Ablation

Approval Date: 02/04/1999

Institution: UT MD Anderson Cancer Center

Investigator: Dr. Borge Andersson

Product: Cladribine (trade name Leustatin)

Indication: Mycosis fungoides and hairy cell leukemia

Approval Date: 03/01/1993

Institution: Scripps Research Institute

Investigator: Dr. Ernest Beutler

Product: Clonidine (trade name Duraclon)

Indication: Intractable pain in cancer patients

Approval Date: 10/02/1996

Institution: Wake Forest University

Investigator: Dr. James Eisenach

Product: CroFab

Indication: Crotalid snake bites

Approval Date: 10/02/00

Institution: Therapeutic Antibodies, Inc.

Investigator: Dr. Richard C. Dart

Product: Cysteamine (trade name Cystagon)

Indication: Nephropathic Cystinosis

Approval Date: 08/15/1994

Institution: University of California, San Diego

Investigator: Dr. Jerry Schneider

Product: Ganciclovir Intravitreal (trade name Vitrasert)

Indication: CMV Retinitis

Approval Date: 03/04/1996

Institution: University of Kentucky Research Foundation

Investigator: Dr. Thomas Smith

Product: Glatiramer acetate (trade name Copaxone)

Indication: Relapsing remitting multiple sclerosis

Approval Date: 12/20/1996

Institution: Lemmon Company

Investigator: Dr. Yafith Stark

Product: Histrelin Acetate (trade name Supprelin)

Indication: Central precocious puberty

Approval Date: 12/24/1991

Institution: Massachusetts General Hospital

Investigator: Dr. Paul Boepple

Product: In-Exsufflator (trade name Cofflator)

Indication: Assist Ventilator dependent patients

Approval Date: 02/01/1993

Institution: University of Medicine and Dentistry of New Jersey

Investigator: Dr. John Bach

Product: Iobenguane sulfate I-131

Indication: Localization of Pheochromocytoma

Approval Date: 03/24/1994

Institution: University of Michigan

Investigator: Dr. Brahm Shapiro

Product: Levocarnitine (trade name Carnitor)

Indication: Primary and Secondary Carnitine Deficiency of Genetic Origin

Approval Date: 12/16/1992

Institution: Duke University

Investigator: Dr. Charles Roe

Product: Nafarelin Acetate Intranasal (trade name Synarel)

Indication: Central Precocious Puberty

Approval Date: 02/06/1992

Institution: Baylor College of Medicine

Investigator: Dr. John Kirkland

Product: Neurostimulator implantable electrodes

Indication: Quadra-paraplegia with loss of hand function

Approval Date: 08/18/1997

Institution: Case Western Reserve University

Investigator: Dr. Paul Peckham

Product: Pegademase (trade name Adagen)

Indication: ADA replacement in Severe Combined Immunogenicity Disease

Approval Date: 03/21/1990

Institution: Enzon, Inc.

Investigator: Dr. Abraham Abuchowski

Product: Pulmonary angioscope

Indication: Visualization of pulmonary emboli

Approval Date: 01/31/1989

Institution: Regents of the University of California

Investigator: Dr. Deborah Shure

Product: Sodium phenylbutyrate

Indication: Urea cycle disorders

Approval Date: 04/30/1996

Institution: Johns Hopkins University

Investigator: Dr. Saul Brusilow

Product: Succimer (trade name Chemet)

Indication: Lead Poisoning in Children

Approval Date: 01/30/1991

Institution: The Kennedy Institute

Investigator: Dr. J. Julian Chisolm

Product: Sucrase enzyme

Indication: Sucrase-isomaltase deficiency

Approval Date: 04/09/1998

Institution: Hartford Hospital

Investigator: Dr. Jeffrey Hyams

Product: Tobramycin for inhalation (trade name Tobi)

Indication: Management of CF patients with Pseudomonas Aeruginosa

Approval Date: 12/22/1997

Institution: Pathogenesis Corporation

Investigator: Dr. Alan Montgomery

Product: Tretinoin (trade name Vesanoid)

Indication: Acute Promyelocytic Leukemia

Approval Date: 11/22/1995

Institution: Memorial Hospital for Cancer and Allied Diseases

Investigator: Dr. Raymond Warrell, Jr.

Product: Zinc Acetate (trade name Galzin)

Indication: Wilson's Disease

Approval Date: 01/28/1997

Institution: University of Michigan

Investigator: Dr. George Brewer

Summary
Testimony Submitted to House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies

Name of Organization: National Organization for Rare Disorders, Inc. (NORD)
100 Route 34
New Fairfield, CT 06612-8923
(213) 746-6518

Witness: Diane E. Dorman, Senior Director for Public Policy, NORD
Washington Office
3907 Blackburn Lane, #22
Burtonsville, MD 20866
[redacted]

Date: April 2001

Summary of Testimony: The rare disease community is asking that the Office of Rare Diseases at the National Institutes of Health (NIH) be adequately funded to ensure that ALL Americans, not just a select few, have access to the incredible work being done at the NIH. Today, only ten cents for each and every person suffering with a rare disease or disorder is allocated to the ORD. We are asking for a mere $1 for each man, woman and child who must sometimes wait years for a diagnosis -- $25 million to "uncover new knowledge that will lead to better health for everyone."[1] We are also asking that ORD be given permanent status to allow for a diagnostic and research center, and to expand the authority of the office because it does not currently have a permanent line item in the NIH budget.

NORD is a federation of approximately 140 voluntary health organizations and over 70,000 individual patients, healthcare providers and clinical researchers dedicated to helping people with rare "orphan" diseases. An orphan disease is defined by statute[2] as any disease or condition impacting less than 200,000 Americans.

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[1] *Scientific Opportunities and Public Needs*, National Institutes of Health, 1998.
[2] The Orphan Drug Act of 1983.

Diane E. Dorman
Senior Director for Public Policy
Biography

Ms. Dorman currently serves as Senior Director for Public Policy for the National Organization for Rare Disorders where she develops and maintains relationships with appropriate federal agencies, Congress, coalitions and other organizations. Her efforts include work with other patient organizations and coalitions to accomplish initiatives that benefit people with disabilities. Technical assistance and legislative analysis is provided to NORD's member agencies on government-related matters, as well as the training of staff and volunteers of member organizations.

Prior to her work at NORD, Ms. Dorman worked with the Generic Pharmaceutical Industry Association as Director of Public Affairs where she planned and conducted public relations programs designed to create and maintain a favorable public image; establish and maintain cooperative relationships with representatives of community and consumer organizations, public interest groups and those in print and broadcast journalism.

Committee on Appropriations

Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name: Diane E. Dorman		
1 Are you testifying on behalf of a Federal, State, or Local Government entity?	Yes	(No)
2 Are you testifying on behalf of an entity other than a Government entity?	(Yes)	No

3 Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1999:

1999	$98,038	NIH
2000	$84,193	NIH
2001	- 0 -	

4. Other than yourself, please list what entity or entities you are representing:

National Organization for Rare Disorders (NORD)

5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your representational capacity with the entities disclosed in question number 4:

Senior Director for Public Policy
National Organization for Rare Disorders (NORD)

6 If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships whom you are not representing?	Yes	(No)

7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) which were received by the entities listed under question 4 since October 1, 1999, which exceed 10% of the entities revenue in the year received, including the source and amount of each grant or contract to be listed

- 0 -

Signature: Diane E. Dorman Date: 4/6/01



AMERICAN ASSOCIATION OF STATE COLLEGES OF AGRICULTURE AND RENEWABLE RESOURCES

Testimony

Presented to the

Subcommittee on
Agriculture, Rural Development,
Food and Drug Administration
And Related Agencies

Of the

Committee on Appropriations,
U.S. House of Representatives

by

Dr. James T. Tollett
Agriculture Chair
Southern Arkansas University

On behalf of the

American Association of State Colleges of Agriculture
and Renewable Resources
American Association of State Colleges and Universities

April 6, 2001

The American Association of State Colleges of Agriculture and Renewable Resources (AASCARR) appreciates this opportunity to submit testimony on the FY 2002 budget for the Higher Education Programs administered by the U.S. Department of Agriculture (USDA).

AASCARR is a national organization of state colleges and universities emphasizing undergraduate education in agriculture, renewable resources and related disciplines, and expanding programs in graduate education and research. AASCARR is an affiliate of the American Association of State Colleges and Universities (AASCU), an organization of more than 430 public colleges, universities and systems of public higher education located throughout the United States and its territories. AASCU members enroll more than 3.25 million students, representing more than half of all students enrolled in public four-year institutions.

USDA's Challenge Grant Program is AASCARR's top funding priority for FY 2002, as it has been for the past several years.

The Challenge Grant Program was established to enhance the ability of colleges and universities to provide the education vital for producing graduates capable of strengthening the nation's food, fiber and agricultural

system. Since this program's inception in 1990, over one thousand proposals have been submitted; approximately 20 percent of these proposals have been funded and applications to the program continue to increase.

Additional funding for Challenge Grants will increase the number of qualified individuals prepared with the knowledge and skills to address emerging agricultural issues. This need for critical skills and abilities has never been more urgent, particularly in the areas of food safety and animal borne diseases.

Funds in this program are a prudent investment of federal dollars because they are fully matched with non-federal resources. Further, these funds facilitate the creation and expansion of partnerships among colleges, universities and private industry. Partnerships advance the learning and experience of several institutions with a single grant. This joint activity has been valued and utilized; nonetheless many inter-university cooperative joint projects never come to fruition due to the lack of funding for the Challenge Grant Program, which has consistently remained level funded.

In addition to the Challenge Grant Program, higher education programs administered by USDA are integral to educating our nation's agricultural workforce. Our member institutions have also been awarded grants in the Multicultural Scholars and Hispanic Serving Institutions programs.

AASCARR joins with the National Association of State Universities and Land-Grant Colleges (NASULGC) to recommend increased funding levels for the following programs in FY 2002:

Higher Education Challenge Grants Program

Multicultural Scholars Program

Hispanic Serving Inst. Education Grants Program

Secondary/2-Year Post Secondary

Graduate Fellowship Grants

1890 Capacity Building Program

Ag in the Classroom

Tribal College Endowment Fund

Tribal College Equity Education Grants

Tribal College Research

Alaska/Hawaii Native Program

We believe that these programs will help to ensure the sustained preeminence of American agriculture in the coming generations. Your support ultimately provides American consumers with access to a variety of

Curriculum Vitae

James Terrell Tollett

Home Address: 902 Sue
Magnolia, AR 71753
[redacted]

Work Address: Southern Arkansas University
P. O. Box 9418
Magnolia, AR 71754-9418
[redacted]

Education:

Institution	Dates	Date of Degree	Degree Level	Academic Major
Nashville Public Schools	1941-53	1953	High School Diploma (Honors)	
Southern State College Magnolia, Arkansas	1953-55	1955	Associate in Agriculture	
University of Arkansas Fayetteville, Arkansas	1955-57	1957	BSA (Honors)	Nutrition
University of Arkansas Fayetteville, Arkansas	1957-58	1958	MSA	Animal Science
University of Illinois Urbana, Illinois	1958-61	1961	Ph.D.	Animal Science Biochemistry (1st minor) Mammalian Physiology (2nd minor)

Southern State College – Now Southern Arkansas University – Magnolia, Arkansas

A) State FFA All Expense Scholarship
B) President and Treasurer of Agriculture Students Association
C) Member of College President's Academic Affairs Committee
D) Individual High Livestock Judge in Arkansas Intercollegiate Livestock Judging Contest
E) Fifth High Individual at Houston Junior College Livestock Judging Contest

University of Arkansas – Fayetteville, Arkansas

A) Recipient of two (2) John Rust Academic Scholarships
B) Treasurer of Animal Industry Club
C) Active Member Agricultural Students Association
D) Member Livestock Judging Team – High Point Individual at Ft. Worth Livestock Exposition, 5th at Memphis, 5th at Kansas City, 8th at Chicago

University of Illinois – Urbana, Illinois

A) Graduate Advisor to Animal Science and Poultry Science Clubs
B) Chairman – Graduate Student's Recreation Association
C) Chairman – Animal Science Faculty Golf Tournament

Northeast Texas Community College

A) Received one of the two (2) Outstanding Teacher Awards – two consecutive years
B) Named to "Who's Who" in American Junior College
C) Named by Poultry Science Association to committee on Drugs and Residues
D) Chairperson – Master Planning Committee, NTCC
E) Committee for selecting Ralston Purina Outstanding Teacher Award – Poultry Science
F) Educational Advising Committee – East Texas Council of Governments
G) Hightower Agriculture Select Committee for Forecasting Agriculture Education in the 2,000's for Texas
H) Nominated for National Piper Teaching Award

Southern Arkansas University – Magnolia, Arkansas

A) Board of Directors – Arkansas FFA Foundation
B) North Central Association Accreditation – Governor's Task Force Committee
C) Committee to select 1991 Arkansas State Farmer and Arkansas Star State Businessman
D) Committee to rewrite Curriculum for Arkansas FFA
E) Planning Committee- New Ag Business Building SAU
F) Board of Directors – Columbia County Fair Association

Professional Affiliations:

Certified by the American Registry of Certified Animal Scientists as Research Animal Scientist
The Council for Agriculture Science and Technology (CAST)
Arkansas Chapter of CAST
American Association for Laboratory Animal Science
Texas Junior College Teacher's Association
The Nutrition Foundation
Plains Nutrition Council
American Society of Animal Science
Australasian Society of Animal Science
Poultry Science Association
New York Academy of Science
The Smithsonian Institute
Sigma XI
Alpha Zeta
Gamma Sigma Delta
American Chemical Society
American Association for Advancement of Science
American Horticulture Society
American Institute of Forestry
Agronomy Society
Texas Society of Toxicology
World Poultry Science Association
Texas Junior College Occupational/Technical Directors
National Senior College – Agriculture Teachers Association

Local Affiliations:

Trout Unlimited
Magnolia Symphony Association
Southwest Football Official's Association
Lion's Club
Sunday School Teacher, Deacon
Judge Livestock Show
National Tennis Official's Association
Chamber of Commerce – Magnolia 2000 Committee

Positions Held:

1961 – 1961 Southern State College now Southern Arkansas University, Magnolia, Arkansas

Job Title: Assistant Professor and Farm Manager for Agriculture

Work Responsibilities:

A) Taught animal nutrition and animal production courses for school of agriculture
B) Taught Mammalian Physiology for the entire college
C) Taught livestock judging courses and coached judging teams
D) Taught pasture and forage crop production courses
E) Supervised 40 students working on college farm
F) Supervised college dairy consisting of 125 milking cows, beef cattle operation of 200 cows, and swine operation of 50 sow unit

1962 – 1965 The Dow Chemical Company, Fayetteville, Arkansas

Job Title: Station Director and Technical Field Representative

Work Responsibilities:

A) To construct, implement, and budget for Dow's first Poultry Field Research Center, Fayetteville, Arkansas
B) To conduct practical field trials in poultry production using Dow Animal Health Products
C) To represent Dow as Technical Field Representative for agriculture products in the states of Arkansas, Louisiana, Mississippi, Missouri, Kansas, Oklahoma, and Texas
D) To do liaison work with college research staff and college experiment station personnel in conducting research programs with Dow Agriculture Products
E) To serve on product management teams for agriculture products

1965 – 1968 The Dow Chemical Company, Lake Jackson, Texas

Job Title: Research Nutritionist

Work Responsibilities:

A) To develop and investigate the use of KELDOR* feed grade NPN compound for ruminant animals
B) To evaluate chemicals produced by Dow for utility as growth promotants in livestock
C) To institute and develop an artificial rumen system for studying chemicals as growth promotants in ruminant animals
D) To be project leader for agriculture product teams

1968 – 1970 The Dow Chemical Company, Sydney, Australia

Job Title: Manager Agriculture Research & Development – Australia – New Holland

Work Responsibilities:

A) To hire personnel, budget, investigate and supervise all research and development activities including registration of all plant and animal products in Australia and New Zealand
B) To formulate and write all technical bulletins on Dow Agricultural Products for the sales organization in Australia and New Zealand
C) To act as Dow's Research Representative to the Board of Ivon-Watkins Dow, New Plymouth, New Zealand

1970 – 1972 The Dow Chemical Company – Sydney, Australia

Job Title: Manager Agricultural Research & Development – Pacific Area

Work Responsibilities:

A) To hire, train, and establish agricultural development and sales groups for each country located in Pacific Area – from Australia – New Zealand to India, Japan, and all countries in between
B) To aid registration and introduction of agricultural products in all Pacific Area Countries
C) To intercede for Dow with local governments on toxicological and complaint problems associated with the use of Dow agricultural products

1972 – 1973 The Dow Chemical Company, Midland, Michigan

Job Title: Technical Development Product Specialist

Work Responsibilities:

A) Directed field development activities throughout the United States for the following products:
    1) TROLENE* FM insecticidal premix
    2) SIRLENE* feed additive (feed grads propylene glycol)

3) DOWZENE* WORMER (authelmintic)
4) Fospirate* (small animal anthelmintic and insecticide)

B) Aided in preparing petitions and was the Dow liaison development representative for the above products to FDA and EPA
C) Wrote lay and technical articles on Dow products

1973 – 1974 The Dow Chemical Company, Midland, Michigan

Job Title: Group Leader – Animal Research

Work Responsibilities:

A) Group Leader in charge of Animal Research
1) Directed milk residue studies for products being submitted to FDA for registration
2) Directed tissue residue studies with rats, dogs, rabbits, sheep, goats, cattle, and poultry
3) Supervised antibiotic growth trials with poultry
4) Coordinated research efforts related to the technology of formaldehyde treatment of feedstuffs and the microingredients acquired via license from the Commonwealth of Australia
5) In charge of budgeting and directing total Midland Animal Research Center (35 technical workers)

* Trademark of the Dow Chemical Company

1974 – 1979 The Dow Chemical Company, Lake Jackson, Texas

Job Title: Group Leader and Senior Research Specialist

Work Responsibilities:

A) In charge of budgeting and administering the nutrition section of the Lake Jackson, Texas Animal Research Center
B) Directed in the development of a basic ruminant functional alteration screen for all chemical compounds and antibiotic substances owned by Dow using milligram quantities of active material
C) Directed the development of a rye-grain monogastric chick growth screen for evaluating all chemical compounds and antibiotic substances owned by Dow using milligram quantities of active material
D) Established and directed an antifungal screen for detecting activity of chemical compounds and antibiotics for antifungal activity
E) Established and directed a urease inhibition screen for detecting activity of chemical compounds and antibiotics for selective urease enzyme inhibition
F) Directed and supervised secondary evaluations of screening leads via metabolic studies for growth and feed utilization improvement in rodent, canine, fowl, swine, ovine, and bovine animals
G) Coordinated, directed, and budgeted for research efforts between Guadalajara, Mexico, Animal Research Center and Lake Jackson Animal Research Center

H) Supervised the maintenance and construction of the animal facilities used for research at the Lake Jackson laboratories
I) Served as project manager of several product management teams (responsible for budgeting and managing total business of products including research, advertising, sales, and environmental problems associated with the product)
J) Drafted and prepared results of research findings

1979 – 1985 The Dow Chemical Company, Midland, Michigan

Job Title: Research Associate, Group Manager, Toxicology Research

Work Responsibilities:
A) To design, direct, budget, and administer programs for developing toxicological data on chemical compounds
B) To draft and write technical toxicological literature for presentation to government and state regulation authorities
C) To draft and write a technical toxicological data into terms that can be understood by the purchasing public
D) To represent the company at FDA, EPA, FIFRA, OSHA, and USDA Hearings in Washington
E) To represent the Toxicology Department on product stewardship committees
F) To be the Toxicological representative on product management teams
G) To direct hourly personnel in daily responsibilities for maintaining the Toxicology Laboratory

1985: Northeast Texas Community College

Job Title: Director of Occupational – Technical Department of College

Work Responsibilities:
A) Responsible for faculty teaching and budgeting activities for the nursing, computer, business, electronics, welding, air conditioning, automotive, diesel, small engine, secretarial, food technology, food service, and agriculture programs of the college
B) Direct all adjunct faculty attached to the above programs
C) Instruct all classes in agriculture and instruct three botany classes
D) Counselor associated with Texas Academic Skills Program for State of Texas
E) Chair – Master Planning Committee College
F) Member Presidents' Council for overall policy of college
G) Coordinator of "2" + "2" programs between high schools and junior colleges regarding agriculture, secretarial, and automotive programs
H) Writes grant proposals to the State and Federal Government and director of successful applications. Successful in obtaining over $500,000 in last two years.

I) Train "Designing a Curriculum" participants throughout Texas Junior Colleges
J) Major Trainer in Shaping Program for at Risk Youth (SPAN) based on competency based education
K) Direct and budget for the 161 acre college farm including soil test laboratories, greenhouses, cattle herds, and horse operations
L) Representative of college for speaking engagements throughout Texas Area

Southern Arkansas University

Job Title: Chairman and Professor – Agriculture Department
Southern Arkansas University

Work Responsibilities:
A) Direct activities of Agriculture Department of School of Science and Technology including, budgeting, and managing of 680 acre college farm which houses swine, cattle, dairy, poultry, horses, pastures and forages, horticulture, and forestry
B) Direct faculty including 5 ½ professors and two farm laborers
C) Instruct classes in agriculture
D) Write, direct, and facilitate negotiations for grants awarded or in process of negotiations for the agriculture department
E) Direct recruitment activities for the department
F) Establish and direct research programs on all facets of agriculture programs
G) Responsible for acquiring endowments to enhance agriculture programs
H) Develop new major field of study in agriculture offered by Southern Arkansas University

Professional Improvement:

Post-Graduate Study

A) Management training course – "The Rational Manager, A Systematic Approach in Problem Solving and Decision Making", presented by Charles Kepner and Benjamine Tregoe

B) Sales Trainign Course – "A Systematic Approach to Motivational Selling", by Carl G. Stevens, President of Professional Sales Association

C) Radiation Course – In-depth training in the use of radioisotopes and the mechanics associated with their use – U.S. Radiation Training Course

D) Computer Technology Course – A Systematic Approach to Computer Technology, Its Use and Problems Associated With Its Use. The Dow Chemical Company Computer Technology Training Center

E) Technical and Lay Writing – An Avenue of Communication – Delta College Writing Course

F) TV Profile – A training program designed to teach the proper methods of public speaking, question answering, and dress for TV appearances – Dow Chemical T.V. Training Program

G) Dow Speak Up Program – A training course designed for personnel chosen by Dow Chemical to be speakers at local, state and national levels for the purpose of presenting accurate information concerning the chemical industry to the public sector of the U.S.

H) Environmental Toxicology – University of California, Irvins, California

I) Hack Instrumentation Training Course – Ames, Iowa

J) Reproductive Physiology – Growth Course – Manhattan, Kansas

K) DACUM Conference Training – Houston Junior College – February, 1987

L) East Texas Council of Governments Representative to Drop Out Conference in Austin – March, 1987

M) Institutional Effectiveness Training Conference – East Texas State University – April, 1987

N) Educators in Who's Who in College – 1987

O) Divisional Chairperson Workshop – 1988

P) 6th International Symposium on Agriculture and Food Processing Waste

Q) 1990 National Poultry Waste Management Symposium

R) American Society of Poultry Science – Texas A & M University – Waste Management Symposium

Student Cooperative Program:

A) Supervisor of Texas A & M Co-Op Students in Nutrition Research at Lake Jackson Labs

B) Supervisor of college Co-Op Students on Toxicology Research at the Midland, Michigan Toxicological Research Laboratory

C) Taught Animal Science at Brazosport College, Lake Jackson, Texas

D) Taught Animal Science at University of New South Wales, Australia

E) Supervisor at College Agriculture Co-Op Program throughout East Texas

F) Supervisor of College Co-Ops in Poultry and Swine operation in Arkansas

G) Advisor to Agri Club at Southern Arkansas University, Magnolia, Arkansas

Publications:

A) Written and published numerous articles and have written over 100 confidential technical reports for the Dow Chemical Company. A list can be furnished.

B) Author of two patents on Research Data

C) Author of four monographs on 2 X 2 Curriculum Studies in Agriculture

Successful Grant Proposals:

A)	Agritechnology for Texas	$37,500
B)	Designing a Curriculum – How and Why	$37,500
C)	Agriculture "2" X "2"	$100,000/year for five years
D)	Compressed Poultry Litter	$100,478
E)	Small Farm Energy and Resource Conservation Program	$75,000

Patents:

Feed Composition Containing Ronnel and Antibiotic A3823 Complex and Use Thereof. No 4,258,031. J. T. Tollett and D. R. Fletcher (1981).

Authelmetic Activity of DOWCO 356. D. L. Eisenbrandt and J. T. Tollett. Disclosure 1983.

STATEMENT OF THE U.S. APPLE ASSOCIATION

SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES

HOUSE COMMITTEE ON APPROPRIATIONS

APRIL 10, 2001

STATEMENT OF THE U.S. APPLE ASSOCIATION

SUBCOMMITTEE ON AGRICULTURE,
RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION
AND RELATED AGENCIES

HOUSE APPROPRIATIONS COMMITTEE

APRIL 10, 2001

The U.S. Apple Association (USApple) appreciates the opportunity to provide this testimony on behalf of our nation's apple industry.

Our testimony will focus on the following three areas: the Market Access Program (MAP); Food Quality Protection Act (FQPA) implementation; and Agricultural Research Service (ARS) funding.

USApple is the national trade association representing all segments of the apple industry. Members include 40 state and regional apple associations representing the 9,000 apple growers throughout the country as well as more than 500 individual firms involved in the apple business. Our mission is to provide the means for all segments of the U.S. apple industry to join in appropriate collective efforts to profitably produce and market apples and apple products.

Assistance for Apple Growers

USApple urges Congress to provide apple growers with fair and equitable inclusion in any farm relief program that may help apple growers survive the current devastating economic crisis.

Apple growers lost an estimated $760 million between 1995 and 1998 due to unfairly priced imports of apple juice concentrate, adverse weather conditions, continuing retail consolidation and rising regulatory costs among other factors beyond their control. Current apple prices, which are as much as 40 percent below grower production costs, are pushing apple growers deeper into financial crisis.

Congress provided $100 million in market loss assistance and $38 million in crop loss assistance for apple growers as part of the fiscal 2001 agricultural appropriations act (Public Law 106-387). It provides Commodity Credit Corporation funds to compensate apple growers for recent devastating market and crop losses. However, this assistance is not adequate to sustain America's apple growers through the current economic crisis.

Market Access Program (MAP)

USApple strongly supports increasing the annual appropriation for MAP from $90 million to $200 million.

All segments of the U.S. apple industry benefit directly from the use of export promotion funds, which increase export demand. In fiscal year 2001, the apple industry received approximately $3 million in MAP export-development funds. These funds are matched by grower funds, and are used to promote

apples in more than 20 countries throughout the world. Since 1987, when the apple industry first utilized MAP funds, apple exports have increased by 49 percent.

The U.S. apple industry faces keen competition around the globe from competitors who receive significant government funds for generic promotions. The governments of our foreign competitors spend approximately $500 million on export promotion and market development. It has become increasingly difficult for U.S. exporters to compete with European and Chinese producers who receive massive government assistance. Increased funding for this critical program will assist U.S. apple producers to better compete and revive export demand in countries recently hit by adverse economic conditions.

Food Quality Protection Act (FQPA) Implementation

USApple strongly supports full funding for the following programs intended to facilitate fair FQPA implementation and to offset its anticipated negative impact on apple growers.

Specifically, USApple supports the U.S. Department of Agriculture's following budget requests.

- $20 million for the Pesticide Data Program, administered by the Agricultural Marketing Service (AMS);
- $7.3 million for the National Agricultural Statistics Service (NASS) pesticide-usage surveys;
- $2.6 million for the Office of Pest Management Policy administered by the Agricultural Research Service (ARS);
- $4.1 million for minor-use registration of crop protection tools (IR-4) administered by ARS;
- $16 million for area-wide Integrated Pest Management research administered by ARS;
- $20 million for the Integrated Pest Management Research Grant Program administered by the Cooperative State Research, Extension and Education Service (CSREES);
- $12 million for minor-use registration of crop protection tools (IR-4) administered by CSREES; and
- $14.3 million for the Pesticide Impact Assessment Program, Regional Crop Pest Management Information Centers, Crops at Risk, and Risk Avoidance and Mitigation Program all administered by CSREES.

Temperate Fruit Fly Research Position - Yakima, Wash.

USApple requests continued funding of $300,000 to conduct critical research at the USDA-ARS laboratory in Yakima, Wash. on temperate fruit flies, a major pest of apples.

FQPA implementation is expected to significantly reduce the number of pesticides currently available to growers for the control of pests such as cherry fruit fly and apple maggot. Left unchecked, these temperate fruit flies can be devastating. Research is critically needed to develop alternative pest controls should growers lose access to presently available crop protection tools as a result of FQPA implementation.

Congress appropriated $300,000 last fiscal year for this critical position. We request that the

committee appropriate $300,000 for this position in fiscal year 2002.

Post Harvest Quality Research Position – East Lansing, Mich.

USApple requests that the committee provide continued funding of $309,600 for postharvest-quality research at the ARS laboratory in East Lansing, Michigan.

This facility is conducting research that is critical to the future economic recovery of the apple industry. Using a series of new sensing technologies, researchers at the East Lansing facility are developing techniques that would allow apple packers to measure the sugar content and firmness of each apple before it is shipped to consumers. Research has shown that consumers will increase purchases of high quality products that consistently meet their expectations. We believe consumers will eat more apples if this technology is fully developed and employed, by our industry.

Congress appropriated $309,600 last fiscal year for this critical position. We request that the committee continue to provide funding for this critical research in fiscal year 2002.

Fireblight Research – Kearneysville, W.Va.

USApple requests that the committee provide increased funding of $220,000 for fireblight tissue culture research at the ARS Appalachian Fruit Research Station in Kearneysville, W.Va.

Fireblight is a devastating disease that threatens apple growers in all apple growing regions. This disease has become more prevalent and even more difficult to control as growers have shifted production to several popular new apple varieties on rootstocks that are especially susceptible to fireblight.

Fireblight is a bacterial disease typically controlled with timely applications of antibiotics. However, various federal agencies are reevaluating agricultural uses of antibiotics due to concerns that these uses may contribute to human resistance to antibiotics. Meanwhile, fireblight strains are becoming resistant to the apple industry's only antibiotic tool to control fireblight. This new funding is needed to find new alternative controls to antibiotics using tissue culture research and genetic engineering.

We request that the committee provide an increase of $220,000 for this important research in fiscal year 2002.

The U.S. Apple Association thanks the committee for this opportunity to present testimony in support of the U.S. apple industry's federal agricultural funding requests.

National Cotton Council OF AMERICA

1521 New Hampshire Avenue, N.W.
Washington, DC 20036
(202) 745-7805 • FAX (202) 483-4040
www.cotton.org

PRODUCERS • GINNERS • WAREHOUSEMEN • MERCHANTS • CRUSHERS • COOPERATIVES • MANUFACTURERS

April 4, 2001

The Honorable Henry Bonilla, Chairman
Subcommittee on Agriculture, Rural Development,
Food & Drug Administration and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Re: FY2002 Agriculture Appropriations

Dear Mr. Chairman:

This is to transmit the cotton industry's request for FY2002 funding for selected programs under the jurisdiction of the Subcommittee on Agriculture, Rural Development, Food & Drug Administration and Related Agencies. The National Cotton Council appreciates your assistance in making this letter a part of the hearing records related to the FY2002 appropriations bill.

The National Cotton Council of America (NCC) is the central organization of the U.S. cotton industry representing growers, ginners, warehousemen, cottonseed crushers, merchants, cooperatives and manufacturers whose primary business operations are located in 16 cotton producing states. Cotton Council International (CCI) is the overseas promotion arm of the cotton industry. The annual average farm gate value of U.S. cotton production is about $5 billion and its retail value averages approximately $60 billion. U.S. raw cotton exports normally account for approximately 40% of annual production and are valued at approximately $4 billion. U.S. textile manufacturers continue to be the U.S. cotton producer's most important customers. In addition to the fiber, cottonseed products are used for livestock feed, and cottonseed oil is used for food products ranging from margarine to salad dressing. Cottonseed and cottonseed products generally account for about 3% of the annual revenue generated from U.S. cotton production. Cottonseed contributes about 17% of the value of the crop at the farm gate.

Cotton and cottonseed prices remain at historic lows and market observers predict low prices could continue for the foreseeable future. Asia's slow economic recovery; changes in China's cotton import policy; and an excess supply of cotton have all effected demand for U.S. raw cotton. The strong U.S. dollar relative to other currencies has made exporting bulk commodities difficult and spurred alarming increases in textile and apparel imports into the U.S. Excess production and cheap prices for synthetic fibers also contribute to a situation that has cotton farmers and their customers deeply concerned by shrinking operating margins.

The financial assistance Congress provided for economic and weather related losses for the last 3 crop years has been critically important for farmers and the industry infrastructure. Unfortunately, as was noted in a recent letter sent by 25 Senators to Chairman Domenici, the combination of chronically low

prices, escalating input costs and sluggish demand will result in continued low farm income and the need for an emergency economic assistance package in 2001 to provide at least the same level of economic assistance as was provided for the 2000 crop.

In the long-term, cotton farmers will benefit from federally funded programs and activities designed to reduce production costs and build demand. Successful completion of the boll weevil eradication program, control of the pink bollworm, new technology developed through research, and demand building export programs including MAP, FMD and GSM credit are all essential to our industry.

The cotton industry's long-term viability depends on: an effective farm policy without unreasonable eligibility restrictions or limitations on benefits, including a marketing loan and adequately funded 3-step competitiveness provisions; an investment in the development and application of scientific principles; and, aggressive market development activities. The National Cotton Council welcomes the opportunity to provide the following recommendations and requests for FY2002 appropriations for programs which make important contributions to our industry's ability to compete and prosper.

FUNDING PRIORITIES

Pink Bollworm Programs (APHIS) - $6 million to continue the San Joaquin Valley (SJV) containment program and to begin sterile moth release phase of the pink bollworm eradication program initiated in 2001 in the Trans Pecos/El Paso Valley of Far West Texas (in combination with the Boll Weevil Eradication Program). The pink bollworm is a serious cotton pest in Texas, Arizona, New Mexico and California with costs of prevention, control and yield loss exceeding $21 million annually. Sterile moth releases, pheromone traps and cultural methods have proven successful in preventing establishment of the pink bollworm. Growers in the SJV provide a significant portion of containment program costs through a self-assessment. Sterile moths are reared in a facility in Phoenix, financed by California growers. Management equipment, methods and partial support for rearing and operations are furnished by APHIS. The Far West Texas eradication program will initiate the three-phase program to eliminate the pink bollworm as a pest in Texas, New Mexico, Arizona, California and adjacent cotton areas in Northern Mexico. Program will employ Bt cotton, pheromones for mating disruption and sterile insect releases as eradication technologies. Increased funding in FY00 and FY01 allowed APHIS to prepare for demands of the Texas program. The significant increase in funding for FY02 will allow the Phoenix facility to produce sufficient quantities of sterile moths to supply the SJV program and the new area wide program in Far West Texas.

Boll Weevil Eradication (FSA) - Sufficient funding to allow FSA to make at least $100 million in loans to eligible Boll Weevil Eradication Foundations. To the extent Federal cost-share funds are insufficient for a 30% contribution and to assist producers in areas where farm income is extraordinarily low, loan funds are critical to successful operation and completion of the eradication program. There may also be an interest in expanding eligibility to include the pink bollworm eradication program to ensure it is adequately funded.

Boll Weevil Eradication (APHIS) - $82.2 million for APHIS to maintain the Federal cost share at approximately 30%. More than 10 million acres in Alabama, Mississippi, Tennessee, Arkansas, Louisiana, Texas, Oklahoma, Missouri and New Mexico will be under active eradication in 2001 and 2002 with a projected total program cost of $274 million. Approximately 4.5 million acres in Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Texas, Tennessee, Arizona and California will be in post-eradication having been declared weevil-free. The program has achieved documented economic and environmental benefits. Adequate Federal cost-share funds are critical to timely completion. APHIS should also be directed to make every effort to minimize overhead and administrative expenses for boll weevil eradication to ensure maximum funding reaches field operations.

Market Access Program (MAP) - $90 million is currently authorized by 1996 farm law. Cotton Council International actively promotes exports of U.S. cotton and cotton products in Asia, Europe and Central and South America. Activities carried out using MAP (and FMD) have been responsible for increased export sales of raw cotton and value-added cotton products. Exports of value-added cotton products add more than $6 billion to the

overall value of cotton exports. For every $1 in MAP and FMD funds, CCI has generated matching contributions of over $9.00. The industry also supports funding to ensure FAS is adequately staffed to carry out important market development and trade enhancing functions in headquarters and abroad.

Foreign Market Development (FMD) – The FY00 appropriations measure included a provision resulting in funding for the FMD Cooperator Program being provided through CCC rather than as part of the annual FAS appropriation. The industry requests the subcommittee to urge FAS to support FMD activities by programming not less than $33.5 million for FY02, the absolute minimum amount necessary to sustain current levels of market development activities.

GSM-102 Credit Guarantee (FAS) - Maintain authority to make at least $5.9 billion in GSM-102 guaranteed export credit available for use by U.S. exporters and customers. Urge U.S. negotiators at the OECD not to agree to modifications in the terms and conditions of the program, which render it unworkable for U.S. exporters and their customers. An ineffective GSM-102 program would reduce U.S. cotton exports by up to 500,000 bales and reduce prices by as much as 3 cents per pound. Consider modifications to the rules governing the program to include authority to accept repayment in foreign currencies, to allow the guarantee to cover cost of shipping and other regulatory adjustments to improve the value of the program for U.S. exporters and their customers.

Aflatoxin (ARS) – The cotton industry strongly supports the funding recommendations of the Multi-Crop Aflatoxin Working Group and particularly the work by Dr. Peter Coty with AF-36 in Arizona.

Ginning Research (ARS) - Urge ARS to continue to provide funding at not less than FY01 levels for operations and research activities conducted at the regional ginning labs at Stoneville, MS; Lubbock, TX; and Mesilla Park, NM.

Ginning Specialist (CSREES) – Urge ARS/CSREES to fill the vacant position and continue full funding of the Cotton Technology Transfer and Education Coordinator with headquarters in Stoneville, MS.

Precision Agriculture (CSREES) – Request that priority be given to funding for precision agriculture applications research and that USDA be provided funds for use in matching NASA/Earth Sciences Enterprises allocations to precision agriculture.

Shafter Cotton Research Station (ARS) – Urge ARS to maintain funding for cotton research conducted at the Station and not to shift funds or staffing resources from Shafter.

Agricultural Genetic Resources – Urge an increase of $10,000,000 for USDA's National Plant Germplasm System (NPGS). An increase for the NPGS would provide funds for acquisitions of specific cotton germplasm from Russia, Uzbekistan and Latin America. Funds will also enhance winter nursery capabilities in Mexico, intensify cotton germplasm regeneration program and develop methods for precise description of cotton genomic viability. Work will be done at College Station and Lubbock, Texas. It would also provide funds to Phoenix, AZ for broadening the relatively narrow genetic base for upland and pima cotton varieties in Western and Southwestern U.S. by incorporating genes from wild relatives.

Farm Service Agency – Provide adequate funding so the agency can deliver essential programs and services.

Other - Support funding for value-added textile research at New Orleans ARS/SRRC and ARS/Clemson, SC; PM-10 air quality research by CSREES; silverleaf whitefly control programs; conservation programs including CRP, WRP and WHIP; the Office of Pest Management Programs which continues to provide important assistance to growers during EPA's review of critical crop protection products; and the Aerial Application Technology Program at College Station.

Research & Extension – Support formula funding for Research and Extension; National Extension Priorities including water quality, food safety, and pesticide assessment program, and, funds for National Research Initiative.

Cotton Classing Services (AMS) – The cotton classing services provided by USDA's AMS Cotton Division are critically important to marketing U.S. cotton. Cotton must be classed to be eligible for the CCC loan. AMS has successfully held classing fees at current levels for several years. For 2001, the agency is anticipating a significant increase in energy expenses and qualified seasonal employees are in short supply at most classing office locations. Yet in recognition of the severe economic stress in the industry, the agency has elected to hold fees at 2000 crop levels. Over the next 3 years, significant capitol investment will be required to install new automated classing equipment which will improve accuracy and reduce labor costs. The industry urges the Committee to consider providing appropriated funds for FY02 and FY03 to be used for the purchase of new automated equipment as reliable equipment becomes available.

Thank you for your consideration of our recommendations.

Sincerely,

John Maguire
Vice President - Washington Operations

cc: Representative Marcy Kaptur
Members of the Subcommittee



RED RIVER VALLEY ASSOCIATION

TESTIMONY

TO THE

SUBCOMMITTEE ON AGRICULTURE,
RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION
AND RELATED AGENCIES

COMMITTEE ON APPROPRIATIONS
FY 2002

U.S. HOUSE OF REPRESENTATIVES

MARCH 2001

1. INTRODUCTION

RED RIVER VALLEY ASSOCIATION

The Red River Valley Association is a voluntary group of citizens bonded together to advance the economic development and future well being of the citizens of the four state Red River Basin area in Arkansas, Louisiana, Oklahoma and Texas.

For the past 76 years, the Association has done notable work in the support and advancement of programs to develop the land and water resources of the Valley to the beneficial use of all the people. To this end, the Red River Valley Association offers its full support and assistance to the various agricultural organizations and other local governmental entities in developing the area along the Red River.

The Resolutions contained herein were adopted by the Association during its 76th Annual Meeting in Bossier City, Louisiana on February 22, 2001, and represent the combined concerns of the citizens of the Red River Basin Area as they pertain to the goals of the Association, specifically:

--- Economic and Community Development
--- Environmental Restoration
--- Flood Control
--- Bank Stabilization
--- A Clean Water Supply for Residential, Commercial, Industrial and Agriculture Uses
--- Hydroelectric Power Generation
--- Recreation
--- Navigation

The Red River Valley Association is aware of the constraints on the federal budget, and has kept those restraints in mind as these Resolutions were adopted. Therefore, and because of the far-reaching regional and national benefits addressed by the various projects covered in these Resolutions, we urge the members of Congress to review the material contained herein and give serious consideration to funding these initiatives at the levels requested.

C. Wayne Dowd
President

Phil Alford
Vice-President, Arkansas

Jerry Boughton
Vice President, Louisiana

William C. Chapman,
Vice President, Oklahoma

Ron Glenn
Vice President, Texas

Richard Brontoli
Executive Director

Walter Lamb
Secretary-Treasurer

TESTIMONY OF THE
RED RIVER VALLEY ASSOCIATION

PRESENTED BY
MR. C. WAYNE DOWD, PRESIDENT

TO THE

SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT,
FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES

COMMITTEE ON APPROPRIATIONS
FY 2002 BUDGET

U.S. HOUSE OF REPRESENTATIVES
MARCH 2001

Mr. Chairman and members of the Committee, I am Wayne Dowd, and I am pleased to represent the Red River Valley Association as its President. Our organization was founded in 1925 with the express purpose of uniting the citizens of Arkansas, Louisiana, Oklahoma and Texas to develop the land and water resources of the Red River Basin.

As an organization that knows the value of our precious water resources we support the most beneficial water and land conservation programs administered through the Natural Resources Conservation Service (NRCS). We understand how important a balanced budget is to our nation; however, we cannot sacrifice what has been accomplished. NRCS programs are a model of how conservation programs should be administered and our testimony will address the needs of the nation as well as our region. We strongly believe that this national program must be preserved.

The President's FY02 budget guideline for USDA indicates a reduction of 8¼ % from FY01. If you do not consider the emergency funds for FY01 then the FY02 appropriation is approximately a 3% increase; however, even this does not cover cost of living and inflation increases. This could mean NRCS programs will not be adequately funded, to the detriment of the agency and our natural resources. We would like to address several of the programs administered by NRCS. Failure to adequately fund these initiatives would reduce assistance to those who want it and the resources that need it.

1. **Conservation Operations Budget:** This has been in steady decline, in real dollars, over the past several years. It has occurred partly as a result of funds being reduced from Conservation Operations to balance increases in other conservation financial assistance programs. Approximately $620 million was allocated for this account in FY2001. This is far short of what is required to serve the needs of our nation's private lands. We request a total of $965 million be appropriated for Conservation Technical Assistance.

Conservation Technical Assistance is the foundation of technical support and a sound, scientific delivery system for voluntary conservation to the private users and owners of lands in the United States. It is imperative that we provide assistance to all 'working lands' not just those fortunate few who are able to get enrolled in programs. Working lands are not just crops and pasture (commodity staples) but includes forests, wildlife habitat and coastal marshes. The problem is that personnel funded from 'programs' can only provide technical assistance to those enrolled in these cost share programs, leaving the majority of the agricultural community without technical assistance. We recommend that this funding for technical assistance be placed in 'Conservation Technical Assistance', and allow NRCS to provide assistance to everyone.

It also appears the emphasis has been to increase 'command and control' enforcement and reduce voluntary, science based assistance. This is the wrong way to go. We encourage you to reverse this trend and allow our agricultural community to have access to technology for voluntary conservation, rather than be harassed by the constant threat of regulations and penalties for non-compliance.

2. **Section 11 Caps:** Another factor that seriously reduces the ability of NRCS to meet the considerable public demand for technical assistance, is the Section 11 cap and the transfer of funds from the Community Credit Corporation (CCC). The CCC funds NRCS technical assistance for several programs, including EQIP and CRP. Currently, this cap prevents NRCS from covering its staff costs for these crucial programs. We support the removal of the Section 11 Cap on technical assistance, which was established before EQIP, CRP and WRP were created. We will also be addressing this issue in the 'Farm Bill', as it develops.

3. **Watershed and Flood Prevention Operations (PL566 & 534):** More than 10,400 individual watershed structures have been installed nationally. They have contributed greatly to conservation, environmental protection and enhancement, economic development and the social well being of our communities. More than half of these structures are over 30 years old and several hundred are approaching their 50-year life expectancy.

Today you hear a lot about the watershed approach to resource management. These programs offer a complete watershed management approach and should continue for the following reasons:

- They protect people and communities from flooding.
- Their objectives and functions sustain our nation's natural resources for future operations.
- They are required to have local partners and be cost shared.
- The communities and NRCS share initiatives and decisions.
- They follow NEPA guidelines and enhance the environment.
- They often address the need of low income and minority communities.
- The benefit to cost ratio for this program has been evaluated to be 2.2:1.

What other federal programs can claim such success?

There is no questioning the value of this program. The cost of losing this infrastructure exceeds the cost to reinvest in our existing watersheds. Without repairing and upgrading the safety of existing structures, we miss the opportunity to keep our communities alive and prosperous. It would be irresponsible to dismantle a program that has demonstrated such great return and is supported by our citizens.

It was a great step forward to have the 'Lucas Bill' passed last year, now adequate appropriations must be provided. A 1999 survey, conducted in 22 states, showed that 2,200 structures are in need of immediate rehabilitation at an estimated cost of $543 million. The funding level authorized in the bill is far short of this realistic need. We request that $5 million be appropriated for NRCS to conduct assessments of the rehabilitation needs nationwide. We request that $60 million be appropriated to provide financial and technical assistance to those watershed projects where sponsors are prepared to commence rehabilitation measures.

In addition to the needs for reinvesting in existing infrastructure there are many new projects, which are awaiting funds for construction. We strongly recommend that a funding level of $250 million be appropriated for the PL534 ($30 million) and PL566 ($220 million) programs. This is realistic and comparable to appropriations in years prior to 1994.

4. **Emergency Watershed Protection Program:** This program comes under Watershed and Flood Prevention Operations, but is a separate line item. It has traditionally been a zero budget line item; however, there will always be emergency needs.

As our land use expands to include sensitive environmental ecosystems, major weather events will have an adverse impact requiring NRCS assistance; therefore, it should be funded up front. It is important that NRCS is prepared for a rapid response, not waiting for legislative action. With funds available, they can respond immediately to an emergency when it occurs.

We request that a minimum of $100 million be appropriated for this program in FY 2002 and are not taken from elsewhere in the NRCS budget. In FY00 $80 million was added and in FY01 $110 million. It is inevitable that emergency funds will be required, so this should be included.

5. **Conservation Reserve Program (CRP):** This program, administered by Farm Services Agency, impacts NRCS the most. NRCS is reimbursed for providing technical assistance for this program. We understand the Administration is considering termination of this program since the original goals have been met. It restores the land to a higher and better use until such time as the nation may need it for food and fiber production. The environmental values gained from CRP should obviate the need and justify the investment of raising the CRP cap.

We ask Congress to take the initiative to increase the CRP enrollment cap to a minimum of 45 million acres. This is an extremely beneficial program to both our nation and the Red River Valley, and should not be allowed to expire. It provides a safety net to those farmers trying to make a living on the marginal lands most suited for this program.

6. **Watershed Survey and Planning:** In FY01 $11 million was appropriated to support this extremely important community program. NRCS has become a facilitator for the different community interest groups, state and federal agencies. In our states such studies are helping identify resource needs and solutions where populations are encroaching into rural areas.

As our municipalities expand, the water resource issue tends to be neglected until a serious problem occurs. Proper planning and cooperative efforts can prevent problems and insure that water resource issues are addressed. We request this program be funded at a level of $25 million.

7. **Forestry Incentives Program:** Congress transferred this program to NRCS from the Farm Service Agency as a restructuring in the Federal Agricultural Improvement and Reform Act of 1996. Forestry on small, privately owned lands is recognized as a farming activity. NRCS is the best agency to administer this program, which assists farmers in production agriculture. It is more than just a timber production program. Forests are the most effective use of land as they relate to water quality, non-point source pollution, air quality, greenhouse gas reduction and wildlife habitat.

We request Congress fund the Forestry Incentives Program at a level of $6.5 million for FY 02.

8. **Environmental Quality Incentives Program (EQIP):** Request for assistance through the EQIP program has been overwhelming. Requests far exceed the available funds and place an additional workload on NRCS's delivery system. Additionally, adequate funding for technical assistance must be provided to administer the program at a minimum of 19 % of total program cost.

The EQIP program for FY 2002 should be appropriated $300 million and the technical assistance budgeted at $57 million to meet the 19 percent TA level.

9. **Wetlands Reserve Program (WRP):** This is a very popular and important program. It serves as a safety net to those farmers trying to make a living on marginal lands. It also addresses a variety of conservation needs, from water quality to global warming.

We strongly recommend that the cap be raised by 250,000 acres for FY 2002. This will allow the program to continue until FY 2003 when a reauthorization for the program can be made.

10. **Red Bayou Irrigation 'Demonstration Project':** Findings in the Natural Resources Inventory (NRI) have concluded that irrigated agriculture is moving from western states to the east. A prime example of this is the interest to irrigate along the Red River in Arkansas and Louisiana. The recent drought conditions have accelerated the efforts of different regions to form irrigation districts and start the process to install systems. The farmers along Red Bayou, Caddo Parish, Louisiana, have been very aggressive in their attempts to become operational. We request that this project be 'earmarked' as a demonstration project to be used as a model throughout the Red River Valley. When the cost for this irrigation system has been determined and the irrigation district formed, we will request maximum federal participation for the funding of this endeavor.

Over 70% of our land is privately owned. This is important in order to understand the need for NRCS programs and technical assistance. Their presence is vital to ensuring sound technical standards are met in conservation. These programs not only address agricultural production, but sound natural resource management. Without these programs and NRCS properly staffed to implement them, many private landowners will not apply conservation measures needed to sustain our natural resources for future generations.

There have been new clean water initiatives, but why do we ignore the agency that has a proven record for implementing watershed conservation programs? Congress must decide: will NRCS continue to provide the leadership within our communities to build upon the partnerships already established? It is up to Congress to insure NRCS is properly funded and staffed to provide the needed assistance to our taxpayers for conservation programs. Funding Conservation Technical Assistance at $965 million and eliminating the Section 11 Caps will go a long way in accomplishing this.

All these programs apply to the citizens in the Red River Valley and their future is our concern. The RRVA is dedicated to work toward the programs that will benefit our citizens and provide for high quality of life standards. We therefore request that you appropriate the requested funding within these individual programs, to insure our nation's conservation needs are met.

I thank you for the opportunity to present this testimony on behalf of the members of the Red River Valley Association and we pledge our support to assist you in the appropriation process

Grant Disclosure: The Red River Valley Association has not received any federal grant, sub-grant or contract during the current fiscal year or either of the two previous fiscal years.

National Sunflower ASSOCIATION

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APPROPRIATIONS PRIORITIES FOR THE NATIONAL SUNFLOWER ASSOCIATION

Sunflower growers recognize the sunflower industry is still considered a minor crop in comparison to many other components of the agriculture economy. However in major sunflower producing states, like North Dakota, South Dakota, Minnesota, Kansas, Nebraska, Colorado, and Texas, sunflower crops provide a level of income allowing many producers to stay in business during times of low prices -- not that sunflowers aren't also suffering from low prices. Aside from the Marketing Loan Program, crop insurance, and foreign market development programs, underlying federal assistance through public research (disease resistance and plant genetics) and controlling crops from pests (Wildlife Service's blackbird control program) are the sunflower industry's solution to remaining competitive. These three appropriations priorities of the NSA are extensions of work and infrastructure already underway with the Department of Agriculture. Further progress through the requested funding would result in a down payment for production agriculture at a time when farmers need it most.

1. **National *Sclerotinia* initiative (cooperatively with U.S. Canola Association, National Sunflower Association, American Soybean Association, USA Dry Pea and Lentil Council)**
   Proposed budget: $5.4 million
   Current appropriation: 0 (new proposal) [$238,000 through CSREES to University of Minnesota in FY-01 for canola]
   Administration: USDA's Agriculture Research Service (ARS)
   Background: Sclerotinia (or White Mold) is a crop disease that seriously affects broad leaf plants including canola, sunflowers, soybeans, edible beans, and peas and lentils. The disease, spread by fungal spores which may live in the soil for more than five years, has devastating affects on crop quality and yield. Sclerotinia caused sunflower losses in excess of $100 million in 1999. Canola losses due to sclerotinia in the 2000 crop year were more than $33 million in North Dakota and Minnesota alone (20 percent of the crop value). Scientists estimate that the disease reduces soybean yields by up to 12 bushels per acre for every 10 percent increase in sclerotinia incidence; sclerotinia has been the cause of major soybean yield reduction in three of the last six years. Edible beans and all pulse crops (peas, lentils) are also significantly affected with quality and color problems, and yield losses.

   The National Sclerotinia Initiative proposal would attempt to address this nationwide, multi-crop disease problem through two key research methodologies: breeding and genetics work, and studying soil management systems. The proposed initiative is patterned after the recently successful National Wheat and Barley Scab Initiative.

The National Sclerotinia Initiative proposes to budget and distribute funding competitively through ARS locations as well as cooperator universities and experiment stations. ARS locations in Illinois, Indiana, Michigan, Maryland, Nebraska, North Dakota, and Washington have already expressed an interest in performing sclerotinia research. States with universities also likely to participate include: Colorado, Idaho, Illinois, Iowa, Minnesota, Michigan, Nebraska, New York, North Dakota, Ohio, Oregon, Pennsylvania, South Dakota, Washington, and Wisconsin.

2. **Maintain funding for molecular genetics research**
Proposed budget: $500,000
Administration: USDA's Agriculture Research Service (ARS)
Current appropriation: $500,000 (FY-01 carried over $200,000 from previous year and added $300,000)
Background: For the past two years, the National Sunflower Association has supported federal funding for molecular genetics research on sunflowers and oilseeds at the Fargo ARS lab, which hosts the only national public sunflower research unit in the U.S. In order to hire a geneticist at the Fargo ARS station, which already contained an equipped lab for molecular research, Congress appropriated $200,000 in fiscal year 2000, and added $300,000 in fiscal year 2001.

The research that would be conducted if funding is maintained would enhance current sunflower varieties through gene marker methodologies. This will accelerate the genetic breeding process for disease and insect resistance. Oregon State University is presently "gene mapping" the sunflower plant. The molecular geneticist at the Fargo ARS lab would use that map as the basis for gene trait enhancement.

3. **Environmental Impact Statement (EIS) funding to study blackbird control operations program**
Proposed budget: $250,000
Administration: Wildlife Services (USDA-APHIS)
Current appropriation: 0
Background: In order to change the timing of blackbird control operations programs in North and South Dakota from fall to spring baiting, Wildlife Services personnel must first complete an Environmental Impact Statement (EIS) under the National Environmental Policy Act (NEPA). To complete the EIS, which involves additional research, public hearings, publication and printing costs, and significant staff time, Congress must appropriate $250,000 to Wildlife Services.

Sunflower growers depend on USDA's Wildlife Services personnel to control blackbird populations depredating sunflower crops in the fall before harvest. Blackbirds cause in excess of $10 million in annual damage to sunflower crops; these losses come directly from the pockets of farmers. Only Wildlife Services personnel are licensed by the EPA to utilize DRC-1339 – the only effective avicide available – to control blackbirds in sunflower fields. Presently Wildlife Services agents perform blackbird control efforts in the fall, when sunflowers are standing in fields. However,

animal research scientists and the NSA concur that spring-time control efforts and baiting programs would be much more effective. As such, Wildlife Services personnel believe that before conducting an operations program in the spring, they first must complete an EIS in accordance with NEPA to assess alternatives, the feasibility, and potential environmental impacts of switching from fall efforts.

THE AMERICAN DIETETIC ASSOCIATION

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April 10, 2001

The Honorable Henry Bonilla
Subcommittee on Agriculture, Rural Development,
Food and Drug Administration and Related Agencies
2362 Rayburn House Office Building
U.S. House of Representatives
Washington, DC 20515-6016

Dear Mr. Chairman:

The American Dietetic Association and its 70,000 food and nutrition professionals urge your subcommittee to support adequate funding for USDA's Continuing Survey of Food Intakes by Individuals (CSFII). A minimum of $8 million is needed annually for this purpose. Congress, USDA, other government entities and the public all rely on the information provided by CSFII for developing sound agriculture and food policy.

CSFII data are used to identify and target Americans in need of food assistance, track consumption of agricultural commodities and assess risks in the food supply. By providing information on individual consumption, CSFII data identify trends in food patterns and connections between diet and health.

Despite the importance of this survey, the USDA discontinued the CSFII in Fiscal Year 2001 due to lack of adequate funding. In the absence of CSFII, USDA plans to rely on dietary data collected by the U.S. Department of Health and Human Services (DHHS). However, the information collected by DHHS is insufficient for formulating agriculture, food and nutrition policy. Congress, USDA, and the public will be severely disadvantaged by the loss of the USDA data they have relied upon over the years.

Together, USDA's CSFII and the DHHS survey, known as the National Health and Nutrition Examination Survey (NHANES), comprise the core of America's national nutrition monitoring system. Though USDA and DHHS have been working diligently for several years to coordinate data collection and to integrate survey methodologies, the plan did not include a merger of the two surveys or the discontinuation of one of the system's two core components.

In January 2001, USDA submitted a report to this Committee outlining its plan to merge its survey activities with those of the DHHS. This report did not address many of the issues and concerns of Congress, as identified in Conference Report No. 106-948 accompanying the Agriculture, Rural Development, Food and Drug Administration, and Related Agency

Appropriations Act for FY 2001. In fact, the DHHS survey is inadequate to support USDA's agriculture and food policy decision-making. Without its own survey, USDA can no longer be assured it will receive the types of data needed in a timely fashion to support the multi-faceted functions of the Department.

The USDA should continue data collection as it works with DHHS to lay out a clear plan to use complementary research, collection, and analysis for both CSFII and NHANES, without loosing the vital and rich data collected by each survey. However, it is critical that USDA has an in-house mechanism to collect the data it needs on a timely basis. **For this reason, the American Dietetic Association respectfully requests that Congress provides a minimum of $8 million annually to the Agricultural Research Service specifically for the CSFII survey.**

Thank you for your consideration of this request.

Sincerely,

Jane V. White

Jane V. White, PhD, RD
President

U. S. DEPARTMENT OF AGRICULTURE
AGRICULTURAL RESEARCH SERVICE

INTEGRATION OF THE NATIONAL HEALTH AND NUTRITION EXAMINATION SURVEY AND THE CONTINUING SURVEY OF FOOD INTAKES BY INDIVIDUALS

INTRODUCTION

Conference Report No. 106-948 accompanying the Agriculture, Rural Development, Food and Drug Administration, and Related Agency Appropriations Act for FY 2001, contained the following directive:

> "The conferees direct the USDA, in consultation with the Department of Health and Human Services, to prepare and submit a report to the House and Senate Committees on Appropriations, by December 31, 2000 that describes the process for integrating the National Health and Nutrition Examination Survey (NHANES) and the Continuing Survey of Food Intakes by Individuals (CSFII). The report should: (1) include a timeline and steps to accomplish the goals set forth in the National Nutrition Monitoring and Related Research Act of 1990; (2) be prepared in consultation with representatives of user groups (i.e., anti-hunger groups, consumer advocates, commodity organizations, food producers, nutrition professionals, and public and voluntary health organizations); (3) address the strengths and potential weaknesses of merging the two surveys and identify how problems will be addressed and by whom; (4) identify funding needs and sources; and (5) include recommendations for inclusion in reauthorization of the National Nutrition Monitoring and Related Research Act."

BACKGROUND

The Department of Agriculture, through its Agricultural Research Service (ARS), conducts the Continuing Survey of Food Intakes by Individuals (CSFII) and the Department of Health and Human Services, through its National Center for Health Statistics (NCHS) (part of the Centers for Disease Control and Prevention), conducts the National Health and Nutrition Examination Survey (NHANES). The CSFII which has been conducted on a periodic basis is designed to assess food consumption and related behavior in the U.S. population using personal interviews. The most recent CSFII survey was conducted in 1998. NHANES is designed to assess the health and nutritional status of the U.S. population using personal interviews and a direct physical examination. NHANES, previously periodic, has been conducted on a continuous basis since 1999.

DISCUSSION

The backdrop for discussions on integrating the CSFII and NHANES is the National Nutrition Monitoring and Related Research Act (NNMRRA) of 1990 which set goals and mechanisms to bring

about greater coordination of nutrition monitoring activities across agencies. More recently, leadership of HHS and USDA have identified a more comprehensive integration of these two surveys as a major priority. USDA/HHS staff have been engaged in intensive discussions of alternative models and approaches for the last three years and have arrived at a basic approach. This process of integration has involved input by users of the data from both surveys. In addition, both agencies have regularly met with and solicited the feedback of stakeholders from inside and outside government on the advantages and disadvantages of integrating the surveys.

Extensive planning efforts between both agencies assures that the quality of the data collected in the future will be improved. Proven and now fully automated methods of data collection will be used, the needs of customers and stakeholders will continue to be met, and data will be released in a timely manner. However, some issues still remain to be addressed.

Objectives for Integrating the Surveys

The goals of USDA and HHS in conducting and integrating nutrition surveys is fully consistent with those stated in the Conference Report and the general thrust of the NNMRRA. USDA's and HHS' particular focus has been to:

- Continue to meet priority agency and outside user needs for nutrition and dietary data.
- Reduce the complexity of using multiple surveys conducted with different methods.
- Improve analytic comparability between previously parallel efforts of the two Departments.
- Accelerate efforts to implement initiatives anticipated by the 10-year plan and the nutrition monitoring act.
- Achieve cost efficiencies in the face of uncertain and constrained resources.

Discussions between USDA and HHS on alternative strategies for integrating nutrition monitoring efforts have addressed the following questions/issues. What is the potential impact on users of diet and nutrition data? How can existing data resources be maintained and improved? What is the projected availability of funding and what are the alternative methodological approaches (e.g., sample sizes, telephone and in-person interview modes) to achieve the survey goals? What is the advisability and feasibility of using either multiple data collection mechanisms or a single, consolidated mechanism?

USDA/HHS Approach to Integrating the NHANES and the CSFII

Discussions between USDA and HHS have led to an approach to integrating the two surveys into a single mechanism. While many details remain to be addressed the elements of this approach include:

- Collection of data from a nationally representative sample of 5,000 persons each year as part of the continuous NHANES data collection mechanism. The contents of this diet and nutrition component of the survey will include 24-hour recall, a dietary supplement interview, body measures, and nutritional biochemistries from blood and urine specimens.

- Use of a new USDA computerized dietary recall data collection system.
- Processing of dietary recall data through the USDA SurveyNet program.
- Augmentation of dietary supplement interview data with information collected from supplement manufacturers.
- Addition of a second day 24-hour recall to NHANES in order to obtain more representative data on an individual's dietary intake.
- Release of data from this integrated survey database as a timely joint USDA/HHS effort.
- Conduct of an ongoing research program on methods to improve collection and analysis of dietary data.

Advantages/Disadvantages of Integrating the Surveys

The major advantages of integrating the two surveys include:

(1) A single survey will be less costly than maintaining two separate field operations.
(2) Dietary recall data will be available from two days on each individual rather than a single day.
(3) Using the combined assets of USDA and HHS the data will be released in a more timely manner.
(4) Through the extensive concomitant research of the NHANES program more comprehensive diet and nutrition data will be linked directly to health status data.
(5) Data collection will proceed on a continuous basis through the ongoing NHANES mechanism rather than periodically.

The potential disadvantages of integrating the two surveys include:

(1) It was rare for the NHANES and CSFII to be in the field simultaneously. For those years in which both surveys would have been conducted, the overall sample size would have been 10,000 (i.e., 5,000 in each survey). With a single integrated effort, the maximum sample in any year will be 5,000 under the proposed approach.
(2) NHANES operational constraints raise the possibility that the proposed survey approach will not adequately address seasonal differences in food consumption.
(3) A plan for obtaining information previously collected through the Diet and Health Knowledge Survey (DHKS), a telephone follow-up to a subsample of the CSFII, is not yet a component of the integrated approach.
(4) An integrated approach involves tradeoffs and compromises on design and content and it may not be possible to include as much detail on population sub-groups and program participation of special interest to the USDA community as was possible in separate survey undertakings. Similarly, tradeoffs may be necessary between the interests of users of health status data and users of diet and nutrition data in the context of a single mechanisms meeting multiple objectives.
(5) An advantage of two indepedent surveys is the assurance that if something happened to the one survey the remaining survey would independently continue. With the integrated survey, its success will depend on the ability of both agencies to have adequate funding and resources to carry out the integrated survey.

USDA and HHS have concluded that the advantages significantly outweigh the potential disadvantages and are committed to working to minimize the impact of any of the potential negative impacts. The agencies feel that stakeholders and users of the data will be convinced that the integration plan has considerable merit and can help advance the goals of nutrition monitoring.

Timeline

While survey integration discussions between ARS and NCHS have been taking place a new method of fully computerized dietary data collection based on a common set of dietary intake questions, developed in consultation with users of the data, has been developed. Further, NCHS has modified NHANES so that a sample of the U. S. population is collected each year to enable annual updating of estimates. Field pilot testing of the dietary intake system has taken place and an additional operational test is being planned. The full implementation of the new system is scheduled to take place in 2002. It will be used for an in-person interview with participants in the ongoing NHANES and a follow-up interview by telephone for a second, nonconsecutive day of data collection on all 5,000 respondents yearly. This will be a nationwide sample collected over a 12 month period.

Outstanding Issues

There are several significant remaining issues which need to be addressed prior to implementation. First, ARS and NCHS are examining the funding implications of an integrated approach, both in terms of total funding required and the extent to which USDA and HHS would support the various elements of an integrated plan. At the same time, there are other tradeoffs and constraints on the NHANES mechanism, both in terms of funding, burden on individual respondents, and tradeoffs with other potential subjects that might be addressed.

Secondly, details of the roles of USDA and HHS components need to be refined, including the logistics of operations, the development of ongoing mechanisms for user and stakeholder input from both the USDA and HHS communities, and the relationship of integration efforts to other NHANES partners and operations.

USDA and HHS have agreed to take the following steps to refine their integrated approach and move toward implementation:

- Submit this report to House and Senate Appropriations Committees and actively solicit comment on the report from users and stakeholders, including those listed in the Appendix.
- Resolve the outstanding issues addressed above, including funding and operational issues, and make necessary revisions to the approach based on user and stakeholder feedback.
- Conduct an operational test in 2001 of the newly developed USDA computerized dietary recall data collection system to assure compatibility with the NHANES automated systems.
- Develop more detailed operational implementation plans and protocols and obtain necessary clearances in 2001 from Institutional Review Boards for the protection of human subjects in research, and the Office of Management and Budget under the Paperwork Reduction Act.

- Implement an integrated approach reflecting comments from users and stakeholders in 2002.

Funding Needs and Sources

Funding for the joint integrated survey will be provided by both ARS and NCHS. ARS funds will primarily be used for dietary collection and continued improvement of the dietary intake system. This will include processing of the dietary data. Funds for the selection of the sample to be interviewed, contacting and screening the respondents, the facilities to carry out the interviews, and other costs associated with the NHANES will be provided by NCHS and its collaborators.

It is highly desirable to consider expanding the sample size of participants for the dietary intakes to 10,000 or more as expressed by many stakeholders. This can be done as a freestanding but linked intake outside of the current NHANES data collection model but would require additional funding. Funding for the DHKS is essential and will require additional funds. If the full value of any dietary assessment is to be realized, it will require continuous research on dietary intake methodology so that methods can be continuously refined and developed.

SUMMARY

The USDA and HHS believe a combined, continuous, ongoing effort resulting in an integrated survey, which brings together the complementary expertise of ARS and NCHS, is preferable to two surveys. It is important that this monitoring effort be viewed as a critical research tool. It is also important that this national monitoring program be buttressed by research sufficient to enable the program to keep pace with changing foods, diet and eating behaviors, and with evolving survey mechanisms. With guidance from the several communities who need diet and nutrition information, USDA/HHS is confident that the Nation's needs can be met.

Appendix

User Groups Consulted to Discuss the Integration
of the USDA and HHS Diet and Nutrition Surveys

For the development of this report, several mechanisms were used to solicit input from user groups on the issues associated with the integration of the USDA and HHS surveys. Organizations that participated in recent meetings or provided written input include:

- American Heart Association
- Nancy Chapman and Associates
- Library of Congress, Congressional Research Service
- National Food Processors Association
- Institute of Food Technologists
- Society for Nutrition Education
- American Society for Nutritional Sciences
- American Dietetic Association

The agencies also received multiple comments from individuals following these meetings.

USDA and HHS staff have had a continuing dialogue with stakeholders as the approach to integrating these surveys has been developed. These include:

- The ARS "What We Eat in America" conferences
- The ARS "CSFII Survey Users Group" meetings
- The NCHS "Data Users Conferences"
- ARS/NCHS "Workshop on the Integrated CSFII - NHANES National Food and Nutrition Survey"
- ARS expert working group on the "New USDA Automated Dietary Recall Method"

Statement of the
National Association of Conservation Districts
J. Read Smith, President
Relative to
Fiscal Year 2002 Funding for Selected Conservation Programs of the
U.S. Department of Agriculture

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United States House of Representatives
Committee on Appropriations
Subcommittee on Agriculture, Rural Development, Food and Drug Administration,
and Related Agencies
April 10, 2001

The National Association of Conservation Districts is the nonprofit, nongovernment organization that represents the nation's 3,000 conservation districts and more than 16,000 men and women who serve on their governing boards. Established under state law, conservation districts are local units of state government charged with carrying out programs for the protection and management of natural resources at the local level. They work with nearly two-and-half million cooperating landowners and operators – many of them farmers and ranchers – to provide technical and other assistance to help them manage and protect nearly 70 percent of the private land in the contiguous United States. In carrying their mission to coordinate and carry out all levels of conservation programs, districts work closely with USDA's Natural Resources Conservation Service (NRCS) through its Conservation Technical Assistance (CTA) program to provide the technical and other help farmers and ranchers need to plan and apply complex conservation treatments.

On behalf of America's conservation districts, I am pleased to provide our recommendations on selected conservation programs carried out through the US Department of Agriculture, especially those of the Natural Resources Conservation Service. Our request includes an additional $70 million for the NRCS Conservation Technical Assistance account, and another $190 million for specific conservation needs if the available funds permit. We are requesting an additional $350 million for the Environmental Quality Incentives Program. We also request an additional $150 million for the Watershed Protection and Flood Prevention Program. And lastly, we request $60 million to provide NRCS technical and financial assistance to address watershed infrastructure issues, in concert with local sponsors, identified in the Small Watershed Rehabilitation Amendments of 2000.

Farmers and ranchers can and do provide more than just food and fiber. They protect and improve the quantity and quality of our soil resources. They provide clean water and air, as well as wildlife habitat and open space. Many of the conservation practices producers apply on their land also take carbon out of the atmosphere and store it in the soil, providing a hedge against global climate change. As stewards of the nation's working lands, farmers and ranchers manage the vast majority of America's private lands and provide tremendous environmental benefits to the country.

In 1985, Congress recognized the important role that farmers and ranchers play in environmental protection. It enacted the first Farm Bill conservation title, requiring producers to incorporate conservation into their operations if they wanted to continue receiving USDA farm program benefits. The title also

included an incentives program – the CRP – to give farmers financial incentives to protect sensitive lands. In subsequent Farm Bills, lawmakers added more incentives programs – WRP, EQIP, Farmland Protection Program, WHIP – to encourage good stewardship behavior.

The number and complexity of federal conservation programs has grown considerably over the past one-and-a-half decades, but the federal component of the infrastructure needed to implement them hasn't. In fact, it has gone down. In the meantime, the workload continues to grow.

Two years ago, NACD and several of its partners collected extensive data on the challenges facing private lands conservation through its National Field Workload Analysis (WLA). The purpose of that analysis was to examine the staff years of technical support needed at the field level to carry out 29 core work elements each year. Some of these core work elements encompass Farm Bill program objectives, but many do not.

The national data collected through the WLA painted a stunning picture of the workload needs across the countryside. To effectively address the total resource needs on America's private lands would require 359,734 staff years of technical assistance from all sources. If stretched over a 10-year period, this would equate to 35,974 staff years per year, at a cost of nearly $2.4 billion per year for technical assistance alone. We are just now completing a 2001 WLA and early indications are that the need has not gone down but has increased by 15 percent.

Last week, the Senate indicated recognition of the shortfall in funding and staffing needed to address agriculture's environmental needs by adding $1.65 billion to USDA's budget for conservation in fiscal year '02. America's conservation districts applaud this action and, if realized, urge you to provide a substantial increase in NRCS's CTA and other important conservation programs as part of that package. Our specific recommendations for how additional funds should be appropriated follow.

Discretionary Programs

In his budget request, the President does propose a $59 million boost in CTA funding for fiscal year '02. But that is not nearly enough, especially considering that his budget also propose utilizing $44 million in discretionary funds to provide technical assistance for conservation programs funded through the Commodity Credit Corporation (CCC). With regard to EQIP and other CCC-funded conservation financial assistance programs financial incentive programs, while we strongly support these programs, we do not believe CTA should be used to fund the technical assistance needs of programs funded out of the mandatory funds made available through the CCC. We request that funds be provided from the CCC for technical assistance to implement these programs.

When considering funding for NRCS fiscal year '02, it is important to keep in mind that the agency's CTA program was never intended to be a salary and expense account to support a limited number of federal tools. It was intended to provide technical support for basic conservation needs at the local level, including non-HEL lands that are nonetheless eroding at unacceptable levels. It is critical that the basic CTA account at least remains intact at its current level to address this and myriad other resource needs. In order to cover inflation, increased pay costs and loss of reimbursables from the slowdown in the CRP, it will take an additional $70 million in fiscal year '02 to keep NRCS field staff at its current level and not lose ground.

Waste from animal feeding operations (AFOs) has become a significant issue over the past several years. USDA's most recent estimate indicates that more than 400,000 comprehensive nutrient management plans will be needed over the next several years to control runoff from AFOs. The President's proposal would re-direct $70 million of CTA to begin to address those AFO plans. Conservation districts strongly support providing resources to AFO problems, but re-directing an already seriously oversubscribed CTA account for this purpose would be a mistake. If we seriously want to address AFO issues, Congress needs to provide an additional $70 million for technical assistance in fiscal year '02 to do so

Another important national priority is the growing problem in many areas of the deteriorating condition of our nation's grazing and pasturelands. Resource problems such as brush, weeds and accelerated water or wind erosion threaten the capacity of nearly 300 million acres – more than 50 percent – of these lands to satisfy production needs and meet natural resource values. Working with partners such as the National Grazing Lands Conservation Initiative, conservation districts and their partners have determined that at least $60 million is needed to fund the Farm Bill's Conservation of Private Grazing Land (CPGL) Program to begin reversing the negative trends that affect both production and environmental concerns on these lands. Conservation districts urge Congress to appropriate $60 million to begin funding the CPGL in fiscal year '02.

Since 1985 significant advances have been made in reducing soil erosion and increasing productivity. Much of the gain in controlling soil erosion is a result of conservation compliance, the adoption of conservation tillage and the enrollment of land in the CRP. Since 1996, however, rates of erosion reduction have leveled off, as there were fewer incentives to reduce erosion on non-highly erodible land that is nonetheless eroding at unacceptable levels: There is still excessive soil erosion on 112 million acres of cropland, with a total of 1.3 billion tons eroding per year. Leaching and runoff of soil and chemical components continue to be concerns. Conservation districts support appropriating an additional $60 million to address erosion control on non-HEL in fiscal year '02.

Through its Watershed Protection and Flood Prevention Program NRCS and local sponsors address numerous water-related and other natural resource issues, conduct studies, develop watershed plans and implement resource management systems. Projects are carried out primarily under the authority of P.L. 83-566 and P.L. 78-534. More than 500 active watershed projects primarily target land treatment measures for water supply management and flood prevention. The most recent program evaluation by NRCS showed a 2.2:1 benefits to cost ratio for this program.

A related priority facing private lands conservation is the rehabilitation needs of the nation's aging watershed infrastructure – many of them built under the authority of the above programs. NRCS estimates that approximately 2,200 watershed structures, including dams, are in immediate need of rehabilitation and that more than 650 of these dams pose potential threats to public health and safety. Unless these issues are addressed, the magnitude of the problems will only increase as the infrastructure continues to age.

The Small Watershed Rehabilitation Amendments (SWRA) of 2000, enacted last year, authorizes $90 million over the next five years to provide NRCS technical and financial assistance to address these watershed infrastructure issues in concert with local sponsors. Project sponsors in the 500 active watersheds need technical and financial assistance to implement rehabilitation plans to meet current environmental, economic and safety needs. Conservation districts urge you to begin addressing these needs through that statute by appropriating $60 million for watershed infrastructure rehabilitation projects in fiscal year '02.

Conservation districts support funding the Watershed Protection and Flood Prevention program at $250 million to complete ongoing projects and to address the backlog of project requests

Resource Conservation and Development Councils play an important role in rural development and natural resource conservation. USDA has indicated that it takes $161,000 to fully support a RC&D council. There are 348 existing councils and 27 pending applications. The Committee provides $60 million to fully support all existing councils and additional applicant areas.

Mandatory Programs

The Environmental Quality Incentives Program (EQIP) is an ideal vehicle through which to address livestock water quality and other resource issues. However, this program, too, is tremendously

oversubscribed and unavailable to fund three out of four producers who would otherwise qualify. And, many of those turned away are livestock producers not currently subject to NPDES regulation. The Senate's resolution acknowledges EQIP's potential and its lack of adequate funding by adding an additional $350 million annually for assistance through the program. Conservation districts support funding EQIP at $550 million in fiscal year '02.

If additional funds become available, the nation's conservation districts also support expanding and funding the Conservation Reserve Program, the Wetlands Reserve Program, the Wildlife Habitat Incentives Program and the Farmland Protection Program in fiscal year '02.

As you continue your work on providing funding for critical NRCS programs, we again urge you to keep in mind that NRCS is the only federal agency whose primary role is to provide conservation assistance on the nation's private lands. There are a few other agencies with narrowly targeted purposes, but no other agency even comes close to touching 70 percent of America's private lands as do NRCS and conservation districts. It is critical, therefore, that we strengthen the nation's commitment to providing adequate resources to help these land managers conserve and protect natural resources on America's private lands.

On behalf of the nation's 3,000 conservation districts, we appreciate the opportunity to provide our views on fiscal year 2002 funding recommendations for select USDA conservation programs. We look forward to working with you over the next few months in finalizing your proposals.

NTCA
The Voice of Rural Telecommunications

National Telephone Cooperative Association

FY 2002 RUS TELECOMMUNICATIONS LOAN PROGRAM FUNDING RECOMMENDATIONS

submitted to
U.S. House of Representatives Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
and
U.S. Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies

April 10, 2001

SUMMARY

NTCA makes the following Fiscal Year (FY) 2002 funding recommendations with regard to the Rural Utilities Service Telecommunications Loan Program and related programs.

1. Support the provisions of the president's budget proposal calling for the required subsidy to fully fund the RUS Telecommunications Loan Program's Hardship Account at a $75 million level, Cost of Money Account at a $300 million level, and Guaranteed Account at a $120 million level, and administrative expenses of $35.6 million.

2. Reject the provisions of the president's budget proposal calling for zero funding for the Rural Telephone Bank (RTB). Instead, provide the required subsidy to fully fund the bank at last fiscal year's $175 million level. Also, provide a new line item appropriation of $500,000, over and above and separate from the regular administrative expenses of the RTB and the RUS for use by the RTB's elected directors to secure independent counsel and other professional services to help them properly perform their fiduciary responsibilities.

3. Support an extension of language that temporarily sets aside the 7% interest rate cap on loans made through the RUS Cost of Money fund.

4. Support an extension of the restriction against RTB Liquidating Account funds from being swept to the general Treasury.

5. Support an extension of language prohibiting the expenditure of RTB Liquidating Account funds to provide for the subsidy or operational expenses of the bank.

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BACKGROUND

NTCA is a national association representing more than-540 small, rural, cooperative and commercial, community-based local exchange carriers (LECS) located throughout the nation. These locally owned and operated LECs provide local exchange service to more than 2.5 million rural Americans. Through the 51-year history of the RUS Telecommunications Loan Program, more than 80 percent of NTCA's member systems have been able to utilize the federal program to one degree or another.

NTCA's members, like most of the country's independent LEC'S, evolved to serve high-cost rural areas of the nation that were overlooked by the industry's giants as unprofitable. On average, NTCA members have approximately 6 subscribers per mile of infrastructure line, compared with 130 for the larger urban-oriented LECs. This results in an average plant investment per subscriber that for NTCA members is 38 percent higher than for most other systems.

Congress recognized the unique financing dilemma confronting America's small rural LECs as early as 1949. It was in that year that it amended the Rural Electrification Act (RE Act) to create the Rural Electrification Administration (REA) Telephone Loan Program, today known as the RUS Telecommunications Loan Program. Through the years Congress has periodically amended the RE Act to ensure that original mission -- to furnish and improve rural telephone service -- was met. In 1971, the Rural Telephone Bank (RTB) was created as a supplemental source of direct loan financing. In 1973, the RUS was provided with the ability to guarantee Federal Financing Bank (FFB) and private lender notes. In 1993, Congress established a fourth program lending facet, the Treasury Cost of Money account.

RUS HELPS MEET INFRASTRUCTURE DEMANDS

While the RUS has helped the subscribers of NTCA's member systems receive service that is comparable or superior to that available anywhere in the nation, their work is far from complete. As federal policies such as the Telecommunications Act of 1996 continue to evolve, and as policymakers and the public alike continue to clamor for the ubiquitous deployment of advanced services, the high costs associated with providing modern telecommunications services in rural areas will not diminish.

RUS telecommunications lending has stimulated billions of dollars in private capital investment in rural communications infrastructure. In recent years, on average, less than $13 million in federal subsidy has effectively generated $670 million in federal loans and loan guarantees. For every $1 in federal funds that were invested in rural communications infrastructure, $4.50 in private funds were invested. The RUS is also making a difference in our rural schools, libraries, and hospitals. Since 1993, the RUS Distance Learning and Telemedicine Grant and Loan program has funded hundreds of projects throughout the nation for interactive technology in rural schools, libraries, hospitals, and health clinics.

In addition, two other RUS-related programs are making a difference in rural America. Formerly under the RUS, and known as the Zero Interest Loan and Grant Program, the Rural Economic Development Grants Program, and the Rural Economic Development Loans Program are now managed by the Rural Business Cooperative Service. The two programs provide funds for the purpose of promoting rural economic development and job creation projects, including funding for project feasibility studies, start-up costs, incubator projects and other expenses tied to rural development.

NTCA'S FY 2002 APPROPRIATIONS RECOMMENDATIONS

***Fully Fund The Entire RUS Telecommunications Loan Program:**
With respect to the discussion above, it is imperative that the entire RUS Telecommunications Loan Program be funded at the following levels:

Hardship Account	$75,000,000
Treasury-rate Account	$300,000,000
Guaranteed Account	$120,000,000
Rural Telephone Bank Account	$175,000,000
Total	$670,000,000

Additionally, to support the operations of the RUS, it is critical that Congress provide *at least* the $35.6 million in administrative appropriations the president's budget proposal envisions.

***Reject President's Proposal To Provide Zero RTB Funding**
The president's budget proposal contains a proposal that suggests the Rural Telephone Bank should not be funded in FY 2002 which the administration insinuates may push private stockholders to move to the bargaining table regarding the potential accelerated privatization of the bank. The proposal is completely unfounded and unnecessary. Congress, RTB Stockholders, and the rural telecommunications industry deserve the benefit of having RTB privatization reviewed thoroughly, and not in the vacuum of the budgetary process.

The bank is already privatizing at an annual minimum pace as is mandated by the Rural Electrification Act. Indeed, were Congress to go along with the president's FY 2002 RTB proposal, it would effectively be halting this minimum statutory pace which is tied to the amount of loan making that is conducted in any given fiscal year. In light of these facts as well as that which clearly shows this proposal is out of step with the desire of policymakers and the public alike to quickly deploy advanced services throughout America, we urge Congress to reject this ill-conceived proposal and instead fully fund the bank at its regular $175 million annual level.

With regard to privatization specifically, it is important to note that parties within the Office of Management and Budget, the federal Treasury, the Rural Utilities Service, and indeed the industry itself, continue to look at the various issues associated with doing so on an accelerated basis. While NTCA does not reject such discussions out of hand,

it does continue to believe such discussions may be premature as long as the bank is not provided with an absolute legal determination as to the status of its assets now and at the time of partial or complete privatization. Additionally, NTCA believes any accelerated privatization should never be commenced without first conducting the appropriate due diligence to determine whether the entity would be viable were it to privatize on such a basis.

In order to help make such determinations, the bank's industry directors should be provided with adequate resources to both hire independent counsel as well as to secure other resources to assist them in making such determinations, and in effect, meeting their fiduciary responsibilities. With this in mind NTCA recommends that Congress appropriate an additional specific line item of $500,000 over and above, and separate from the regularly appropriated administrative amounts that are appropriated for RUS and RTB administrative and operational activities.

***Prohibit The Transfer Of Unobligated RTB Liquidating Account Balances:**
NTCA also recommends that Congress continue the prohibition against the transfer of any unobligated balances of the Rural Telephone Bank liquidating account to the general fund of the Treasury. This language has routinely been included in annual appropriations measures since the enactment of the Federal Credit Reform Act (FCRA), Public Law 101-508 that allows such sweeping to potentially occur. Restatement of this language will again ensure that the RTB's private class B & class C stockholder are not stripped of the value of their statutorily mandated investment in the Bank.

***Prohibit RTB From Self Funding Subsidy And Administrative Costs:**
NTCA urges Congress to maintain its prohibition against unobligated RTB Liquidating Account Balances being used to cover the banks administrative and operational expenses for the following reasons: (1) such action would require amendment of the RE Act, (2) the proposal appears to be in conflict with the intent of the FCRA, (3) the proposal will not result in federal budgetary savings, (4) it is unnecessary to the determination of whether the bank could operate independently, and thus would amount to wasting the resources of the bank which could be put to better use upon its complete privatization.

***Extend Removal Of The Interest Rate Cap On Treasury-Rate Loans:**
NTCA is also requesting that Congress again include language removing the 7 percent interest rate cap on Treasury-rate loans. This provision has been included in recent appropriations measures to prevent the potential disruption of the program in the case where interest rates exceed 7 percent and insufficient subsidy cannot support authorized lending levels.

***Continue Distance Learning and Telemedicine Loan and Grant Program**
The RUS Distance Learning and Telemedicine Loan and Grant program has proven to be an indispensable tool for rural development. In this regard, NTCA urges Congress to provide adequate funding for this critical program. NTCA supports the

recommendations for this program that are contained in the president's budget proposal.

***Preserve RBCS Rural Development Grant and Loan Programs**
Likewise, NTCA has witnessed the good these programs have done for rural communities. NTCA urges Congress to ensure funding is at levels that are adequate to meet current demand for the programs.

CONCLUSION

The RUS Telecommunications Loan Program bears a proud 51-year record of commitment, service, and achievement to rural America. Never in its entire history has the program lost even a dollar to abuse or default -- an unparalleled feat for any government-sponsored lending program. Clearly such a successful program should remain in place to continue to ensure rural Americans have the opportunity to play a leading role in the information age in which we live. After all, an operational and advanced rural segment of the nation's telecommunications infrastructure is critical to truly ensuring that the national objective of universal telecommunications service is fulfilled. Please help us accomplish that objective.

NATIONAL COUNCIL OF FARMER COOPERATIVES
STATEMENT SUBMITTED TO THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FDA AND RELATED AGENCIES U.S. HOUSE OF REPRESENTATIVES WASHINGTON, DC APRIL 10, 2001

The National Council of Farmer Cooperatives (NCFC) appreciates very much this opportunity to share its views regarding the FY 2002 agriculture appropriations bill, and respectfully requests this statement be made a part of the official hearing record.

Overview of NCFC and Farmer Cooperatives

The National Council of Farmer Cooperatives (NCFC) is a national trade association representing nearly 100 regional marketing, supply and credit cooperatives, and state councils. Included among these regional cooperatives are over 3,500 local cooperatives whose farmer owners represent a majority of America's 2 million individual farmers. With approximately 200,000 full-time and seasonal employees, farmer cooperatives also represent a significant source of employment in many rural communities.

Farmer cooperatives are farmer owned and controlled. They exist for the mutual benefit of their farmer members. As farmer-owned businesses, they handle, process and market virtually every type of commodity produced in the U.S.; manufacture and sell farm supplies; and provide credit and related financial services for and on behalf of their member owners. Earnings from such activities are returned to their member owners on a patronage basis, thereby helping improve the income of farmers and contributing significantly to the economic and tax base of local communities.

Near and Long Term Action Needed

The experience of the last three years has demonstrated again how farm income can be highly variable due to the inherent risk associated with production agriculture and the volatile nature of commodity markets. Today, without continued government assistance, farm income will again be down significantly due to continued low commodity prices and rising production costs.

Congress has been very generous in its response and we strongly support continued assistance to help meet the immediate income challenges facing agriculture. However, action is also needed to promote a more lasting economic recovery with regard to agriculture.

Farmer's Share of the Consumer Dollar Declining

The farmer's share of the consumer food dollar has steadily declined to where it now represents just 20 cents, its lowest level ever. Reversing this decline would substantially improve net farm income and reduce the need for direct emergency economic assistance long term. For example, increasing the farmer's share of the consumer food dollar by just one cent to 21 cents would have added over $6.2 billion to farm income in 1999 and potentially reduced dependence on direct government payments.

Globalization Continues to Drive Changes in Food and Agriculture Industry

Globalization continues to drive changes throughout the economy, including continued consolidation in the food and retail sectors, as individuals and businesses look to gain the size and scale needed to become more efficient and competitive in a global economy. This has renewed concerns over the impact of such changes on farmers and their ability to remain competitive and obtain a fair return on what they produce.

International Markets Characterized by Foreign Subsidies

According to a recent analysis by USDA, the European Union (EU) and other foreign competitors are now outspending the U.S. by a factor of 20 to 1 with regard to the use of export subsidies and other expenditures for export promotion.

The same study shows that such countries are spending over $100 million just to promote sales of their products in the United States. *In other words, they are spending more to promote their agricultural exports to the United States, than the U.S. is currently spending ($90 million) to promote American agricultural exports worldwide!*

Recommendation of NCFC Task Force

In an effort to help identify and recommend specific actions needed to help meet the challenges facing farmers, NCFC established a special Task Force comprised of both farmer owners and managers of farmer cooperatives across the U.S. According to the task force, *a key component of any strategy aimed at addressing the challenges facing agriculture should include action to strengthen the ability of farmers to join together in cooperative self-help efforts to improve their income from the marketplace, manage their risk, capitalize on potential market opportunities, compete more effectively in a rapidly changing global economy, and enhance their economic well being and profitability long term.*

USDA Farmer Cooperative Programs

Programs to help foster and promote such cooperative self-help efforts by farmers need to be revitalized and given a high priority. To help achieve this objective, we recommend that a separate agency be established within USDA, along with specific funding of not less than $6 million for FY 2002, to carry out programs relating to farmer cooperatives.

Farmer Cooperative Research, Education and Technical Assistance

Funding for USDA research, education and technical assistance in support of cooperative self-help efforts by farmers should also be strengthened. Accordingly, not less than $6 million should be provided for programs relating to farmer cooperatives. This would include not less than $3 million for cooperative research agreements and not less than $3 million for cooperative education grants.

Provisions should also be included to require such programs be carried out by public private partnerships with organizations with proven and demonstrated expertise to improve coordination and delivery of such programs, and to maximize available resources. We also recommend that not less than $1 million of available funds for cooperative education grants be utilized to help expand existing national cooperative education programs to provide farmers with greater access to the information and technical assistance needed for organizing and operating a farmer owned cooperative business.

Funding for value-added technical assistance grants should also be maintained at not less than $25 million for FY 2002 to further encourage and promote cooperative self-help efforts by farmers.

USDA's B&I Loan Guarantee Program and Farmer Cooperatives

USDA's Business and Industry (B&I) guaranteed loan program should be modified and strengthened to provide farmer cooperatives and their farmer owners with access to capital on a similar basis as currently available under related programs for rural electric and other types of cooperatives. This would include eliminating the current limitation on the amount of a guaranteed loan that may be made to a farmer cooperative, among other changes needed to provide greater program flexibility consistent with other types of cooperative lending programs. Farmers and their cooperatives need improved access to capital to modernize and expand, invest new plant and equipment, meet costly environmental and other regulatory requirements, capitalize on potential market opportunities, and to compete effectively in a rapidly changing global economy. In addition, funding for USDA's B&I guaranteed loan program should be increased to provide up to $10 billion in guaranteed loan authority for such purposes.

USDA Commodity Purchase Programs

We strongly urge that statutory and report language included in the FY 2001 agriculture appropriations bill be included in the FY 2002 bill to ensure that farmer cooperatives are fully eligible to participate in USDA's commodity purchase programs. Such programs serve two important purposes. One, they help meet the food and nutrition needs of consumers. Second, they provide an important market outlet for farmers, especially during periods of surplus production, thereby helping strengthen farm income and promoting orderly marketing.

However, under previous guidelines established by USDA, this important market was eliminated for many farmers choosing to cooperatively market their products. The FY 2001 agriculture appropriations bill addressed this by clearly providing that farmer cooperatives are fully eligible to participate in such programs for and on behalf of their farmer owners.

In doing so, it preserves an important market outlet for many farmers, promotes orderly marketing, encourages cooperative self-help efforts, and helps maintain and strengthen farm income – since proceeds from the sale of commodities and related products are returned to the cooperatives' farmer owners as patronage income. It also serves to increase the potential quantity and quality of commodities and related products available for purchase and use under such programs, and provides for more competitive bidding among participants. Finally, it helps contribute to stronger rural communities where farmer cooperatives and their farmer owners are located. For all these reasons, we again urge such provision be included in the FY 2002 agriculture appropriations bill.

Export Programs

We also believe it important to maintain and strengthen funding for USDA's export programs, including the Market Access Program (MAP) and Foreign Market Development (FMD) Cooperator Program, and we endorse the recommendations of the Coalition to Promote U.S. Agricultural Exports of which NCFC is a member. Such programs have been tremendously successful and extremely cost-effective in helping maintain and expand U.S. agricultural exports, countering subsidized foreign competition, protecting American jobs and strengthening farm income.

Programs such as MAP and FMD have also helped encourage and strengthen the ability of farmers to join together in cooperative efforts to promote their products in overseas markets and improve their income. Administered on a cost-share basis, they remain one of the few tools specifically allowed under the Uruguay Round Agreement to help American agriculture and American workers remain competitive in a global marketplace still characterized by subsidized foreign competition.

We also urge continued funding for other related USDA export programs, including the Export Enhancement Program (EEP), Dairy Export Incentive Program (DEIP), GSM Export Credit Guarantee Program, and P.L. 480. All of these programs continue to be essential to help encourage U.S. agriculture exports, counter subsidized foreign competition, protect American jobs, and strengthen farm income.

Agricultural Research

Another important area of emphasis when it comes to enhancing the global competitiveness of farmer cooperatives and American agriculture is research. It is equally important to help ensure that farmer cooperatives and American agriculture can continue to help provide consumers at home and abroad with a dependable supply of safe, high quality food and fiber at reasonable prices, while meeting important environmental and food safety objectives.

NCFC endorses the statement by the National Coalition for Food and Agricultural Research of which NCFC is a member, which has set an objective of doubling federal funding of food, nutrition, agricultural, natural resource, and fiber research, extension and education programs during the next 5 years.

Conservation/ EQIP

We strongly support continued funding for the Conservation Reserve Program (CRP), as well as restoring funding for the Environmental Quality Incentives Program (EQIP), as recommended in the Administration's budget. Such programs are necessary to help achieve and maximize water quality and other environmental benefits.

The CRP and EQIP programs in particular are critical to empowering farmers to continue voluntary efforts to sustain the natural resource base and to respond to societal expectations and demands with regard to water quality and protecting our natural resource base.

Meat Inspection/ User Fees

We continue to be opposed to user fees relating to Food Safety and Inspection Service (FSIS) for meat inspection. Such inspection programs provide important public benefits relating to food safety and quality and should continue to be publicly funded.

Conclusion

Mr. Chairman, on behalf of NCFC and its members, we want to again thank you for the opportunity to share our views with regard to the FY 2002 agriculture appropriations bill. We also wish to take this opportunity to express our appreciation to you and the members of the Subcommittee for your interest and support of farmer cooperatives and American agriculture.

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AdvaMed
Advanced Medical Technology Association

Advanced Medical Technology Association (AdvaMed)

FY 2002 Appropriations Testimony

Submitted for the Record

Subcommittee on Agriculture, Rural Development,
Food and Drug Administration
And Related Agencies

House Committee on Appropriations

April 10, 2001

AdvaMed, the Advanced Medical Technology Association (AdvaMed) (formerly the Health Industry Manufacturers Association) and its members appreciate this opportunity to provide testimony on funding for FDA in fiscal year 2002. AdvaMed represents more than 800 innovators and manufacturers of medical devices, diagnostic products and medical information systems. Our members produce nearly 90 percent of the $68 billion health care technology products consumed annually in the United States and nearly 50 percent of $159 billion purchased around the world annually.

Summary

AdvaMed believes that four key points must be considered when setting FDA funding levels for fiscal year 2002.

- The coming revolution in medical technology poses significant premarket review challenges for FDA
- Device premarket review times have improved, but delays remain in FDA approval of breakthrough technologies
- FDA should be given the full resources it needs to meet the coming revolution in medical technology. Added funding for device premarket review should be coupled with further policy changes to prepare FDA for the future.
- AdvaMed looks forward to working closely with FDA and Congress to determine the extent of the agency's resource needs and ensure that it is ready to meet the premarket review challenges that lie ahead.

The Coming Revolution in Medical Technology Poses Significant Premarket Review Challenges for FDA

Last year, AdvaMed testified as to the critical importance of preparing FDA for the coming revolution in medical technology. Patients will be denied access to important new tests and treatments if the agency does not have the resources and procedures in place to review in a timely manner the breakthroughs that result from this revolution.

The agency has made significant gains in reviewing incrementally improved 510(k) medical technologies within statutory review times as a result of its actions to expand the 3rd Party review program – as directed by this Subcommittee. Nevertheless, FDA Acting Principal Deputy Commissioner Bernard Schwetz recently testified before your Subcommittee on the challenges the agency faces, noting "the United States is leading the world into an era of extraordinary scientific achievements that can yield unprecedented gains for human health and nourishment."

Some of the breakthrough technologies approved by FDA over the past year underscore the dramatic potential of emerging science not only to save and improve lives but also to lower health care costs. They also illustrate why FDA faces a considerable challenge in maintaining timely reviews for the increasing number of major breakthroughs it will face. The vast majority of those breakthroughs will be premarket applications (PMAs).

FDA for example, recently approved digital mammography – after at least 5 years – for breast cancer. This is in addition to the ten year's the product spent in development. This breakthrough in early detection of breast cancer will help save many women's lives in the coming years. The effectiveness and efficiency of this technology will only improve in the coming years as it is coupled with additional breakthroughs like and computer-aided diagnosis and tomosynthesis. FDA's review of digital mammography underscores the challenges the agency faces in reviewing breakthrough technologies in a timely manner. Unfortunately, such premarket review delays are not uncommon for breakthrough medical technologies.

Similarly, combination products – products that are both a device and a drug or biologic have faced significant premarket review delays. Such combination products are reviewed by at least two FDA centers. Unfortunately, combination device drug/biologic products reviewed by the Drug and Biologic centers have faced significant review delays. Nevertheless, a significant number of the breakthrough products in the current R&D pipeline will be combination products never before seen by the Agency.

Medical technology companies also are becoming increasingly concerned about increases in the overall development time for new technology. Delays in any area of the technology development process – design, pre-clinical, clinical testing, and FDA review – prevent patients from gaining access to new technologies and discourages further innovation.

For these reasons, the premarket review challenges posed by innovative medical technologies will only increase in the coming years as FDA faces an ever-increasing number of breakthroughs products.

This fact was highlighted in a report by the Lewin Group on the "Outlook for Medical Technology Innovation" that was released last year. A key finding from the report was that medical device and diagnostic manufacturers have doubled their R&D over the past decade to bring these breakthroughs to fruition. Additionally, a report scheduled for release later this year by the Lewin Group is expected to quantify the significant increases in R&D spending that medical technology companies have made over the last five years.

In making these heavy R&D investments, AdvaMed members are acutely aware of the challenges FDA faces in making these innovations available to patients in a timely manner.

AdvaMed believes that FDA should be given the resources and expertise needed to streamline the entire medical technology development and review process in order to begin the process of preparing FDA for a new age of rapid biomedical and pharmaceutical innovation. This new age is rapidly approaching, and the time to start preparing is now.

FDA Needs Additional Premarket Resources to Prepare for the New Age in Medical Technology Innovation.

This new era of biomedical breakthroughs is arriving at a time when the agency lacks the resources to meet even its current premarket review duties. In 1998, FDA Senior Associate Commissioner Linda Suydam estimated the agency was $165 million short of what it actually

needs to do its job. In the intervening period, we have learned that medical technology manufacturers have doubled their R&D – the Lewin Report found companies are investing $9 billion a year or approximately 12.9% of revenue. Additionally, while the agency has received important appropriations increases including $7 million in FY 2000 and $7.7 million in FY 2001 for device premarket review, premarket review times for premarket applications (PMA) have nevertheless remained flat for the last 3 years. AdvaMed believes FDA's device review program will continue to warrant significant increases as the agency prepares for the coming explosion in medical technology innovation.

AdvaMed believes FDA should have the resources it needs to meet its statutory time frames, both now and in the future. This means completing final actions for premarket approval applications for breakthrough products within 180 days and 510(k)s for incremental advances within 90 days. The FY 2000 Annual Report released by the Center for Devices and Radiological Health's Office of Device Evaluation reported that PMA reviews continue to be double the statutory review times. It also shows that despite budget increases, little improvement has been made in PMA review times.

Dialogue Needed to Understand Resources Needed

AdvaMed believes strongly that it is essential to understand the total resources needed in order for the agency to meet its statutory device review timeframes and has worked for many years to try and determine what is needed. This requires a dialogue with the agency. Toward this end, we applaud the Committee's effort last year to include report language requesting the agency to provide this information to the Committee with respect to the FY 2002 budget. To our knowledge, the agency has not yet provided this information to the Committee.

AdvaMed strongly recommends a dialogue on this issue between appropriators and the FDA so that appropriators may begin to understand and work toward appropriate resources for the agency. Such a dialogue must also include the resources needed at the Drug and Biologics Centers to review combination device drug/biologic products. AdvaMed would be happy to participate in any such discussions if the Committee believes this would facilitate such a dialogue.

Similarly, we understand the Agency may not have used its contracting out authority as it was encouraged to by this Committee last year due to lack of resources. As the pace of medical technology innovation quickens, it will become increasingly important for FDA to look to outside expertise to make sure the agency does not become an ever-tighter regulatory bottleneck.

AdvaMed strongly believes FDA must remain on the cutting edge of science and that one useful way to achieve this goal is for FDA to make greater use of the expertise of the researchers who are advancing this science and applying it to medical technology breakthroughs. However, unless it is known how much the Agency believes it needs to contract out for premarket activities, the Committee will not be able to plan for the needed resources.

Regulatory Changes are Needed to Prepare FDA for the New age of Medical Technology Innovation

Increased FDA funding for premarket reviews is only part of the answer to timely patient access to medical innovations. In order to meet the coming biomedical revolution, the agency must be as innovative in its regulation of new technologies as researchers are in developing them. FDA has shown a commitment to finding new approaches to getting its job done, and this commitment should be encouraged and expanded on.

FDA has demonstrated this commitment through successfully implementing some key provisions of the FDA Modernization Act. Recently the agency fully implemented and expanded the types of products eligible for the third-party review program. Additionally, the agency also worked cooperatively with stakeholders on FDAMA's least burdensome concept.

Concern About Import User Fee Proposal

While we do not yet fully understand the Administration's proposed import user fee proposal, we are concerned about its potential impact on medical technology manufacturers. As you may know, in this global economy, medical technology manufacturers rely on component parts and bulk supplies or biomaterials from around the world. The biomaterials shortage of the early 90's forced many technology manufacturers to have to find biomaterials from around the globe in order to manufacture implantable technologies. Additionally, many technology manufacturers import pre-manufactured parts into the U.S. from their internationally-located facilities for final assembly in the U.S. We also believe the proposal would require significant authorizing language.

Conclusion

AdvaMed urges this Subcommittee to help prepare the FDA for the coming era of biomedical innovation. To ready FDA for this era and ensure that patients enjoy timely access to the coming dramatic breakthroughs in medicine, a dialogue must be opened on the resources needed to adequately fund FDA's device and drug/biologics premarket review programs and ensure that statutory review times are met. AdvaMed stands ready to assist in such a dialogue if requested.

AdvaMed thanks the committee for this opportunity to present our views and we look forward to working with you to help prepare FDA for the coming revolution in biomedical innovation.

Committee on APPROPRIATIONS

Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name: ADVANCED MEDICAL TECHNOLOGY ASSOCIATION (AdvaMed)		
1. Are you testifying on behalf of a Federal, State, or Local Government entity?	Yes	(No)
2. Are you testifying on behalf of an entity other than a Government entity?	(Yes)	No
3. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1999: None.		
4. Other than yourself, please list what entity or entities you are representing: None.		
5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your representational capacity with the entities disclosed in question number 4: N/A		
6. If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships whom you are not representing? N/A	Yes	No
7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) which were received by the entities listed under question 4 since October 1, 1999, which exceed 10% of the entities revenue in the year received, including the source and amount of each grant or contract to be listed: N/A		

Signature: Stephen G. Ubl Date: 4/10/01



STATE OF WYOMING
OFFICE OF THE GOVERNOR

JIM GERINGER
GOVERNOR

STATE CAPITOL
CHEYENNE, WY 82002

April 4, 2001

The Honorable Henry Bonilla, Chairman
The Honorable Marcy Kaptur, Ranking Minority Member
Subcommittee on Agriculture, Rural Development
Food and Drug Administration and Related Agencies
Committee on Appropriations
United States House of Representatives
2362 Rayburn House Office Building
Washington, D.C. 20515

Attention: Outside Witness Testimony

Re: Funding Request that $12,000,000 of fiscal year 2002 USDA Environmental Quality Incentive Program (EQIP) funds be designated for the Colorado River Salinity Control National Conservation Priority Area

Dear Chairman Bonilla and Ranking Minority Member Kaptur:

This letter is sent in support of fiscal year 2002 funding in the amount of $12,000,000 for the Department of Agriculture's Colorado River Salinity Control (CRSC) Program, which, pursuant to Public Law 104-127, is a component program within the Environmental Quality Incentives Program (EQIP). The U.S.D.A.'s Natural Resources Conservation Service designated the Colorado River Salinity Control Program as a national conservation priority area in fiscal year 2000. I request inclusion of this letter into the formal hearing record concerning fiscal year 2002 appropriations.

Wyoming views the inclusion of the CRSC Program in EQIP as a direct recognition on the part of Congress of the Federal commitment to maintenance of the water quality standards for salinity in the Colorado River - and that the Secretary of Agriculture has a vital role in meeting that commitment.

The State of Wyoming is a member state of the seven-state Colorado River Basin Salinity Control Forum, established in 1973 to coordinate with the federal gvernment on the maintenance of the basin-wide Water Quality Standards for Salinity in the Colorado River System. The Forum is composed of gubernatorial

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representatives and serves as a liaison between the seven states and the Secretaries of the Interior and Agriculture and the Administrator of the Environmental Protection Agency (EPA). The Forum advises the federal agencies on the progress of efforts to control the salinity of the Colorado River and annually makes funding recommendations, including the amount believed necessary to be expended by the USDA for its on-farm CRSC Program. Overall, the combined efforts of the Basin states, the Bureau of Reclamation and the Department of Agriculture have resulted in one of the nation's most successful non-point source control programs.

Farmers and agricultural producers in the five project areas of Colorado, Utah, and Wyoming, where the Program's salinity control efforts are underway, have been willing participants in the salinity reduction effort. The salinity control effort has cost-sharing partners ready to participate, and through use of the Upper and Lower Colorado Basin Development Funds, additional funding above and beyond appropriations to the USDA can be expended to further increase the maximization of environmental benefits per appropriated dollar expended.

One of the five CRSC Program units presently being implemented is located in southwestern Wyoming. The Big Sandy River Unit is located within the boundaries of the Eden Valley Irrigation and Drainage District. About 15,800 acres are irrigated on the District's lands each year, and it is projected that about 85 percent of the District's lands will have salinity reduction practices in place at full implementation of this CRSC Program unit. With that level of participation, the Natural Resources Conservation Service (NRCS) has projected that 53,000 tons of salt will annually be prevented from entering the Colorado River system. The majority of the producers have opted to install center pivot sprinkler systems as the means to greatly increase their irrigation application efficiency.

For the past 17 years, the seven-state Colorado River Basin Salinity Control Forum has actively assisted the U.S. Department of Agriculture in implementing this unique, collaborative, and important program. At its recent October 2000 meeting, the Forum recommended that the U.S. Department of Agriculture Colorado River Basin salinity control program, a component part of the EQIP, should expend $12,000,000 in fiscal year 2002. This funding level is appropriate to reduce a growing "backlog" in meeting the pace of necessary salt loading reductions. Failure to maintain the standards' numeric criteria could result in the imposition of state-line water quality standards and impair the Colorado River Basin states' ability to develop their Compact-apportioned water supplies. "Catch-up" funding in the future will require expending greater sums of money, increasing the

likelihood that the numeric salinity criteria are exceeded, and create undue burdens and difficulties for one of the most successful federal/state cooperative non-point source pollution control programs in the United States.

The State of Wyoming greatly appreciates the Subcommittee's support of the Colorado River Salinity Control Program in past years. We continue to believe this important basin-wide water quality improvement program merits funding and support by your Subcommittee.

Best regards,

Jim Geringer
Governor

JG:PTT:js

cc: Representative Barbara Cubin

Statement of

THOMAS C. TURNEY, P.E., NEW MEXICO STATE ENGINEER
AND SECRETARY, NEW MEXICO INTERSTATE STREAM COMMISSION

to the

HOUSE COMMITTEE ON APPROPRIATIONS
AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG
ADMINISTRATION AND RELATED AGENCIES SUBCOMMITTEE

in support of

FY 2002 APPROPRIATIONS FOR EQIP AND SALINITY CONTROL
PROGRAM,
DEPARTMENT OF AGRICULTURE

SUMMARY

This Statement is submitted in support of appropriations for the Department of Agriculture's Colorado River Basin salinity control program. The salinity control program has not been funded at the level necessary to control salinity with respect to water quality standards of the basin states. Also, this failure to provide adequate funding negatively impacts the quality of water delivered to Mexico pursuant to Minute 242 of the International Boundary and Water Commission. Funding for the Environmental Quality Incentives Program (EQIP), from which the Department of Agriculture funds the salinity program, has been insufficient to fund needed salinity control measures. I urge that funding of more than $200,000,000 be appropriated for EQIP, with at least $12,000,000 designated to the Colorado River Basin salinity control program.

STATEMENT

The seven Colorado River Basin states, in response to the salinity issues addressed by Clean Water Act of 1972, formed the Colorado River Basin Salinity Control Forum. Comprised of gubernatorial appointees from the seven Basin states, the Forum was created to provide for interstate cooperation in response to the Clean Water Act, and to provide the states with information necessary to comply with Sections 303 (a) and (b) of the Act. I am New Mexico's representative to the Forum. The Forum has become the primary means for the seven Basin states to coordinate with federal agencies and Congress to support the implementation of the salinity control program.

The Colorado River Basin salinity control program was authorized by Congress in the Colorado River Basin Salinity Control Act of 1974. Congress amended the Act in 1984 to give new responsibilities to the Department of Agriculture. While

retaining the Department of the Interior as the lead coordinator for the salinity control program, the amended Act recognized the importance of the Department of Agriculture operating under its authorities in meeting the objectives of the salinity control program. Many of the most cost-effective projects undertaken by the salinity control program have occurred since implementation of Department of Agriculture's authorization for the program.

The Bureau of Reclamation is currently completing studies on the economic impacts of the salinity of the Colorado River in the United States. Reclamation's study indicates that damages in the United States may soon be approaching $1 billion per year. It is essential to the cost-effectiveness of the salinity control program that Department of Agriculture salinity control projects be funded for timely implementation to protect the quality of Colorado River Basin water delivered to the Lower Basin States and Mexico.

Congress concluded, with the enactment of the Federal Agriculture Improvement and Reform Act of 1996 (FAIRA), that the salinity control program could be most effectively implemented as one of the components of the Environmental Quality Incentives Program (EQIP). The salinity control program has not been funded since the enactment of FAIRA at a level adequate to ensure that the Basin State-adopted and Environmental Protection Agency approved water quality standards in the Colorado River will be honored with respect to total dissolved solids (i.e., salinity). Appropriations for EQIP have not been sufficient to prevent salt loading by irrigated agriculture in the Upper Colorado River Basin from impacting the quality of water delivered to the downstream states, nor to Mexico pursuant to Minute No. 242 of the International Boundary and Water Commission, United States and Mexico.

EQIP subsumed the salinity control program without giving adequate recognition to the responsibilities of the Department of Agriculture to implement salinity control measures per Section 202 (c) of the Colorado River Basin Salinity Control Act. The EQIP evaluation and project ranking criteria target small watershed improvements that do not recognize that water users hundreds of miles downstream are significant beneficiaries of the salinity control program. Proposals for EQIP funding are ranked in the states of Utah, Wyoming and Colorado under the direction of the respective State Conservationists without consideration of those downstream, particularly out-of-state, benefits. Irrigated agriculture in the Upper Basin realizes significant local benefits of the salinity control program and agricultural producers have succeeded in submitting cost-effective proposals to the State Conservationists. However, funding for needed salinity control projects has been limited because the full measure of the salinity control program benefits has not been considered when prioritizing funding allocated to salinity control projects and to all other programs administered by each state's autonomous office.

The Department of Agriculture's Natural Resources Conservation Service (NRCS), following protracted urging by the Basin states, has concluded as a result that the salinity control program is different than the small watershed approach of the EQIP program. The watershed for the salinity control program stretches almost 1200 miles, from the headwaters of the river through the salt-laden soils of the Upper Basin to the river's termination at the Gulf of California in Mexico. NRCS is to be commended for its efforts to appoint a salinity program coordinator to work with each NRCS state office and to designate the Colorado River Basin an "area of special interest" including a special fund designation for the salinity control program.

The Basin states were led to believe by Congressional staff when the EQIP program was created that the $200,000,000 annual Commodity Credit Corporation (CCC) borrowing authority given to the Secretary would ensure that through the year 2002 at least the requested amount of salinity control funding would be expended through the EQIP program. The Basin states, including New Mexico, have been very dismayed that funding for EQIP has been inadequate for this most important nationwide program. Several years of inadequate federal funding for the Department of Agriculture have resulted in the Forum finding that the salinity control program needs to be accelerated to protect the Colorado River water quality standards for salinity and to maintain the water quality criteria of those standards. Since the designation by the Department of Agriculture of the Colorado River salinity control program as an area of special interest, about $4.5 million annually has been earmarked for the program. This amount is in sharp contrast to the $12 million annual funding required for the USDA portion of the plan of implementation of the Colorado River water quality standards for salinity, as adopted by the Basin States and approved by EPA.

The Basin States added about $1.5 million in up-front cost sharing and local farms contributed an estimated $2 million to match the NRCS funds in the previous federal fiscal year. State and local cost sharing is triggered by the federal appropriation. The entire effort last year was funded at only about 40% of program needs. The requested funding of $12 million for FY 2002 will continue to be needed each year for at least the next few fiscal years.

The Department of Agriculture has indicated that a more adequately funded EQIP program would result in more funds being allocated to the salinity program. The Basin states have cost sharing dollars available to participate in on-farm salinity control efforts. The agricultural producers in the Upper Basin are willing to cost-share their portion and waiting for adequate funding for their applications to be considered. The Department of Agriculture projects have proven to be the most cost-effective component of the salinity control program. However, the prior Administration and Congressional funding support has dramatically declined despite increasing damages from the salinity of the Colorado River.

I urge the Congress to appropriate at least $200,000,000 from the CCC in FY 2001 for EQIP. Also, I request that Congress advise the Administration that $12,000,000 of the appropriation is to be designated for the Colorado River Basin salinity control program.

Finally, I request that adequate funds be appropriated for technical assistance and education activities at the local level, rather than requiring the NRCS to borrow funds from CCC for the direly needed support functions. Recent history has shown that inadequate funding for technical assistance and education activities of the NRCS has been a severe impediment to successful implementation of the salinity control program. The Basin States parallel funding program, implemented as a means of cost sharing with NRCS, expends 40% of the states' funds available to meet the needs of NRCS for technical assistance and education activities. I urge the appropriation of adequate funds for these essential activities, and that the NRCS not be directed to borrow funds for these uses from the CCC.

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Statement of the American Society for Microbiology on the Fiscal Year 2002 House Appropriations Subcommittee for Agriculture, Rural Development, Food & Drug Administration and Related Agencies for the Department of Agriculture

The American Society for Microbiology (ASM), the largest single life science organization in the world, comprised of more than 42,000 members, appreciates the opportunity to provide written testimony on the Fiscal Year (FY) 2002 budget for the U.S. Department of Agriculture (USDA) research and education programs.

The ASM represents scientists who work in academic, medical, governmental and industrial institutions worldwide and are involved in research to improve human health and the environment. Microbiological research is directly related to agriculture involving foodborne diseases, bioterrorism, new and emerging plant and animal diseases, soil erosion and soil biology, agricultural biotechnology, and the development of new agricultural products and processes. The ASM is a member of the Coalition on Funding Agricultural Research Missions (CoFARM), which represents scientific societies and organizations involved in formulating research directions and needs for agricultural research.

The U.S. agricultural system is one of the most productive and efficient in the world, due in part to past investments in science. Agricultural research has lead to many advances including biotechnology, which contribute to a more abundant, nutritious, efficient and environmentally friendly food supply, while at the same time reducing agriculture's reliance on chemical fertilizers, pesticides, and fungicides. USDA's research budget, however, has not grown commensurate with its record of achievement and broad and unique responsibilities to support science and technology in agriculture. According to the National Science Foundation's (NSF) Division of Science Resources Studies, agricultural research made up only 4 percent of all public funds devoted to basic research and only 2 percent of total R&D expenditures for FY 2000. If the lowest cost food for the nation's consumers and agricultural exports are to continue to be successful policy for the United States, then it must be understood that continued, sustained federal investment in agricultural research is necessary.

Cooperative State Research, Education and Extension Service
In 1989 the Board on Agriculture of the National Research Council (NRC) recommended that public investment through competitive research grants in agriculture, food, and the environment be made a national priority. To address this monumental task, Congress (1991) created the National Research Initiative Competitive Grants Program (NRI) in the hope of generating new knowledge and reinvigorating research in agriculture, food, and environmental science (National Research Initiative: a Vital Competitive Grants Program in Food, Fiber, and Natural-Resources Research, NRC, 2000). The ASM strongly supports competitive peer reviewed research that is open to all the nation's scientists. However, the ASM is disappointed with the continued decline in merit-based research programs at the USDA, such as the NRI, whose budget was decreased by 11 percent for FY 2001. ASM recommends that NRI be funded at the FY 2000 level of $119 million.

This funding will improve important research in agriculture including food safety and nutrition, plant, animal and microbial genomics, and emerging pest and disease management. In conjunction with other coalition groups like CoFARM, the ASM believes federal support for agricultural research is essential to building the broad knowledge base needed to commercialize new and improved agricultural products and tools.

The ASM is pleased to see continued support for the Initiative for Future Agriculture and Food Systems (IFAFS). This competitive grants program differs from the NRI in that it provides mandatory funding for research and extension projects that is multi-disciplinary and applied in scope and targets critical agriculture issues.

Agricultural Research Service
U.S. agriculture is experiencing severe problems caused by new and reemerging infectious diseases in plants and animals, a threat that requires immediate attention. The imminent threats of Bovine Spongiform Encephalopathy (BSE) and foot-and-mouth disease in animals and plum pox in plants are examples requiring new and extensive research. Cost effective and real-time monitoring may now be feasible, allowing for more immediate diagnosis. Funding and enhancing agricultural research is the surest way to prevent and control infectious and zoonotic diseases afflicting livestock and aquaculture today and mitigating the threats of tomorrow.

Animal and Plant Health Inspection Service
The Animal and Plant Health Inspection Service (APHIS) has the critical role of policing the U.S. infrastructure that is in place to prevent, diagnose and respond to a disease introduction. The U.S. needs a comprehensive biosafety system to prevent foreign animal and plant diseases from entering the domestic agriculture system. This sentinel network requires new, accurate and cost effective diagnostic tools and updated information technology.

Infectious Diseases in Plants and Animals
It is important to recognize a growing threat to the U.S. agricultural system that requires immediate attention – the threat of new and emerging infectious diseases. Like the human population, U.S. agriculture is also experiencing severe problems caused by new and emerging infectious diseases in plants and animals. Changes in agricultural practices, population growth, climate, microbial evolution, animal migration, and international trade and travel are all factors in introducing new plant and animal diseases into the U.S. agriculture system. The lack of knowledge to manage effectively and control new and reemerging infectious diseases often leads to very serious consequences from lost productivity from quarantines to embargoes, and the destruction of plants and animals to control the spread of diseases. For example, citrus canker has cost millions in tree destruction in Florida. Research, monitoring, surveillance, and new sources of resistant genetic material, including the use of biotechnology, may enable continued growth of citrus trees commercially and by homeowners. New technologies, e.g. the polymerase chain reaction, now enables us to detect minute quantities of etiological

agents, including those previously ascribed to physiological problems in plants, such as the class of viruses known as luteoviruses.

Food Safety
Foodborne illness continues to pose a major public health problem in the U.S. The ASM recommends that Congress provide additional funding to USDA to expand food safety research. In a recent report it was estimated foodborne diseases cost the U.S. $8 billion in medical costs and lost productivity and an estimated 76 million illnesses a year (CDC). Further reducing foodborne illness requires not only preventing contamination through improved processing and inspection, but also educating consumers to avoid unsafe consumption choices and to prepare food safely to avoid cross-contamination. The 1997 Food Safety Initiative recognizes this with funding for a national media campaign to encourage safe food handling.

Microorganisms continue to adapt to their changing environments and begin to "out smart" current techniques to control their presence. Many foodborne microbes have developed resistance to conventional food preservation and disinfection techniques and continue to proliferate. It is also important to note that the diversity of microorganisms affecting food safety changes with time, processing techniques, location and other factors. To illustrate the growing problem, one need only examine the number of USDA and FDA regulated food product recalls because of harmful bacteria. In 1995 the USDA and FDA recalled 265 products due to microbial hazards; in 1999, the number of recalls rose to 337.

Microbial Genomics
Microbes are involved in all aspects of agriculture-from beneficial uses of microbes in food (i.e., yogurt, cheese, and bread) to pest controls to the spread of disease in plants and animals and the contamination of the food supply. Studying the genomes of agricultural microbes could lead to the development of new technologies to provide improved foods and better pest control to protect the nation's crops, to reduce the incidence of plant and animal disease, and to ensure a safer food supply. Thus, ASM is highly supportive of microbial genomics through the NRI and IFAFS programs. Coordination and cooperation with the National Science Foundation in this area is particularly promising.

Biobased Products
The ASM continues to support the promising research to accelerate the conversion of agricultural materials and byproducts into biofuels, such as soybean oil conversion into (bio)diesel fuel. Such scientific advancements in biobased product research have the added benefit of enhancing farm income, strengthening U.S. energy security, rural revitalization, and environmental stewardship. Current scientific estimates suggest that energy production from biofuels could generate up to 10% to 15% of the nation's energy needs. ASM believes agriculture can play a positive role in achieving U.S. energy security and encourages Congress to consider the benefit biofuels represents to the entire agriculture and consumer community.

Global Competitiveness
Recent adoption of the Uruguay Round, which confines the use of import restrictions on agriculture products of the General Agreement on Tariffs and Trade (GATT) and the North American Free Trade Agreement (NAFTA) pose great challenges to American agriculture. While domestic advances in agricultural technology, including biotechnology, have achieved great strides in food production, safety, and nutrition, they will also provide similar advances to other nations. Agricultural competitiveness in the global economy depends upon the ability of producers and processors to make measurable production and quality gains while providing desirable products that are reliable and safe. Agricultural research in food safety, production systems, and biotechnology will be key instruments in maintaining America's agricultural competitiveness, while providing food security.

The ASM encourages Congress give high priority to agricultural research for FY 2002. Many of today's scientific achievements leading to the development of biotechnology, genetically modified foods, improved crops and plant-based products and an improved environment have their roots in the basic research conducted by the USDA. The future holds several challenges from the monitoring of the ecological impact of transgenic plants to research in plant and animal diseases that is requisite to combating agricultural bioterrorism. We urge the Administration and Congress to assist the USDA to address these issues.

The ASM appreciates the opportunity to provide written testimony and would be pleased to assist the Subcommittee as the Department of Agriculture bill is considered throughout the congressional process.

STATEMENT OF

KEVIN N. MORRIS, EXECUTIVE DIRECTOR

NATIONAL TURFGRASS EVALUATION PROGRAM

IN SUPPORT OF RESTORATION OF

FISCAL YEAR 2002 FUNDING FOR THE NATIONAL

TURFGRASS EVALUATION PROGRAM AND THE FULL-TIME

TURFGRASS RESEARCH SCIENTIST IN THE BUDGET

FOR THE AGRICULTURAL RESEARCH SERVICE (ARS)

&

A REQUEST FOR FUNDING SUPPORT FOR THE

ESTABLISHMENT OF A NATIONAL TURFGRASS

RESEARCH LABORATORY

PRESENTED TO

THE APPROPRIATIONS SUBCOMMITTEE ON

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG

ADMINISTRATION AND RELATED AGENCIES

UNITED STATES HOUSE OF REPRESENTATIVES

APRIL 5, 2001

Mr. Chairman and Members of the Subcommittee:

On behalf of the National Turfgrass Evaluation Program (NTEP), I appreciate this opportunity to provide the Subcommittee with the turfgrass industry's perspective in support of restoration of the $55,000 appropriation for the National Turfgrass Evaluation Program (NTEP) deleted in the President's fiscal year 2002 budget request for the Agricultural Research Service (ARS). Also, I appreciate the opportunity to present to you the turfgrass industry's need and justification for continuation of the $250,000 appropriated in the Presidents' fiscal year 2001 budget for a full-time turfgrass scientist position within ARS. In addition, I appreciate the consideration of an additional appropriation of $1,050,000 for the establishment of a national turfgrass research laboratory, as proposed by ARS, with three new research scientist positions at Beltsville, Maryland.

1) Justification of $55,000 Appropriation Request for Program Support.

Once again, NTEP and the turfgrass industry come to the appropriations process to request that $55,000 be restored to the ARS budget to provide basic and minimal support for NTEP's activities at Beltsville. We appreciate the Subcommittee's restoration of this amount in previous fiscal years, and hope that you will agree with us that this request is justified for the ensuing fiscal year.

The National Turfgrass Evaluation Program (NTEP) is unique in that it provides a working partnership that links the federal government, turfgrass industry and land grant universities together in their common interest of turfgrass cultivar development, improvement and evaluation. The National Turfgrass Evaluation Program is the primary means by which cultivated varieties of turfgrass are evaluated in this country. It provides unbiased information on turfgrass cultivar adaptations, disease and insect resistance and environmental stress tolerance. The public and private sectors of the turfgrass industry use this information to develop cultivar recommendations for home owners, sod producers, sports turf and parks managers, golf course superintendents and highway vegetation managers.

Our nation's awareness of safety is at an all-time high. Turfgrass provides multiple benefits to society including child safety on athletic fields, environmental protection of groundwater, reduction of silt and other contaminants in runoff, green space in home lawns, parks, golf courses, etc. With the advancements being made to turfgrasses that require less pesticides, water and other inputs as well as other efforts to improve integrated pest management programs, recycling, etc., the USDA has a unique opportunity to take positive action in support of the turfgrass industry. With a minuscule investment of Department funds, in relative terms within USDA's budget, a tremendous return can be gained for society and the turfgrass industry.

While the vast majority of the USDA's funds have been and will continue to be directed toward traditional "food and fiber" segments of U.S. agriculture, it is important to note that turfgrasses (e.g., sod production) are defined as agriculture in the Farm Bill and by many other

departments and agencies. Further, it is estimated by the Economic Research Service that the turfgrass industry, in all its forms, is a $30-35 billion industry. It should also be noted that the turfgrass industry is the fastest growing segment of U.S. agriculture, while it receives essentially no federal support. There are no subsidy programs for turfgrass, nor are any desired.

For the past seventy years, the USDA's support for the turfgrass industry has been modest at best. The turfgrass industry's rapid growth, importance to our urban environments, and impact on our daily lives warrant more commitment and support from USDA. Failing to support the National Turfgrass Evaluation Program, would be a tremendous oversight of a major opportunity. USDA's support of NTEP at the $55,000 level does not cover all costs. In fact, NTEP represents an ideal partnership of the public and private sectors in terms of program cost sharing. The NTEP relies most heavily on turfgrass industry (i.e., public sectors, end-users) support. However, it is essential that the USDA maintain its modest financial support and work closely with NTEP. The turfgrass industry relies heavily on NTEP for unbiased information. Discounting this support will also eliminate a highly reliable and credible level of objectivity that is associated with the NTEP program.

2) **Justification of $250,000 Appropriation Request for ARS Scientist Position as well as $1,050,000 Appropriation Request for the Establishment of a National Turfgrass Research Laboratory.**

NTEP and the turfgrass industry are requesting the Subcommittee's support for $250,000 continuing funding for the full-time scientist staff position at ARS, focusing on turfgrass research, that was appropriated in the fiscal year 2001 budget. We also request that the Subcommittee appropriate an additional $1,050,000 for establishment of a national turfgrass research laboratory within USDA, ARS for the specific purpose of collecting, evaluating and enhancing turfgrass germplasm. We ask that three new scientist positions be created and located at the Beltsville Agricultural Research Center in Beltsville, MD.

Our society is becoming increasingly more urbanized. Currently, turfgrasses impact more than 90% of all people in the U.S. through exposure to home lawns, business landscapes, roadsides, parks, or recreational turf on a daily basis. As more and more cropland is converted to houses, office parks, shopping centers, etc., the acreage of turfgrass is increasing exponentially. However, with the increasing urbanization comes a greater demand on resources, such as potable water. Also, with the general public experiencing heightened awareness of the environment and its protection, use of inputs such as fertilizer, pesticides and water on turfgrass areas is coming under greater scrutiny. In some jurisdictions, use of these inputs will either be banned or severely restricted for turfgrass use. In addition, the urbanization of America is leading to an overuse of current recreational facilities such as parks, athletic fields and golf courses. New facilities are being considered or constructed, many on abandoned sites such as landfills, industrial wastelands, gravel pits or mine spoils. Turfgrasses in these areas will play an important role in reclamation vegetation, recreational turf or both.

The USDA needs to initiate and maintain ongoing research on turfgrass development and improvement for the following reasons:

1. The value of the turfgrass industry in the U.S. is $30 - $35 billion annually.

Turfgrass is the number one or two agricultural crop in value and acreage in many states (i.e. MD, PA, FL, NJ, NC).

2. As our society becomes less rural and more urbanized, the acreage of turfgrass will increase significantly. Consequently, state and local municipalities will require the utilization of other water sources (i.e. effluent, , reclaimed, sea water), reduction of pesticide use and elimination of nutrient runoff from turfgrass areas. However, demand on recreational facilities will increase while these facilities, for safety reasons, will still be required to provide safe, attractive athletic fields, parks and grounds.

3. Private and university research programs are working to develop improved turfgrasses, but they do not have the time nor resources to identify completely new sources of beneficial genes in commonly used species or the usefulness of potential new species. In addition, new plant materials collected by these institutions most often are not placed in the National Plant Germplasm System for use by all interested parties. Additionally, long-term research to identify and transfer desirable genes from other species (turfgrass or other crop species) is not being undertaken by public and private interests. ARS scientists working with turfgrass will enhance the ongoing research and development currently underway within the public and private sectors of the turfgrass industry. They will provide linkages between public and private research efforts and enhance the development of stress-tolerant and pest-resistant germplasm for the turfgrass industry. Furthermore, this research will not inhibit or compete with, nor will it duplicate, current efforts by public and private plant breeders, universities and development companies as germplasm (improved genetic stocks) developed will be released to the general public for further refinement.

4. USDA conducted significant turfgrass research from 1920-1988. The United States Golf Association (USGA) Green Section was initially a cooperative program between the USGA and USDA. However, since 1988, no full-time scientist has been employed by USDA, Agricultural Research Service (ARS) to conduct turfgrass research specifically.

5. Research on florist, nursery and ornamental crops is significant within USDA, ARS with new funding and programs being added virtually every year – industries with far less public and commercial value than turfgrass.

A new turfgrass research scientist position within USDA, ARS was created by Congress in the FY2001 budget. Accordingly, in January 2001, the turfgrass industry met with USDA, ARS officials to discuss the position description, hiring process, facilities needed, etc. for the new position. ARS welcomed the new position but felt strongly that the position description was too broad in scope. Also, they were concerned that just one person working in turfgrass research would be ineffective in addressing the needs and concerns of the industry. They felt the duties described in the earlier funding request warranted several scientists working in a team effort. To accomplish this, ARS proposed the following:

A NATIONAL STRATEGY FOR ARS TURFGRASS RESEARCH

Research Objectives: Conduct long-term basic and applied research to provide knowledge, decision-support tools and plant materials to aid in designing, implementing, monitoring and managing economically and environmentally sustainable turfgrass systems including providing sound scientifically based information for use in the regulatory process.

Research Focus: To make a significant contribution in developing and evaluating sustainable turfgrass systems, ARS would need to conduct research in two major areas:

1.The collection, evaluation, protection and enhancement of germplasm, primarily through molecular techniques, to improve establishment, persistence and care of turfgrasses for a variety of uses. This research would include a plant physiology component to identify, understand and manage plant mechanisms that adapt to environmental stresses.

2.Long-term applied research to design and evaluate sustainable turfgrass management systems for a variety of environmental conditions with the objective of economically optimizing inputs and outputs to meet performance and environmental standards. This research would include "turfgrass ecological systems" management that would look at such issues as water quality and watershed-level analysis, energy balances including carbon sequestration and management energy inputs, and impacts on wildlife in an urban environment.

ARS will conduct a stakeholder workshop in fall 2001, as they have done with other commodities, to gain valuable input from turfgrass researchers, golf course superintendents, sod producers, lawn care operators, gardeners, regulatory personnel, etc. These discussions will allow ARS to refine the proposal to meet the specific needs of the industry. ARS plans to include this updated proposal in their fiscal year 2003 budget proposal which would include establishment of a national laboratory with four to five scientists initially. More funding for additional scientists would be requested in future ARS budget requests, in accordance with industry needs and possible redirection of current personnel.

The turfgrass industry is very excited about this new proposal and wholeheartedly supports the efforts of ARS. However, the needs are so great, the turfgrass industry cannot wait an additional year to establish the national laboratory. Therefore, for fiscal year 2002, the turfgrass industry requests that the following unit be established within USDA, ARS:

A turfgrass genomics unit that includes the following:

1. **Plant Germplasm Collection and Evaluation:** this person will identify new genetic sources of commonly used and potential turfgrass species in natural habitats. Also, they will collect specimen plants as a vital first step in conserving resources and maintaining bio-diversity. Additionally, they will conduct germplasm evaluations to identify important traits that provide improved resistance to various environmental stresses and extreme conditions relating to

soils, pests, etc. *The new position created in the FY2001 budget will fulfill these duties.*

2. **Genomics/Genetics Studies:** a molecular geneticist or cytogeneticist is needed to better understand the genomics of various turfgrass species, collected wild germplasm and their evolution. Also needed is an understanding of how desirable genes and traits may be transferred from wild related plants to improved turfgrass species. This research will allow improved drought, salt and wear tolerance, along with disease and insect resistance, to be incorporated into species not currently possessing these traits.

3. **Transfer of Desirable Genes:** a molecular geneticist will work to identify desirable genes and how they may be transferred to current turfgrass species. This person will work to better understand the molecular/cellular aspects of current and potential turfgrass species and using molecular techniques, will transfer desirable genes and traits within species and between species.

4. **Evaluation and Enhancement of Genetically Altered Grasses**: a turfgrass breeder will evaluate and enhance the genetically altered plants from the program using recurrent genetic recombination techniques and selection of superior turfgrass plants. This person will also conduct genetic studies to confirm the presence of these genes and their stability within the genome. This work will produce germplasm with desirable turfgrass characteristics as well as new genes for stress tolerance, disease and insect resistance, etc. This enhanced germplasm will be easily accessible to breeders in the public and private sectors; i.e. released through the National Plant Germplasm System (NPGS).

In conclusion, on behalf of the National Turfgrass Evaluation Program and the turfgrass industry across America, I respectfully request that the Subcommittee restore the vital $55,000 appropriation for the National Turfgrass Evaluation Program (NTEP) as well as the $250,000 appropriated in fiscal year 2001 for the new turfgrass scientist position in the fiscal year 2002 budget for the Agricultural Research Service. I also request that the Subcommittee appropriate an additional $1,050,000 for the establishment of a national turfgrass research laboratory at Beltsville, Maryland with three new full-time scientist positions within USDA, ARS for the specific purpose of collecting germplasm, conducting genetics/genomics studies and producing improved, genetically-enhanced turfgrasses for the public good.

Thank you very much for your assistance and support.

Written Testimony of the American Federation of Government Employees, Local 3354, and the American Federation of State, County, and Municipal Employees, Local 3870, to the Subcommittee on Agriculture, Rural Development and Related Agencies, regarding the FY 2002 Appropriations Bill for the U.S. Department of Agriculture, Rural Development, and the Farm Service Agency.

I. Rural America Needs More Compassion!

Family farmers, the ill-housed rural poor, and small rural communities must receive a share of the budget surplus! We urge you to do whatever you can to make sure the budget allocations for agriculture and rural development are sufficient to enable the appropriations requested below.

The debate on Capitol Hill over what to do with the historic opportunity presented by the budget surpluses has focused on the relative merits of tax cuts for the wealthy and elimination of the debt. Too little attention has been paid to what this issue is really about – making it impossible for the government to invest in any of the long list of priorities that would truly make America better off.

Our nation has an enormous backlog of much-needed public investment – especially in supporting family farms over factory farms, in rural housing, and in rural community and economic development. AFGE and AFSCME believe that public investments are by far a more prudent and responsible use of current and future surpluses than meager tax cuts for working families and windfalls for the rich.

We ask the Members of this Subcommittee to increase investments in family farmers, the ill-housed rural poor, small rural communities, and the USDA employees who deliver these programs. The FY 2001 federal budget amounted to only 18% of Gross Domestic Product, the smallest percentage since 1966. The tax cuts that have been proposed for the top 1% of wealthy Americans, if withheld, would provide over $500 billion for these, and other, investments over the next ten years. We need to increase government investments for the common good, not give away the budget surpluses to private greed!

II. The Bush Blue Print for USDA – Our Concerns

The Congressional Budget Office (CBO) baseline to simply maintain 2001 levels of discretionary spending for Agriculture is 19.6 billion. According to the Administration, funding of "core operations", as distinct from emergency assistance, was 18.6 billion. The proposed discretionary budget authority level for FY 2002 is 17.9 billion. That's going in the wrong direction, no matter which baseline number is used.

In human terms, the Blue Print states the President's FY 2002 Budget will:

- Finance the acquisition of decent, safe, and affordable housing by 57,000 low-to-moderate income families in rural America, compared to 80,000 housing units claimed in the FY 2001 budget;
- Create 40,000 jobs in rural areas, compared to 55,000 the FY 2001 budget was estimated to create;
- Give access to 1.4 million poor, rural residents to clean, safe drinking water, compared to 1.7 million for whom new or improved water systems were provided in the FY 2001 budget.

With respect to the USDA employees who provide these services throughout rural America, the Blue Print states as follows:

> *"In the early 1990s, under the previous Bush Administration, an effort was begun to streamline USDA's county office structure to improve service and reduce costs. Nearly one-third of USDA's field offices have been closed since that time. However, there are still about 5,600 USDA county-level offices serving one million farmers (not counting 1,300 USDA rural development offices that serve farmers and other rural residents). The Department will review the efficiency of USDA's remaining field office structure, recognizing that many farmers and other rural customers want to use computers and fax machines to transact business with USDA. To meet those needs, the budget includes funds to continue efforts to streamline and modernize USDA's county office structure through completion of a common computing environment and reengineering the way USDA conducts business. In 2002, customers will be able to conduct business with the county-based agencies electronically. The Administration expects long-term*

savings and improved service from merging the information technology services of the three county-based agencies..."

We have major differences with this analysis, and its implications for rural America, as follows.

III. **AFGE and AFSCME Funding Priorities for Agriculture Appropriations**

A. ***Increased Salaries & Expenses funding for the Department of Agriculture's Rural Development mission area is our No. 1 funding priority for the Subcommittee's Appropriations for Agriculture, Rural Development, and Related Agencies! Congress should appropriate at least $654.5 million for Rural Development salaries and expenses in 2002, for the reasons outlined below.***

Since 1995, the Congress has increased Rural Development programs by 69% overall; yet, our staffing levels have been cut by 28%. Our servicing areas in the Field, and our workload in the National and Finance Offices, has doubled or tripled. With decreased staffing, customer service suffers. Almost no funds have been allocated to training for the past six years! The situation has deteriorated to the point where State Directors have had to stop most overtime work. Use of privately owned vehicles for official travel has been prohibited, and use of government-owned vehicles has been limited. These restrictions on travel and overtime make it next to impossible for our employees to do our jobs! Timely inspections are not completed. Interviews of potential borrowers have to be conducted by phone. Night meetings of community leaders and organizations, county commissions, city councils, real estate interests, and potential customers cannot be attended.

It is laborers and white and blue-collar workers that are the infrastructure of our rural communities, in addition to our farmers. If we can't provide housing, utilities, and jobs to enable them to be productive taxpaying citizens, how can we say the cost outweighs the benefits? ***Low-income rural Americans need public servants, with sufficient expense funds to support travel, overtime, training and information technology, to deliver these housing, community, and business development programs.***

The Rural Development (RD) loan and grant programs are just as important, even more so in terms of number of people reached, as the various programs delivered by FSA. RD needs staff to deliver these programs, just like FSA needs staff to deliver its programs! It is even more imperative that Congress increase the appropriated S&E funding for Rural Development because RD does not have access to CCC funds, university grants, user fees, or any other outside source of funds to help support its employees.

"If we're going to have meaningful programs supporting family farmers and rural communities, we need to maintain USDA's infrastructure of county offices, with sufficient staff, that is responsible and accountable to deliver these programs." **Bill Christison, President, Family Farm Coalition**

The House Budget resolution included a provision, supported by our unions, to ensure parity in pay increases between the military and civilian employees. This will require an increase of 4.6% above the FY 2001 levels. Salaries & Benefits has been running approximately 75% of RD's total S&E account. Therefore, additional appropriations of approximately $20 million will be required to maintain current staffing levels. We also urge the Subcommittee to provide at least $15 million for employee training, an increase of approximately $13.5 million over FY 2001 levels.

In addition, we believe the nature of many of the programs administered by Rural Development warrants some additional offices, not reduction. The communities and families we serve range from very low income to moderate income. Many are elderly, handicapped, very poorly educated, have no telephone, and definitely no computer or fax machine. To become successful homeowners, they need home buyer education and credit counseling, provided in person, preferably by a USDA employee who is a resident of their own community. To meet this need, we propose adding 700 more staff for RD.

Approximately 600 of these staff years would go to local offices to provide one person per office whose main duty is to provide home buyer education and credit counseling to our Rural Housing borrowers, also assisting in other program areas as needed. The remaining 100 staff years would be used to increase IT staff in St. Louis, Washington, and in the States. We estimate the fully loaded cost of these staff years to average $57,000, requiring an additional human capital investment of $40 million.

Funds to increase Rural Development staff, and direct loan programs, should be obtained in the following ways, and by reducing the tax cut proposed by the Bush Administration for wealthy Americans:

We can support the Administration's proposal to eliminate the $25 million in rural housing funding from HUD because rural housing is best provided through USDA's field delivery structure throughout rural America. Those funds should be added to the budget of Rural Development, and not just eliminated.

We also believe that Members of Congress should find a way to reuse the subsidy recapture funds from the 502 program to further invest in successful homeownership for low-income rural Americans. During FY 2000, RHS recaptured $30,656,000 in Principal Reductions According to Subsidy (PRAS), and $88,332,000 in Interest Subsidy. These funds are collected and returned to Treasury when borrowers pay off their loans. When compared to the costs to the government of foreclosing on low-income rural homeowners, we would all benefit by reinvesting some of these funds in our proposed homebuyer education and credit counseling initiative because foreclosure losses would be significantly reduced. If just one percent more rural homeowners are successful as a result of this education and counseling, losses to the government would be reduced by $75 million.

B. Public investments in Rural Housing are both compassionate and conservative.

Since its inception in 1950, the Section 502 direct program has produced over 1.9 million units of safe, decent, sanitary housing and supported a variety of innovative housing development opportunities such as the mutual self-help housing program (sweat equity). Over the past ten years, however, the program's production capacity has declined 41 percent, from 26,203 units in 1988 to only 15,561 in 1998. It is even more startling to compare the paltry 1998 production to the over 132,000 units produced in 1976.

As of February 7, 2001, RHS had 30,778 qualified applications pending for Section 502 loans totaling $2,180,340,430. As of that time, however, we only had approximately $784,781,000 available in unobligated funds. An additional investment of at least $1.4 billion is needed in the Sec. 502 direct loan program.

We are glad to hear that Senators Kit Bond (R-MO) and John Kerry (D-MA) are planning to introduce new housing production bills. We ask them, and the Members of this Subcommittee, to both authorize, and appropriate, significant new investment in rural housing production. The National Rural Housing Coalition's October 2000 report documents the following needs:

- Rural homeowners are more likely than homeowners as a whole to live in substandard housing.
- Rural homeowners, particularly minority households, face excessive housing related costs.
- The limited availability of credit on reasonable, affordable terms and conditions makes it harder to get a loan and limits the utility of the secondary market for rural housing loans.
- The rate of federal assistance to non-metro households is only about half that for metro households.

Greater investments in the Section 502 (Single Family Direct Loans), Section 504 (Housing Repair Loans), Section 514 (Farm Labor Housing), Section 523 (Self-help Housing Loans & Grants), and Section 525 (Technical Assistance Grants). We also need to increase investment in Rural Rental Housing, to meet the housing needs of the poorest of the poor who cannot pay back a mortgage loan to at least $250 million, plus increased Rental Assistance. It costs money to house the poorest of the poor, both construction and rental assistance. We subsidize homeownership some $98 billion per year in the form of interest deductions. Rebuilding the 515 rural rental program costs less than homelessness or nursing homes.

C. Public investments in Limited Resource and Beginning Farmers are compassionate and conservative too.

Investment in the Farm Ownership Direct Loan program needs to be increased, at least back to FY 2000 levels. In Oklahoma, all available funds for FY 2001 have already been used up. In many states, as much as 70% of the farm land will change ownership over the next fifteen years. Unless the direct farm ownership loan program is significantly enhanced, most of that farm land will go to the existing large farms, and the benefits and productivity of family farming will continue to be wiped out.

We also ask the Subcommittee to provide the authorized amount of $10 million for Outreach and Technical Assistance Program for Minority Farmers. The Outreach and Technical Assistance program is the most effective tool developed to carry out the mission of USDA as the technical provider for small farmers. For a very small investment, the program has significant multiplier effects in poor communities where there exist few other possibilities for sustainable economic development.

D. AFGE and AFSCME also suppors the need to increase Salaries & Expense funding for Farm Service Agency to incorporate the temporary employees funded through emergency appropriations during each of the last several years into the baseline S&E appropriation, as requested by the National Association of County Office Employees (NASCOE).

FSA should be required to allocate more staff resources to the Farm Loan Programs. The program management standard for excellence in our direct farm loan programs is that each responsible loan officer should never have a caseload of more than 56 borrowers. Today, our farm loan officers in many states have an average caseload of 150 to 200 borrowers. This makes it impossible to adequately perform the supervised credit functions, which ensure the success of the program. We have also not had sufficient staff, or contracting funds, to perform real estate appraisals, chattel appraisals, and year-end farm analysis. For several years, these functions have been contracted out due to the arbitrary employee downsizing targets of the Clinton Administration. Now, we're not even getting enough money to contract for these services.

As NASCOE has urged, staffing levels and patterns should be based on real strategic planning and performance measures/goals. The USDA County-Based Agency Study conducted at the request of your Subcommittee indicated that approximately 30% of FSA's workload is support for the Farm Loan Program. The Appropriations Subcommittees should allocate 30% of FSA's Salaries & Expenses to support of the Farm Loan Program. The Agricultural Credit Insurance Fund could be used for this purpose by changing the legal language and increasing the appropriation for S&E from this account.

E. Funding for the Common Computing Environment

The Office of the Chief Information Officer (OCIO) is requesting $100 million in additional funding for IT modernization in FY 2002. While AFGE Local 3354 and AFSCME Local 3870 support the need for a common computing environment and modernization of the IT capabilities in our Field Offices, we can only support appropriating these funds AFTER Congress has FIRST found the money to support increased investments in staff and direct loan programs, as outlined above.

We agree with much of what Senate Government Affairs Chairman Thompson (R-TN) said in his March 16 letter to Senate Budget Committee Chairman Domenici (R-NM) and ranking member Conrad (D-ND). While Senator Thompson lauded the administration's plans to promote e-government projects and tighten federal computer security, he also emphasized that any workforce cuts should be guided by strategic planning. He did not call for increased funding to support the administration's proposed e-government fund, as Senator Lieberman (D-CT), the ranking Democrat on the Government Affairs Committee, had done the previous week. Senator Thompson added that "workforce restructuring should be done pursuant to a strategic plan and that there are areas where increases in human resources are necessary."

The Bush Administration Blue Print for USDA suggests that these funds to "streamline and modernize USDA's county office structure through completion of a common computing environment" will be combined with a "review of the efficiency of USDA's remaining field office structure, recognizing that many farmers and other rural customers want to use computers and fax machines to transact business with USDA". We believe this perspective continues the type of arbitrary assumptions for which Senator Thompson correctly criticizes the Clinton Administration. "E-government" is apparently seen as a means to downsize the federal workforce while also increasing customer service. As stated above, such an approach would exclude the low-income rural citizens served by Rural Development from access to homeownership and other economic opportunities. Guaranteed lenders demand, and should have, appropriate electronic access to USDA. But small, isolated, poor rural communities cannot be served by "e-government" alone. Like Senator Thompson, we believe there are some areas where real strategic planning, as distinct from pie-in-the-sky silver bullets, means federal hiring should be stepped up.

IV. Contracting Out

AFGE and AFSCME believe the No. 1 management improvement needed to achieve a Common Computing Environment, or otherwise more effectively deliver USDA programs to the people we serve, is to reduce the waste of funds for poor quality work that results from current USDA contracting out practices. Until this problem is addressed, we cannot support the Administration's assumption that "merging the information technology services of the three county-based agencies" will lead to " long-term savings and improved service."

During 1998, an Information Technology Functional Team, consisting of labor and management from the IT organizations of Rural Development, NRCS, and FSA, developed *"Information Technology Contracting Recommendations"*. This official agency document recommends that Federal staffing for IT support be increased, through reductions in more expensive contractor personnel, as the least costly and best service solution. The reason for this conclusion was simple: ***It costs $50,000 per FTE less, on average, to utilize Federal employees, rather than contractors, to provide Information Technology support to the USDA county-based agencies!***

Despite this fact, and these recommendations, the OCIO has continued to increase reliance on contractors, and our IT organizations in St. Louis and Washington have not even been allowed to back-fill Information Technology positions as they become vacant due to retirement and attrition. Since 1993, the Rural Development IT workforce has been cut by over 30%, while our workload has increased from 4 million to 11 million lines of code. We do not support continued pouring of funds into a SWAMP (***Stop Wasting America's Money on Privatization***) of waste, fraud, and abuse through contracting out. Therefore, we also do not support continued massive funding of the OCIO's requests until, and unless, the reforms advocated below have been enacted by Congress, and implemented by USDA.

The House Report on the FY 2001 Agriculture Appropriations Act attempted to address this issue:

> *The Committee directs the Department to make cost comparisons of the use of private contractors with federal employee performance and to employ the most efficient organization process as described in OMB Circular A-76 .. The Committee also directs the Department to report on its contracting out policies, including the agency budgets for contracting out, with its annual budget submission for fiscal year 2002.*

I can assure the Members of the Subcommittee that USDA ignored this directive. No cost comparisons of the use of private contractors with federal employee performance were conducted during FY 2001 by either Rural Development or the Farm Service Agency. Therefore, we will submit language to be added to the Agriculture Appropriations bill for FY 2002 to ensure that cost comparisons are conducted.

Finally, USDA has listed thousands of Rural Development and Farm Service Agency jobs as commercial, subject to contracting out, under the FAIR Act, totally ignoring employee input that many of our functions should be classified as inherently governmental. No less an authority than Comptroller General, David Walker, recently stated: "Government can never privatize the duty of loyalty to the greater good, namely, the need to look out for the collective best interests of all rather than the narrow interests of a few." The loan and grant programs of Rural Development and Farm Service Agency provide subsidies to enable very low to moderate-income rural Americans become successful homeowners, small family farmers, and to provide economic development of small rural communities. These are inherently governmental functions, and we will also submit bill language designed to address this further concern regarding threatened privatization of Department functions.



NATIONAL WATERSHED COALITION

9304 Lundy Court, Burke, VA 22015-3431, tel. 703-455-6886/4387, fax. 703-455-6888, e-mail. jwpeterson@erols.com

TESTIMONY

BEFORE THE

UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

FY 2002

APRIL 10TH, 2001

Presented by

W.R. "Bill" Hamm
Chairman
5122 NE 72nd
Walton, KS 67151

INTRODUCTION:

NATIONAL WATERSHED COALITION (NWC)

The National Watershed Coalition (NWC) is an alliance of national, regional, state and local organizations that have a common interest in advocating the use of the watershed when dealing with natural resource issues. We represent the needs and concerns of watershed project sponsors at the national level. These sponsors are special purpose entities of state government such as watershed districts, conservancy districts, soil and water conservation districts, drainage and irrigation districts, watershed improvement districts, counties, towns, etc. We also support the use of total resource management principles in planning. We are advocates of both the Small Watershed Program and the Flood Prevention Operations Program administered by USDA's Natural Resources Conservation Service (NRCS). These resource protection programs deserve much higher priority than they have had in the recent past. Even in difficult financial times, and we keep hearing we are in a period of budget surpluses, their revitalization would pay dividends in monetary and other benefits, and jobs! The disastrous 1993 Midwest floods and the floods in Texas in the fall of 1998, and hurricane damage in North Carolina, should have taught us something. If one examines the Report of the 1994 Interagency Floodplain Management Review Committee that studied the 1993 Midwest flood event, we see that flood damages were significantly reduced in areas where PL-566 projects were installed. The requests for disaster assistance were also less.

The recommendations contained in our testimony were adopted by the NWC at its Steering Committee meeting in Fort Worth, Texas, February 3d, 2001. The NWC is very aware of the pressures and constraints on the federal budget, and has kept those constraints in mind as these recommendations were adopted. Because of the far-reaching national and regional benefits provided by these watershed programs, and the national security interest in conserving our nation's natural resources, we urge the members of Congress to give serious consideration to our recommendations.

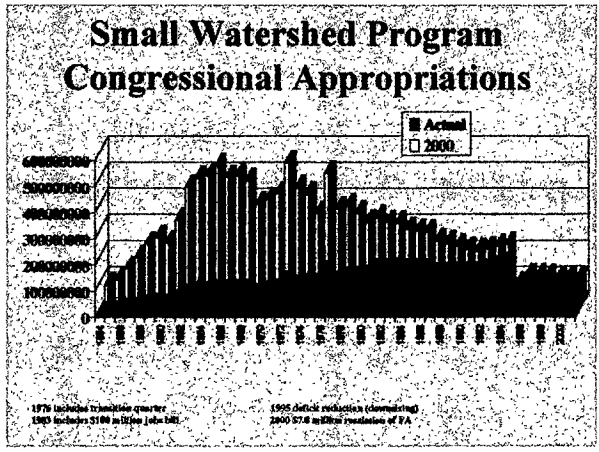
W.R. "Bill" Hamm
Chairman
Walton, Kansas

Larry C. Smith
Vice Chairman
Berkeley Springs, West Virginia

Dr. Dan Sebert
Secretary-Treasurer
Chandler, Oklahoma

John W. Peterson
Executive Director
Burke, VA

SMALL WATERSHED PROGRAM FEDERAL FUNDING HISTORY



SMALL WATERSHED PROGRAM BENEFITS

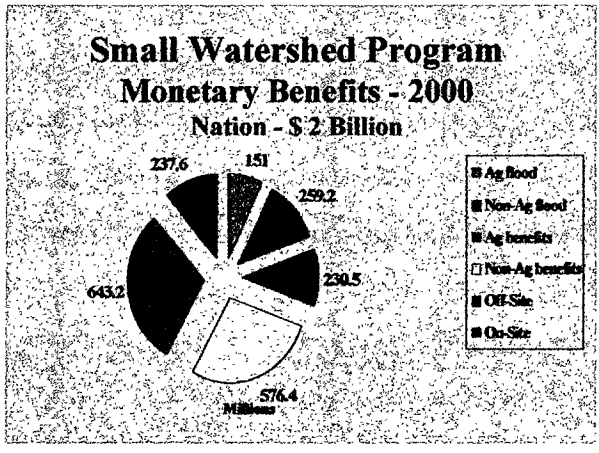


TABLE 1. SMALL FLOOD CONTROL DAMS INSTALLED BY NRCS PROGRAMS *

1948 - 1995

State	Pilots	RC&D	PL-566	PL-534	Total
AL		7	100		107
AK					0
AR	24	2	144		170
AZ	2	2	21		25
CA			10		10
CO	32	1	77		110
CT		1	30		31
DE					0
FL			9		9
GA	12	10	218	117	357
HI			6		6
ID			3		3
IL	11		53		64
IN		2	118		120
IA	28	33	659	426	1146
KS	38	16	714		768
KY	18	1	176		195
LA			36		36
ME			16		16
MD			16		16
MA		1	28		29
MI			13		13
MN	8	5	29		42
MS	3	5	183	388	579
MO	26	25	531		582
MT		1	18		19
NE	93	18	541		652

State	Pilots	RC&D	PL-566	PL-534	Total
NV			8		8
NH			24		24
NJ		1	19		20
NM	2	2	73		77
NY		5	48		53
NC	8	5	72		85
ND	10		35		45
OH	15		42		57
OK	6	9	965	1114	2094
OR			5		5
PA		5	81		86
PB					0
PR			4		4
RI					0
SC	7	2	77		86
SD	2	21	32		55
TN	5	1	124		130
TX	60	43	695	1293	2091
UT			28		28
VT			4		4
VA	3		102	28	133
WA					0
WV	7	4	74	78	163
WI	1	1	83		86
WY		2	11		13
TOTAL	420	231	6357	3444	10452

* Source: National Dams Inventory 1995

Testimony of
W.R. "Bill" Hamm
Chairman, National Watershed Coalition

Presented to the
SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINTRATION, AND RELATED AGENCIES

of the
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES

April 10th, 2001

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

Mr. Chairman and members of the Subcommittee, I am Bill Hamm from Walton, Kansas, and I am pleased to represent the National Watershed Coalition (NWC) as its Chairman. The National Watershed Coalition is privileged to present this testimony in support of the most beneficial water resource conservation programs ever developed in the United States. The Coalition recognizes full well the need to use our tax dollars wisely. That makes the work of this Subcommittee very important. It also makes it imperative that the federal programs we continue, are those that provide real benefit to society, and are not programs that would be nice to have if funds were unlimited. We believe that the Small Watershed Program (PL 83-566) and the Flood Prevention Operations Program (PL 78-534) are examples of those rare programs that address our nation's vital natural resources which are critical to our very survival, do so in a way that provide benefits in excess of costs, and are programs that serve as models for the way all federal programs should work.

General Watershed Program Observations.

The watershed as the logical unit for dealing with natural resource problems has long been recognized. PL-566 offers a complete watershed management approach, and should have a prominent place in our current federal policy emphasizing watersheds and total resource management based planning. Proper watershed management improves water quality. Why should the federal government be involved with these watershed programs?

- They are programs whose objectives are the sustaining of our nation's precious natural resources for generations to come.
- They are not federal, but federally assisted, locally sponsored and owned. They do not represent the continued growth of the federal government.
- They are locally initiated and driven. Decisions are made by people affected, and respect private property rights.
- They share costs between the federal government and local people. Local sponsors pay between 30 - 40% of the total costs of PL-566 projects.

- They produce net benefits to society. The most recent program evaluation demonstrated the actual ratio of benefits to costs was approximately 2.2:1. The actual adjusted economic benefits exceeded the planned benefits by 34%. How many other federal programs do so well?

- They consider and enhance environmental values. Projects are subject to the discipline of being planned following the National Environmental Policy Act (NEPA), and the federal "Principles and Guidelines" for land and water projects. That is public scrutiny!

- They are flexible programs that can adapt to changing needs and priorities. Objectives that can be addressed are flood damage reduction, watershed protection (erosion and sediment control), water quality improvement, rural water supply, water conservation, fish and wildlife habitat improvement, recreation, irrigation and water management, etc. That is flexibility emphasizing multiple use.

- They are programs that encourage all citizens to participate.

- They can address the needs of low income and minority communities.

- And best of all - they are programs the people like!

The National Watershed Coalition is concerned with the recent Congressional lack of support for these watershed programs, with the exception of the recent watershed rehabilitation legislative efforts, and hopes the outcome of the FY 2002 appropriations process will enable this vital work to continue and expand as we seek to preserve, protect and better manage our nation's water and land resources. Every State in the United States has benefited from the Small Watershed Program.

National Watershed Coalition USDA Water Resource Program Budget recommendations.

In order to continue this high priority work in partnership with states and local governments, the Coalition recommends a FY 2002 funding level of $250 million for Watersheds and Flood Prevention Operations, PL 83-566 and PL 78-534. We recommend that $30 million of this amount be for PL 78-534 projects. For some years now, the federal budget has eliminated the separate line items for the PL-534 and PL-566 watershed projects, and just lumped a total figure under PL-566 with a note that some amount "may be available" for PL-534 projects. This is an entirely unsatisfactory way of doing business. Pl-534 still exists in law; it has not been repealed. It should be funded as a separate program. The current situation really penalizes both PL-534 and 566, as 534 has no funds at the outset, and in order to provide a little something to the PL-534 watershed projects, NRCS has to take money from the PL-566 accounts which are already very underfunded. Please restore funding for PL-534 watershed projects to $30 million in FY-2002. We also recommend that watershed surveys and planning be funded at $25 million, which represents the true need.

We also suggest that $55 million be used for structural rehabilitation and replacement, in accordance with PL 106-472, the Small watershed Rehabilitation Amendments of 2000, passed by the Congress and signed into law on November 9th, 2000, and that another $5 million be available for a thorough assessment of rehabilitation needs. The condition of our nation's dams, and the need for watershed structure rehabilitation, is a national priority we believe. There is also a research and development (R&D) need as we get the structural rehabilitation process underway. In USDA, that work in undertaken by the Agricultural Research Service (ARS). That need is estimated at $1.5 million, and we ask that it be included in the ARS budget. It would be used for evaluation of upstream and downstream changes to the stream channel systems in cases of decommissioning, evaluation of the water quality impact of stored sediment releases, and the evaluation of impacts of the loss of flood protection, among other things.

We recognize Congress may be thinking of lesser amounts for these programs. But we are not playing a responsible role if we do not help you recognize the true need if we continually recommend the federal share of these needed funds be less. We hope everyone understands these funds are only a part of the total that is committed to this vital purpose. The local project sponsors in these "federally assisted" endeavors have a tremendous investment also. We also suggest that the Emergency Watershed Program (EWP) be provided with $20 million to allow the NRCS to provide rapid response in time of natural disaster. Congress increasingly talks of wanting to fund those investments in our nation's infrastructure that will sustain us in the future. Yet past budgets have regularly cut funding for the best of these programs. This makes absolutely no sense! We continue to read that we are in a period of budget surpluses, almost as if the federal coffers were overflowing with cash, yet there is next to nothing for watershed protection and improvement. In this period of surplus (tax overpayments) and relative prosperity we can't seem to invest and re-invest in our vital watershed infrastructure. That is simply unconscionable. Isn't water quality and watershed management a national priority? We believe it is.

The issue of the current condition of those improvements constructed over the last fifty years with these watershed programs is a matter of great concern. Many of the nearly 10,500 dams that NRCS assisted sponsors build throughout the United States no longer meet current dam safety standards largely as a result of development, and need to be upgraded to current standards. A USDA study published in 1991 estimated that in the next ten years, $590 million would be needed to protect the installed works. Of that amount, $100 million would come from local sponsors as their operation and maintenance contributions. NRCS also conducted a more recent survey, and in just 22 states, about $540 million in rehabilitation needs were identified. That is the reason we are recommending starting with $60 million ($55 million for rehabilitation work and $5 million to start a more precise assessment of needs) for the work necessary to protect these installed structures, and commend Congress for their leadership in passing PL 106-472. Watershed project sponsors throughout the US appreciate your leadership on this vital issue. We now have the authorization, and need the appropriations. If we don't start to pay attention to our rural infrastructure needs, the ultimate cost to society will only increase, and project benefits will be lost. This is a serious national issue. Since most of these structures were constructed in the 1950's, 60's, and 70's, and were originally designed for a 50-year life, it is apparent we need to look at their current condition. If we do some rehabilitation work to bring many of these older structures up to current health and safety standards, they will continue to provide benefits far into the future.

The President's Budget Proposals.

In addition to offering our thoughts on needed conservation program budget levels, we would like to express a concern with the Administration's budget proposals in regard to watershed program funding in FY 2002. While the President's budget was not released until April 9th, we learned what his proposals are and offer the following comments on them. Once again we are disappointed with what appears to us to be a lack of commitment for these very beneficial conservation programs. Congress and the Administration need to recognize watershed natural resources conservation as a high national priority. It's only common sense.

Watershed and Flood Prevention Operations.

The Administration proposes $100,413,000.00 for this program in FY 2002. The documented needs are $250 million. Congress took $100 million from this account in 1994, for a supplemental appropriation dealing with the recovery from the great Midwest flood of 1993. At that time the promise was that it would be restored. It never has been. This $100 million amount is entirely inadequate.

In addition, the Administration proposes nothing for the PL 78-534 program, but says USDA should take $10,041,000.00 from Watershed and Flood Prevention Operations for these projects. This tactic is unfair to

both PL-566 and PL-534. We ask that the PL-534 projects be funded at $30,000,000.00, and that it be separate from PL-566. These are two distinct authorities that should not be confused.

Watershed Surveys and Planning.

The Administration proposes $10,960,000.00 for these vital planning activities, and we believe $25,000,000.00 is a more realistic figure considering the need. There are many potential projects and project sponsors in every state wanting watershed planning assistance, and that assistance is simply not available. This occurs at a time when our federal government is encouraging the watershed approach to planning, and local leadership. Here we have the ideal partnership cost-sharing program that encourages both, and the federal share of the funds is not there.

Watershed Structure Rehabilitation.

The 106th Congress finally passes the Small Watershed Rehabilitation Amendments of 2000, PL 106-472, and the Administration proposes no funds for this important work. This makes absolutely no sense. Please provide $60,000,000.00 for structural rehabilitation as was suggested in Representative Lucas's H.R. 728, the House Bill that formed the basis for this vital law.

Emergency Watershed Protection program.

The Administration proposes no funds for USDA to maintain readiness to deal with emergencies caused by natural disasters, or to maintain any technical staff capacity. Once again, this makes no sense. We suggest that $20,000,000.00 be appropriated for this program or account, for USDA to provide rapid early response capability. Then Congress can deal with the total disaster needs for each incident with supplemental appropriations as in the past.

Other Suggestions.

There are a number of suggestions we would like to make concerning this very important legislation that we will be making to other committees. They will have budget implications. We believe the objectives of this legislation should be expanded to include more non-structural water quality practices, allow the law to provide assistance in developing rural water supplies (without water there is no rural development), and eliminate the current requirement that mandates that twenty percent (20%) of the total projects benefits be "directly related to agriculture" which can be very subjective and has the unintended effect of penalizing poor, small, rural communities many of which are minority communities.

The Coalition appreciates the opportunity to offer these comments regarding FY 2002 funding for the water resource programs administered by USDA's Natural Resources Conservation Service (NRCS). With the "downsizing" the NRCS has experienced, we would be remiss if we did not again express some concern as to their ability to provide adequate technical support in these watershed program areas. NRCS technical staff has been significantly reduced and budget constraints have not allowed that expertise to be replaced. Traditional fields of engineering and economics are but two examples. We see many states where NRCS capability to support their responsibilities is seriously diminished. This is a disturbing trend that needs to be halted. This downsizing has a very serious effect on state and local conservation programs. Local Watershed and Conservation Districts and the NRCS combine to make a very effective delivery system for providing the technical assistance to local people - farmers, ranchers and rural communities - in applying needed conservation practices. But that delivery system is currently very strained! Many states and local units of government also have complementary programs that provide financial assistance to land owners and operators for installing measures that reduce erosion, improve water quality, and maintain environmental quality. The NRCS provides, through agreement with the USDA Secretary of Agriculture, "on the land"

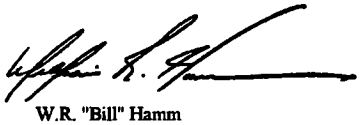
technical assistance for applying these measures. The delivery system currently is in place, and by downsizing NRCS, we are eroding the most effective and efficient coordinated means of working with local people to solve environmental problems that has ever been developed. Our system and its ability to produce food and fiber is the envy of the entire world. In our view, these programs are the most important in terms of national priorities.

We are also disappointed that the subcommittee has a practice of not accepting oral testimony from organizations such as the National Watershed Coalition. When we were allowed to make an oral presentation in the House, we were able to talk to subcommittee members who could ask us questions. It was a chance for them to actually talk with people doing the work on the land. That personal contact in both houses is now missing, and it would be easy to think that our written testimony may not be seriously considered. We hope you will reconsider this practice in future years, and again allow oral testimony.

The Coalition pledges its full support to you as you continue your most important work. Our Executive Director, Mr. John W. Peterson, who has over forty years experience in natural resource watershed conservation, is located in the Washington, DC area, and would be pleased to serve as a resource as needed. John's address is 9304 Lundy Court, Burke, VA 22015-3431, phone 703-455-6886 or 4387, Fax; 703-455-6888, email; jwpeterson@erols.com.

Thank you for allowing the National Watershed Coalition (NWC) this opportunity.

Respectfully submitted by:



W.R. "Bill" Hamm
Chairman
National Watershed Coalition
Home address: 400 S. Main, 5122 NW 72nd, Walton, Kansas 67151, Tel. 316-284-0707.

NATIONAL WATERSHED COALITION

Disclosure statement of the amount and source of any Federal grant or contribution toward a joint National Watershed Coalition (NWC)/Federal agency project.
[Pursuant to clause 2(g)(4) of the Rules of the House of Representatives]

Fiscal year	Source	Amount	Joint Activity or Project
2000	USACE	$10,000.00	Prepare Decision Support System Final Report, final task.
1999	EPA	$10,000.00	Preparing a strategic approach to developing and using Decision Support Systems (DSS) in natural resources management. Completed first three of four tasks this FY.
1998	NRCS-USDA	$14,400.00	Video on rural abandoned mines, NRCS, SC
Total		$34,400.00	

[Note: In each of the joint ventures shown above, the National Watershed Coalition contribution was equal to or exceeded the federal agency contribution.]

30 MAR 2001/jwp

NATIONAL WATERSHED COALITION

W.R. "Bill" Hamm
Chairman

MEMBERS
Nat'l Assn. of Conservation Districts
Assn. of State Floodplain Managers
Interstate Council on Water Policy
Nat'l Assn. of State Conservation Agencies
Soil & Water Conservation Society
Nat'l Assn. of Flood & Stormwater Mgmnt Agencies
Assn. of State Dam Safety Officials
Associated General Contractors of America
Land Improvement Contractors of America
Tombigbee River Valley Water Mgmnt District
State Assn. of Kansas Watersheds
Iowa Watersheds
Missouri Watershed Assn.
Texas Assn. of Watershed Sponsors
Wisconsin PL-566 Coalition
Oklahoma Conservation Commission
Pennsylvania Division of Conservation Districts
South Carolina Land Resources Conservation Commission
Tennessee Assn. of Conservation Districts
Texas Soil & Water Conservation Board
West Virginia State Soil Conservation Agency
Alabama Assn. of Conservation Districts
Kansas Assn. of Conservation Districts
Mississippi Assn of Conservation Districts
North Carolina Assn. of Soil & Water Conservation Districts
Oklahoma Assn. of Conservation Districts
South Carolina Assn. of Conservation Districts
Assn. of Texas Soil & Water Conservation Districts
Virginia Assn. of Soil & Water Conservation Districts
West Virginia Soil & Water Conservation District Supervisors
Town Creek Master Water Mgt. District of Lee, Pontotoc, Prentiss, & Union Counties, Mississippi
Lower Colorado River Authority, Texas

Curriculum Vitae

William R. "Bill" Hamm
Chairman, National Watershed Coalition (NWC)
5122 NE 72nd
Walton, Kansas 67151

W.R. "Bill" Hamm was born and raised in Newton, Kansas. Following two years in the U.S. Army he lived in Colorado for nine years where he attended Arapahoe Community College and the University of Colorado.

Bill has been the treasurer of the Sand Creek Watershed District for 20 years and is past president of the State Association of Kansas Watersheds (SAKW), an office he held for eight years. He is currently serving as Secretary of SAKW and is the Chairman of the National Watershed Coalition (NWC). He has been appointed by the Governor to his second term as a member of the Kansas State Water Authority.

Bill is married and lives on a farm near Walton Kansas. He is the owner of Hamm and Associates, Inc., an independent insurance agency in Newton, Kansas. He, his wife Linda and a son have a cow/calf operation on their farm near Walton.

Bill serves the Walton Community as a member of the Walton Volunteer Fire Department and is also the Township Trustee for Walton Township. He is also a director for the Harvey County Jobs Development Council.

27MAR01, jwp

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AMERICAN SEED TRADE ASSOCIATION, INC.

asta
first-the seed®

Statement of the
American Seed Trade Association
Submitted to the
Subcommittee on Agriculture, Rural Development,
Food and Drug Administration, and Related Agencies
Committee on Appropriations
House of Representatives
April 10, 2001

Mr. Chairman and members of the Subcommittee, we appreciate this opportunity to provide you with our views on the fiscal year 2002 agricultural appropriations bill. The American Seed Trade Association (ASTA) appreciates greatly your past support of the USDA National Plant Germplasm System (NPGS) and we, strongly, urge you to include a $10 million increase for the NPGS agricultural appropriations bill.

The ASTA, founded in 1883, is one of the oldest trade associations in the United States. With over 900 members, the ASTA is the premiere advocate for the seed industry and related interests. Our diverse membership consists of the leading companies that are developing, providing, supporting, and promoting new varieties that hold tremendous promise and opportunity for farmers and consumers everywhere.

Our request for a $10 million increase for the NPGS is the number one appropriations issue and the number one legislative issue for ASTA. This increase will allow seed companies to meet the diverse challenges facing our customers. Support for significant increases to the NPGS goes well beyond industry; we, also, have the support of our customers and the scientific community since they recognize that this will pay huge dividends. In addition to the ASTA, the following organizations recently sent a letter to the members of the Subcommittee requesting a $10 million increase for the NPGS:

Alaska Division of Agriculture
American Association of Botanical Gardens and Arboreta
American Malting Barley Association
American Nursery & Landscape Association
American Society for Horticultural Science
American Society of Agronomy
American Society of Plant Physiologists

For additional information, contact Kellye Eversole at (301) 951-3345 or Leslie Cahill at (202) 638-3128.
601 13th St., N.W. • Suite 570 South • Washington, D.C. 20005-3807 • (202) 638-3128 • Fax: (202) 638-3171

American Soybean Association
American Sugar Cane League of the USA
Association of Official Seed Certifying Agencies
Beet Sugar Development Foundation
Busch Agricultural Resources, Inc.
Crop Science Society of America
Florida, Texas, and Hawaii Sugar Cane Growers
National Association of State Universities & Land-Grant Colleges
National Association of Wheat Growers
National Barley Growers Association
National Barley Improvement Committee
National Campaign for Sustainable Agriculture
National Corn Growers Association
National Cotton Council
National Council for Science and the Environment
National Farmers Union
National Grain Sorghum Producers
National Sunflower Association
Pickle Packers International, Inc.
Society of American Florists
Soil Science Society of America
Sonoma County Grape Growers Association
Southwest Peanut Growers Association
Turfgrass Breeders Association
USA Rice Federation
U.S. Beet Sugar Association
U.S. Rice Producers Association

In addition to the broad support from the community, the Agricultural Research Service (ARS) has recognized the need for significant increases in funding for the NPGS. The ARS requested an increase of $20 million for FY 2001 and again for FY 2002.

The NPGS germplasm collections underpin crop-breeding efforts throughout the U.S. Preservation of and filling gaps in the base collections is a unique Federal responsibility. The NPGS:

- acquires germplasm;
- develops and documents information on the germplasm;
- preserves and distributes germplasm; and

- maintains quarantine facilities for testing imported germplasm for pests and pathogens before introduction in the U.S.

Many of the challenges confronting the U.S. can be met through the application of plant-based technologies. Continued use of and access to a broad diversity of germplasm is necessary, if we are to develop varieties to meet new and changing circumstances and if we are to sustain agricultural productivity. The improvement of plants is based on the utilization of genetic diversity. Unless we have a wide diversity of genetic resources, there will be nothing available, eventually, to improve plants or to prevent plants from becoming genetically susceptible to plant pathogens.

With sufficient genetic resources, we will have an abundant, safe, nutritious, and affordable supply of food and fiber that is produced in an environmentally friendly manner and that ensures a reasonable return for our farmers and livestock producers. In addition to food and fiber, American agriculture can provide continually renewable resources for a wide range of consumer products if diverse genetic resources are available and accessible to U.S. scientists and plant breeders.

Narrow genetic bases can result in widespread crop losses. For example, in 1970, Southern corn leaf blight cost farmers 15 percent of the corn crop; in the 1950s and early 1960s, about 70 percent of the wheat crop in the Pacific Northwest was wiped out by stripe rust; and the Irish potato famine of the 1840s was the result of the reliance on only a single variety of the potato. Breeders must have open access to extensive, well-maintained, and well-documented genetic resources.

Preserving the genetic diversity of plants is essential to the future of agriculture as the genes to add new traits, such as tolerance to diseases and resistance to insects, are often present in wild relatives of the major crops. Wild ancestors and relatives of cultivated plants give us the sustained ability to develop new varieties. Most of the U.S. crops raised and used for food, fiber, ornamentals, and industrial feedstocks originated from outside of the U.S. Consequently, the plant breeding community is highly dependent upon germplasm from other countries, some of which is endangered. Once lost, the germplasm cannot be fully reconstructed.

To ensure that these genetic resources are accessible and that they remain available, the NPGS must obtain a significant increase in funding. In 1991, the NPGS reported that an annual budget of $40 million would be required

to remedy shortfalls in secure storage, backup, evaluation, and development of core germplasm collections. Funding for the NPGS has not come close to approaching the $40 million considered as necessary in 1991. We recognize the tight budget constraints under which the Subcommittee must operate; however, the following list outlines the precarious situation of the NPGS:

- Funding for the NPGS has declined significantly, in constant dollars, since 1992, jeopardizing vital germplasm;
- Lack of funding has resulted in decreased supplies of germplasm that limits distribution and impedes the progress of research and breeding programs;
- 93% of all clonally-propagated samples and 19% of all seed samples are not duplicated and are at high risk of catastrophic loss, which could result in lost opportunities for biodiversity and, perhaps, a wonder drug;
- No backup has been made for citrus and nearly all tropical fruit crops in the NPGS collections, due to lack of funds to develop effective storage methods;
- Long-term backup methods do not exist for many clonal crops and will not be developed without a significant infusion of funds;
- Without a significant infusion of funds, many of the clonally-propagated crops in the collection will remain at risk of catastrophic loss;
- NPGS cannot assume that duplicates of "lost" germplasm can be obtained elsewhere;
- Internationally, destruction of natural habitats, limited gene bank capacity, inadequate management, and lack of consistent funding has left much of the world's germplasm at high risk of loss;
- Acquisition of endangered germplasm will slow or stop completely without an increase in funding;
- Due to funding constraints, the Plant Germplasm Quarantine Office has found it necessary to establish quotas for importing germplasm thereby restricting the amount of materials available to U.S. scientists and plant breeders;
- Funding is insufficient for the Quarantine Office to take full advantage of molecular diagnostic techniques;
- 99% of the germplasm accessions at Griffin, GA, and 68% of the accessions at Pullman, WA, have not been tested for viability within the past 10 years due to lack of funding;
- At least 30% of all NPGS accessions need to be regenerated during the next couple of years and with current funding it will take at least 9 years;
- 18% of NPGS accessions are unavailable for distribution primarily due to lack of funding; and

- Without an increase in funding, many NPGS sites will be unable to pay for utilities, general operations, and facility repairs.

To fulfill its mission to provide access to diverse genetic resources, the NPGS must have a balanced program that includes (1) acquisition of germplasm to fill gaps in the collections and to preserve endangered germplasm; (2) maintenance and preservation of germplasm with secure backups to prevent loss; (3) adequate documentation and characterization of the germplasm; (4) sufficient supplies of viable seeds to allow for distribution; and (5) quarantine facilities that make germplasm available in a timely manner. The steady decline in available funding has had an extremely negative impact on the ability of the NPGS to have a balanced program.

Inadequate funding is jeopardizing the security of the U.S. food and fiber system. Genetic diversity is the engine that drives plant breeding. Without new sources of genetic variation, plant breeders cannot make improvements. Without improvements, we will be unable to ensure the continued economic viability and security of our food and fiber system.

The NPGS is a fundamental, strategic resource that we cannot afford to jeopardize. Without a significant infusion of funds, the NPGS will not be able to ensure the preservation of important germplasm that is vital to our existence and prosperity. Our ability to provide breeders with the blueprints and genetic codes is necessary to ensure new, plentiful foods, fibers, consumer products, and drugs. If the NPGS is not funded at a sufficient level, biodiversity will be reduced and we could lose the very germplasm needed for a possible wonder drug or the cure for some dreaded disease. The consequences of not funding the NPGS adequately are severe. The NPGS is a good investment for taxpayers and for the American consumer.

We strongly, urge you to provide an increase of $10 million for the NPGS for fiscal year 2002. We recognize that this will be difficult and that there are many competing priorities for limited resources; however, we cannot afford to be complacent about the fundamental resources that underpin our entire future.

Thank you for the opportunity to present ASTA's views on the importance of the National Plant Germplasm System. We look forward to working with you to ensure that the NPGS is able to provide the germplasm necessary for U.S. agriculture to meet the demands and challenges of the 21st Century.

American Seed Trade Association
Disclosure Statement to Accompany Congressional Testimony

Pursuant to clause 2(g)(4) of Rule XI of the Rules of the House of Representatives, the American Seed Trade Association received the following Federal grant during fiscal years 1999, 2000, and 2001:

USDA Export Market Development Fund	$156,893.09.



Testimony
Of
Colleen M. Kelley
National President
National Treasury Employees Union

Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies
Committee on Appropriations
U.S. House of Representatives
April 10, 2001

NTEU Views on the FY 2002 FDA Budget

Chairman Bonilla, Ranking Member Kaptur, and distinguished members of this Subcommittee, my name is Colleen Kelley and I am the National President of the National Treasury Employees Union. NTEU represents more than 155,000 federal employees across the federal government, including the employees who work at the Food and Drug Administration. I want to thank you for giving me the opportunity to present testimony on behalf of these dedicated men and women who work to ensure the safety of our food, drugs, cosmetics, and medical devices.

Without question, the Food and Drug Administration (FDA) is one of the most important agencies in our government. The FDA regulates more than $1 trillion worth of products that account for about 25 cents out of every dollar of American consumer spending. The FDA is staffed with experts in an extraordinary range of fields. Microbiologists, chemists, consumer safety officers, and others are working around the clock testing, approving, and regulating new drugs, robotics, and other medical devices, that will not only improve the quality of life for millions of Americans, but in many cases actually save lives. They are working to ensure the food we eat is safe and free of disease-causing contaminants. They approve new food products, food additives, and dietary supplements, and work to ensure these new products pose no threat to our health.

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FDA employees who work in the field offices and laboratories located throughout the country have developed valuable working relationships with top scientists, health officials, and local industries. These employees are on the front lines in protecting consumers from mislabeled foods, food borne diseases, defective medical devices, or unsafe cosmetics or drugs. And they work very closely with Customs, USDA, and others at our borders and ports, to inspect and test imported foods and drugs.

While FDA employees continue to respond to the call of the American people for ensuring our food supply is safe and more effective drugs and medical products are brought to consumers more quickly, the demands placed on the FDA workforce have increased significantly over the past decade, and will continue to grow. Research dollars invested by the pharmaceutical and food industries have been skyrocketing. And since the implementation of NAFTA, GATT, and other international trade agreements, there has been a dramatic increase in the quantity and complexity of imports of FDA-regulated products across our borders and into our ports. But while there are more products on the market to regulate, more imports of food and drugs to inspect, and more new product applications to approve, the FDA is being given fewer resources. The workload has increased while the budget for the FDA has remained flat.

President Bush's budget for the FDA does not provide enough funding for staffing and resources for the agency to be able to respond to the constantly changing and more complex public health threats facing our nation. Last year, Congress approved $1.217 billion for salaries and expenses at the FDA. Unfortunately, the amount provided was $89 million less than what President Clinton requested for the FDA. Meanwhile, Congress continued with its plans to double the NIH budget over the next five years. $20.3 billion was provided for NIH for FY 2001, an increase of $1.5 billion over the President's request, and $2.5 billion more than the previous year. And the pharmaceutical industry and academic community invested billions more in medical research.

If we want Americans to be able to reap the benefits as quickly as possible from medical breakthroughs resulting from our investments in medical research, then President Bush and Congress must ensure the FDA – the agency charged with regulating these new drugs and medical technologies – receives, at a minimum, funding increases proportionate to the increases for the NIH. NTEU is hopeful that President Bush and Congress will work to provide the FDA with the staffing and resources necessary to protect and improve the health of the American public. Funding shortfalls in the future will significantly hamper FDA's ability to identify and respond to current health threats, and take pro-active measures to approve drugs and other products aimed at preventing future health problems.

I also want to highlight the need for Congress to pay special attention to not only maintain, but to expand, the current FDA laboratory and field structure. While most of the FDA's workforce is employed in the Washington, DC region, almost a third of the workforce is located outside of the Beltway. The FDA is beginning to implement a plan to close many of its field laboratories and consolidate them into a handful of locations. Shutting down most of these FDA labs across the country will lead to delays in getting potentially harmful market

products to FDA laboratories for sampling and analysis. Furthermore, with increased trade into, and out of, our airports and seaports, and the growth of food and drug industries, FDA's lab infrastructure – both in terms of people and technology – is that much more critical for consumers and for industry.

NTEU also has serious misgivings about FDA plans to change its program of voluntary Saturday work for employees in the field performing laboratory or lab-related functions to make such work mandatory. The agency is proposing this despite the fact that, around the country, it has encountered virtually no problems using its present program to secure volunteers for weekend work. Employees who work at the FDA laboratory understand that FDA needs to have its laboratories staffed on Saturdays, and we would be pleased to work with the agency to fix any real or perceived problems in the voluntary weekend work program. However, making weekend work mandatory for FDA employees – many of whom have worked Monday through Friday schedules for more than twenty years – is the wrong approach.

The FDA proposals to close laboratories and force employees to dramatically change their work and family schedules are not only unnecessary, they are unwise. NTEU believes these plans are shortsighted and will force hundreds of experienced professionals to leave the agency at a time when competition for their services by private sector companies is intense. The American public cannot afford the risk of losing these valuable resources.

It is ironic that at a time when many in Congress are increasingly concerned about the government's inability to retain and recruit highly qualified individuals into public service, FDA would seek to roll the dice with their own workforce. As it stands now, the FDA is struggling to retain and recruit qualified individuals to serve this Agency. And it has been widely documented that the federal government is expected to lose nearly half of our experienced scientists in the next four years due to retirement. The FDA can only continue to maintain its competence and credibility by strengthening the agency's science base, not tearing it apart. With adequate funding for staffing and equipment, it would be NTEU's hope that FDA would abandon these risky plans. Therefore, it is incumbent upon the President and Congress to provide FDA with the resources necessary to retain those currently employed at the FDA and recruit more qualified individuals to ensure an efficient and effective FDA in the future.

I am very proud of the work the men and women at the FDA do to protect consumers and improve our public health. Yet, our global leadership in this area will be jeopardized if we do not provide the FDA with the staffing and tools required to carry out its mission. The American people rightly demand and expect that their food, drugs, cosmetics, and medical devices are safe – and they deserve no less.

Whether it is testing a new vaccine, approving the application for a new dialysis machine, or increasing the safety of our food supply by identifying deadly food pathogens, the men and women at the FDA are working for you, working for America. Congress needs to approve an FDA budget that works for them.

SEMINOLE TRIBE OF FLORIDA

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Chairman

MITCHELL CYPRESS
Vice Chairman

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JIM SHORE
General Counsel

Statement of the
Seminole Tribe of Florida

For the

House Appropriations Committee
Subcommittee on Agriculture, Rural Development,
Food and Drug Administration and Related Agencies

April 10, 2001

The Seminole Tribe of Florida is pleased to submit this statement regarding the Fiscal Year 2002 budget for the Natural Resources Conservation Service (NRCS) in the Department of Agriculture.

The Seminole Tribe of Florida asks that Congress earmark a total of **$400,000 in the Natural Resources Conservation Service's (NRCS)** account that funds the **Small Watershed Program**, as authorized by PL 83-566, for design and construction of a portion of the Tribe's Water Conservation Plan on the Big Cypress Reservation. The Tribe requests $300,000 for financial assistance for construction and $100,000 for technical assistance (08 funds) for operational planning. The Tribe has worked with the NRCS in Florida for five years to develop this small watershed project as a part of the Tribe's overall Everglades Restoration Initiative. The results of this small watershed project will complement the joint effort of the Tribe and the Corps of Engineers to complete the Initiative. This is the first year in which the Tribe has requested funding for this project.

In addition, the Tribe supports full funding for **NRCS's Conservation Operations-01 Partnership**. The Seminole Tribe's agricultural enterprises and environmental programs benefit from the technical assistance the NRCS provides through its Conservation Operations Partnership. The Tribe works closely with the Florida State Conservationists on a number of 1996 Farm Bill programs and anticipates increased technical assistance needs in the coming fiscal year.

The Seminole Tribe of Florida

The Seminole Tribe lives in the Florida Everglades. The Big Cypress Reservation is located in the western basins, directly north of the Big Cypress National Preserve. The Everglades provide many Seminole Tribal members with their livelihood. Our traditional Seminole cultural, religious, and recreational activities, as well as commercial endeavors, are dependent on a healthy Everglades ecosystem. In fact, the Tribe's identity is so closely linked to the land that Tribal members believe that if the land dies, so will the Tribe.

During the Seminole Wars of the 19th Century, our Tribe found protection in the hostile Everglades. But for this harsh environment filled with sawgrass and alligators, the Seminole Tribe of Florida would not exist today. Once in the Everglades, we learned how to use the natural system for support without harm to the environment that sustained us. For example, our native dwelling, the chickee, is made of cypress logs and palmetto fronds and protects its inhabitants from the sun and rain, while allowing maximum circulation for cooling. When a chickee has outlived its useful life, the cypress and palmetto return to the earth to nourish the soil.

In response to social challenges within the Tribe, we looked to our Tribal elders for guidance. Our elders taught us to look to the land, for when the land was ill, the Tribe would soon be ill as well. When we looked at the land, we saw the Everglades in decline and recognized that we had to help mitigate the impacts of man on this natural system. At the same time, we acknowledged that this land must sustain our people, and thereby our culture. The clear message we heard from our elders and the land was that we must design a way of life to preserve the land and the Tribe. Tribal members must be able to work and sustain themselves. We need to protect the land and the animals, but we must also protect our Tribal farmers and ranchers.

Recognizing the needs of our land and our people, the Tribe, along with our consultants, designed a plan to mitigate the harm to the land and water systems within the Reservation while ensuring a sustainable future for the Seminole Tribe of Florida. The restoration plan will allow Tribal members to continue their farming and ranching activities while improving water quality and restoring natural hydroperiod to large portions of the native lands on the Reservation and ultimately, positively effecting the Big Cypress National Preserve and Everglades National Park.

The Seminole Tribe's Big Cypress Initiative addresses the environmental degradation wrought by decades of federal flood control construction and polluted urban and agricultural runoff. The interrupted sheet flow and hydroperiod have stressed native species and encouraged the spread of exotic species. Nutrient-laden runoff has supported the rapid spread of cattails, which choke out the periphyton algae mat and sawgrass necessary for the success of the wet/dry cycle that supports the wildlife of the Everglades.

The Seminole Tribe designed an Everglades Restoration Initiative to allow the Tribe to sustain ourselves while reducing impacts on the ecosystem. The Seminole Tribe is committed to improving the water quality and flows on the Big Cypress Reservation. We have already committed significant resources to the design of the projects and to our water quality data collection and monitoring system. Within the next few months, the Tribe will begin construction on the conveyance system that will serve as the backbone to Big Cypress water control system. We are willing to continue our efforts and commitment of resources, for our cultural survival is at stake.

Small Watershed Project on Big Cypress

As a part of the Tribe's Everglades Restoration Initiative, the Tribe completed a water conservation plan for the design and construction of surface water management systems to remove phosphorus, convey and store irrigation water, improve flood control, and rehydrate the Big Cypress National Preserve. This water conservation plan has been permitted for construction under the Clean Water Act Section 404 program.

Through the Corps of Engineers (COE) critical project program authorized by the Water Resources Development Act of 1996, the Tribe is building part of that water conservation plan. The first phase of the critical project is to construct a conveyance canal system that will supplement and improve the existing system. The balance of the critical project will construct water storage and treatment areas on the east-side of the Reservation.

Over the last five years, the Tribe has enjoyed the support of the Florida State Conservationist and the Florida staff of the NRCS in the development of a small watershed project to address some needs identified in the water conservation plan. While some preliminary planning has been completed, an existing funding commitment prevented commencement of the small watershed project until Fiscal Year 2002. In Fiscal Year 2002, both the Tribe and the NRCS in Florida are prepared to begin design and construction of water storage and treatment areas on the west-side of the Reservation. To do so, Congress must appropriate the initial funding.

While all the project component options have not been fully vetted, the cost estimates range from downward from $34.6 million. This project is approved to operate with a 75% federal and 25% Tribal cost share. The timing of the design and construction are dependent on the funding stream.

Conclusion

Everglades restoration is a well-recognized national priority. The Tribe's goal of sustainable agriculture is consistent with the goals of the NRCS. The NRCS's support of the Tribe's conservation measures in the past, along with the implementation of future programs, will make a significant impact on the Big Cypress Reservation and the South Florida Ecosystem.

Through its assistance to the Tribe, NRCS has provided valuable technical assistance to date. Beginning in fiscal year 1999, NRCS has provided programmatic support through EQIP and WRP, which is anticipated to continue. Additional programmatic assistance through the small watershed program will provide the needed design and construction to complete the water conservation plan None of the joint objectives of the Tribe and the NRCS can be accomplished, however, without sufficient funding.

The Tribe has demonstrated its economic commitment to the Everglades Restoration effort; the Tribe is asking the federal government to also participate in that effort. This effort benefits not just the Seminole Tribe, but all Floridians who depend on a reliable supply of clean, fresh water flowing out of the Everglades, and all Americans whose lives are enriched by this unique national treasure.

Thank you for the opportunity to present the request of the Seminole Tribe of Florida. The Tribe will provide additional information upon request.

Statement of the
National Food Processors Association
Before the Subcommittee on Agriculture, Rural Development, and Related Agencies
Committee on Appropriations

April 10, 2001

Mr. Chairman, my name is John Cady, Chairman and CEO of the National Food Processors Association (NFPA), and today I am submitting testimony on behalf of NFPA. NFPA is the nation's largest food trade association representing a $460 billion industry that includes an estimated 20,000 manufacturing facilities and employs over 1.5 million Americans. With three laboratory centers, NFPA is the leading authority on scientific and public policy issues involving food science and safety for the food industry. For more than 90 years, the food industry has relied on NFPA for government and regulatory affairs representation, scientific research, technical services, education, communications, and crisis management.

NFPA was formed at a time when it was necessary to enhance public confidence in food safety, and we are proud of our contributions to further improve the safety of our nation's food supply. The U.S. food supply is the safest in the world. However, NFPA remains committed to working to make it even better. That is why NFPA advocates oversight and regulation that is appropriate. Our association is particularly supportive of providing an adequate level of funding for the Food and Drug Administration (FDA) and the Department of Agriculture's Food Safety and Inspection Service (FSIS). While several federal agencies have responsibility for food safety and quality programs, the FDA and FSIS share the primary responsibility for food regulation. NFPA, on behalf of our members, is making an enhanced commitment to focus on increasing the resources and productivity of these authorities. This year NFPA has launched a long-term effort, along with other leading food trade associations, to seek additional funding for FDA's Center for Food Safety and Applied Nutrition (CFSAN), which in real dollars, has had a steadily declining budget since 1973. While funding for CFSAN has risen by $100 million over the past four years, CFSAN must continue to enhance efficiency and productivity. Only by enhancing efficiency and productivity will the Center be able to stretch resource dollars further to meet the demands in areas such as food safety research, risk-based inspections and premarket reviews, including biotechnology and food additives.

User Fees

The Administration's FY 2002 Budget proposes new user fees – more appropriately described as regulatory taxes – that require food companies to pay for the privilege of being regulated. Though NFPA applauds the Administration for not proposing new user fees for FSIS, the FY 2002 request does include $13.4 million in new, unauthorized user fees. This includes $8.1 million for new, unauthorized user fees for import inspections and $5.3 million export certifications. NFPA appreciates that the Committee repeatedly has rejected these proposals in past Administration budget requests, and recommends

again that funding of food safety and regulatory programs should be borne through appropriated funds.

The proposed FDA user fees would be collected to provide food companies with certification documents for exporting products. Amounting to a tax on food trade, this would discourage the export of U.S. food and agriculture products at a time of already declining agriculture exports. Proposed user fees on the food industry are hidden taxes whose costs would be borne both by producers and eventually consumers in higher food prices.

NFPA does support the Administration's focus on FDA's export certification system, which needs reform to prevent the continuing backlog of document requests. However, establishing a user fee system would simply camouflage the deficiencies of the existing system. Furthermore, funding regulatory programs through taxes raised from the industry would only serve to undermine global public confidence in the independent judgment of FDA. We urge the Committee to reject this user fee proposal.

Food and Drug Administration's Food Regulatory Programs

NFPA supports the requested level of funding for FDA's food regulation activities, but recommends that priority be given to the areas of research, risk assessment, education and surveillance. Such priority setting will ensure that limited resources will be targeted toward reducing risk associated with food borne illness. In addition, we support FDA's infrastructure request for funding to administer the transfer of the CFSAN staff and facilities to College Park, Maryland and to construct a new regional laboratory in Los Angeles, California.

We also urge the Committee to protect funding for science-based food activities at CFSAN. Recent increases to CFSAN's budget have been absorbed by a combination of dedicated funding for regulatory initiatives and staff salary increases and cost-of-living adjustments. This "crowding out" effect appears to have contributed to a slow, but steady, erosion in FDA's ability to preserve its food science base. The continued decline of FDA's scientific base can only imperil FDA's long-term capabilities to respond rapidly and authoritatively to emerging scientific and policy challenges that grow increasingly complex. We urge the Committee to explore with FDA opportunities to support the integrity of CFSAN's scientific capabilities.

Biotechnology

NFPA recognizes the leading role FDA plays in ensuring public acceptance of emerging food technologies including biotechnology. NFPA strongly supports the proposed FY 2002 increase of $1 million to strengthen CFSAN's scientific capabilities and requests the Committee provide an even higher level of funding for this important function. In January, FDA released a draft guidance on labeling for food derived from biotechnology and a proposed rule on premarket notification. NFPA supports the increased funds to

assist in the expeditious publication of a final version of the guidance and rule to ensure the review process is thorough, rigorous, and scientifically based.

Extending the Food Safety Initiative

NFPA appreciates the continued emphasis that Congress has placed on food safety through its funding for the Food Safety Initiative for FDA, USDA, and the Centers for Disease Control and Prevention (CDC) in Fiscal Years FY 1998 through 2001. The FY 2002 request represents the new Administration's commitment to enhance efforts to prevent the spread of mad cow disease to the U.S., and to expand successful food safety activities. We endorse most aspects of the Administration's request to increase funding to reduce the prevalence of pathogens, and expand coverage to pesticides and chemical contaminants, particularly in those areas that emphasize research, risk assessment, education and surveillance. Our concern remains that FDA use resources efficiently and effectively. We would urge the Committee to encourage FDA to fully implement on-going monitoring and risk evaluations, and to expand current laboratory capabilities in order to increase timely risk assessments and scientific analysis before premature regulatory steps are taken. We request that the Committee remain vigilant in its oversight to ensure that appropriated funds for food safety programs are deployed in a manner commensurate with relative food safety risks.

Further Reforms Needed at Food Safety and Inspection Service

NFPA supports adequate resources for the FSIS, but is concerned with reports of personnel management practices that have led to inspector shortages and resulting plant slowdowns or work stoppages in meat and poultry establishments. We urge the Committee to review this problem to ensure the availability of inspection personnel either through additional resources or management reforms, including alternative inspection procedures.

NFPA supports the transition to a HACCP-based inspection system, but notes that FSIS has not fulfilled its past pledges to remove inspection regulations that are inconsistent with HACCP. We urge the Committee to ensure that unnecessary layers of regulation are promptly removed to speed HACCP implementation.

For example, NFPA is disappointed that FSIS reported to Congress in March 2001 that it would not follow through with an announced plan to move toward daily, unscheduled processing inspection in 2001. FSIS estimated that this would save an estimated $19 million. NFPA agreed that the FSIS plan put forward in the FY 2001 budget would free up appropriated funds to address inspection shortages and other significant food safety risks. NFPA believes unscheduled inspection in processing establishments could yield even greater benefits by allocating resources based on a public health risk allocation of resources. We urge the Committee to direct FSIS to explore methods of further maximizing this flexible approach.

NFPA also recognizes the lead role that FSIS plays in overseeing the work of the U.S. Manager for Codex Alimentarius. NFPA strongly supports the FY 2002 requested increase for FSIS Codex activities, and recommends that the Committee provide an even higher level of funding for this important function. Codex remains a critically important forum for ensuring U.S. leadership in international trade and food safety activities.

Conclusion

In conclusion, NFPA is grateful for the important funding oversight that the Committee provides to ensure the integrity of U.S. food safety regulation. The food industry endeavors to produce the safest and highest quality food products in the world. As a result, NFPA understands that adequate funding for our nation's food safety regulators through direct appropriations and enhanced productivity by the agency is fundamental to good public health, and to maintaining the confidence of consumers in the safety of the food supply. NFPA appreciates the opportunity to submit testimony on the President's FY 2002 food safety budget request.

The Honorable Henry Bonilla, Chairman
Subcommittee on Appropriations for Agriculture,
Rural Development, and Related Agencies
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Bonilla:

Pursuant to Rule XI, clause 2(g)(4) of the rules for the U.S. House of Representatives, I hereby certify that the National Food Processors Association has received the following Federal grant (or subgrant thereof) or contract (or subcontract thereof) during the 1999, 2000, and 2001 fiscal years.

1. "Quantitation of Listeria Monocytogenes in Ready-to-East and Risk Assessment" USDA, $340,000, date: 9/15/99-9/30/01
2. "Surrogates for Evaluating Efficacy of Thermal Processes" HHS, $122,175, date: 9/30/00-9/29/01
3. "Prevalence/Quantitation of Listeria Monocytogenes in Selected Retail Products" subcontract of FDA grant through the University of Maryland, $500,00, date: 10/01/00-09/30/02
4. "Listeria Monocytogenes- Ready-to-Eat Seafood Testing" subcontract of USDA through Cornell University, $19,423, date: 9/15/00-9/14/03

Sincerely,

John Cady
President

Committee on APPROPRIATIONS

Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name: John Cady, President & CEO, NFPA

1. Are you testifying on behalf of a Federal, State, or Local Government entity?	Yes	(No)
2. Are you testifying on behalf of an entity other than a Government entity?	(Yes)	No

3. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1999: See attached

4. Other than yourself, please list what entity or entities you are representing:

None

5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your representational capacity with the entities disclosed in question number 4:

None

6. If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships whom you are not representing?	Yes	(No)

7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) which were received by the entities listed under question 4 since October 1, 1999, which exceed 10% of the entities revenue in the year received, including the source and amount of each grant or contract to be listed:

None

Signature: John R. Cady Date: April 10, 2001



Written Testimony for the Record on the FY 2002 USDA Budget

Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies

Submitted by the National Association of Counties

April 10, 2001

The National Association of Counties thanks the members of this subcommittee for accepting our comments on the FY 2002 Budget for the United States Department of Agriculture.

We commend the President for his commitment to fiscal responsibility, but would like to touch on a few issues of importance to America's rural counties as they relate to budgetary matters. These include Water and Waste Disposal Grants, increased funding for the Animal and Plant Health Inspection Service, grants and loans for deployment of broadband technologies to rural areas, the Cooperative State Extension and Education Service (CSREES), and the wetlands reserve program.

1. Water and Waste Disposal Grants

America's rural counties are dependent upon assistance from the federal government for water and waste disposal grants. In a soon-to-be-released comprehensive survey of America's counties by Ohio State University, it finds that 6% of rural counties provide water and sewer programs to their rural citizens. As more of the urban population retires to the rural countryside in the coming years, this number is going to increase dramatically as rural county governments will increasingly be pressured to provide water and sewer and move away from septic systems.

The FY 2002 budget provides $529 million for water and waste disposal grants, a level frozen at FY 2001 budgetary levels. We recommend an increase in these grants so that rural county governments have the fiscal resources available to continue to provide for clean and safe drinking water in rural areas.

2. Animal Plant and Health Inspection Service

NACo recently passed a policy resolution at the organization's legislative conference in March 2001 addressing the Animal Plant and Health Inspection Service. Many of our rural county officials are concerned about the possibility of the European foot-and-mouth disease extending overseas to the United States.

Hundreds of America's counties are dependent upon ranching and grazing as an economic development tool. An outbreak of foot-and-mouth disease would not only devastate the livestock industry in the United States, but would also have deleterious effects on the fiscal integrity of our agriculturally dependent rural counties.

We commend President Bush for his commitment to combating this deadly animal virus by providing $849 million in funding for USDA's Animal Plant Health and Inspection Service (APHIS), an increase of $179 million over 2001 budget levels.

NACo recommends that portions of these funds to APHIS be used on the construction, equipping, operation and maintenance of the Ames, Iowa National Animal Health Facility included in the USDA Master Plan. Through construction of such a facility will result in a national center for animal health and food security, fusing animal disease research with the development, evaluation and implementation of diagnostics and biologics.

3. Grants and loans for deployment of broadband technologies to rural areas
America's rural counties consistently rank behind urban and suburban areas with regard to access to advanced telecommunications. In a recent study by the Departments of Agriculture and Commerce, 65% of people in urban areas of 250,000 population and above had access to cable modem service. This compares to 5% of people in areas of 10,000 population and below that had access. Furthermore, as 94% of Americans enjoy access to the Internet, people living in rural areas consistently have to pay long-distance charges in order to access the Internet.

Simply put, there is no economic incentive for businesses to provide broadband technologies to rural areas. This is one of those areas where the government can step in by providing fiscally constrained counties in rural America with the resources necessary to bring advanced telecommunications to rural areas. The President recommends $2 million in grants to provide broadband technologies and $100 million in loans. NACo recommends a re-examination of this combination by increasing the amount of grant monies and decreasing the loan monies to provide the resources necessary for rural America to keep pace with its urban and suburban counterparts in regards to access to advanced technologies.

4. Cooperative State Research, Education, and Extension Service (CSREES)
The CSREES mission emphasizes partnerships with the public and private sectors to maximize the effectiveness of limited resources. CSREES programs promote informed decision-making by producers, families, counties, and other customers. Extension agents reside in most of America's 3,067 counties and provide invaluable assistance on matters related to economic development and agricultural issues.

In 2002, President Bush's Budget for CSREES will maintain funding at $991 million for all programs except those that were funded with congressional earmarks in 2001. While we recognize the desire for fiscal restraint, many of our rural counties are dependent upon Extension as a technical resource tool. In turn, counties leverage their own funds on top of federal dollars to provide extension agents with further training, housing and additional overhead. While levels for CSREES are frozen from 2001 levels (with the exception of congressional earmarks), we recommend an increase in the Extension portion of the budget to continue the collaborative partnership between America's counties, the federal government and citizens living in these counties.

5. Wetlands Reserve Program
NACo urges Congress and the Administration to fund and expand backlogged farm conservation programs such as the Wetlands Reserve Program. There are more than 11 million acres backlogged in the Buffer, Filter Strip, and other conservation programs and 560,000 acres in the Wetlands Reserve Program, according to the Natural Resource Conservation Service (NRCS). The NRCS estimates that restoring wetlands and other conservation measures can reduce 100-year floods by up to 39 percent, depending on the particular watershed characteristics.

Funding these programs could help family farmers conserve the land and provide them much needed support with record low farm prices.

President Bush's budget would eliminate all $162 million of the program and NACo recommends restoring the funding for the Wetlands Reserve Program at least to FY2001 levels.

Thank you for the opportunity to comment on the President's FY2002 budget as it relates to agriculture and rural development issues.

Testimony Submitted

by

Dr. Raymond E. Bye, Jr.
Vice President for Research
Florida State University

Before the Subcommittee on Agriculture, Rural Development, Food and Drug
Administration and Related Agencies
Committee on Appropriations
U. S. House of Representatives

April 10, 2001

Agency Addressed: USDA
Agriculture Research Service Account

Mr. Chairman, I would like to thank you and the Members of the Subcommittee for the opportunity to present testimony before this Committee. I would like to take a moment to briefly acquaint you with Florida State University (FSU).

Located in Tallahassee, Florida's capitol, FSU is a comprehensive Research I university with a rapidly growing research base. The University serves as a center for advanced graduate and professional studies, exemplary research and top quality undergraduate programs. Faculty members at FSU maintain a strong commitment to quality in teaching, to performance of research and creative activities and have a strong commitment to public service. Among the faculty are numerous recipients of national and international honors, including Nobel laureates, Pulitzer Prize winners as well as several members of the National Academy of Sciences. Our scientists and engineers do excellent research, have strong interdisciplinary interests, and often work closely with industrial partners in the commercialization of the results of their research. Having been designated as a Carnegie Research I University several years ago, Florida State University currently is approaching $125 million per year in research awards.

FSU will soon initiate a new medical school, the first in the U.S. in over two decades. Our emphasis will be on training students to become primary care physicians, with a particular focus on geriatric medicine—consistent with the demographics of our state.

Florida State attracts students from every county in Florida, every state in the nation, and more than 100 foreign countries. The University is committed to high admission standards that ensure quality in its student body, which currently includes some 192 National Merit and National

At Florida State University, we are very proud of our successes as well as our emerging reputation as one of the nation's top public universities.

Mr. Chairman, let me tell you about a project we are pursuing this year through the US Department of Agriculture/ Agricultural Research Service Account. Florida State University (FSU), Harbor Branch Oceanographic Institution (HBOI), and USDA's Agriculture Research Service (ARS) are collaborating on a five-year research and development program to design low-cost, energy efficient recirculating aquaculture production systems for marine species in new environments. These efforts will expand the aquaculture opportunities for subtropical marine species to inland sites throughout the southern United States.

There is an increasing global awareness of the need for sustainable aquaculture development. By the year 2025 global population is projected to reach 8.5 billion, with a projected demand for seafood of 120 million metric tons (MMT). Capture fisheries reached the carrying capacity more than ten years ago, but the demand for seafood has shown no signs of abating. The Food and Agriculture Organization (FAO) reported that in 1995 aquaculture only accounted for 26% of the total world harvest of food fish. In 1997, U.S. seafood imports increased both in volume and value with shrimp topping the list at 278,600 metric tons valued at $2.7 billion dollars. Shrimp imports continue to be the second largest contributor to the U.S. trade deficit and it is expected that finfish imports will follow the same scenario. There remains a great need for U.S. aquaculture production to fill this void and relieve some of the harvest pressure on wild fish stocks.

Competition for access to the limited U.S. coastal land resources requires innovative approaches to develop and expand marine aquaculture into new environments. HBOI has work underway demonstrating that many saltwater species thrive in freshwater systems with the appropriate chemical makeup. Experimental and demonstration trials have shown that some species of marine fish and shrimp can be successfully acclimated and grown to market size in hard freshwater systems, thus, expanding the sites where marine species can be cultured.

In response to public concern about environmental protection of coastal waters and producer concern about biosecurity to protect farmed aquatic resources from disease and poor water quality, farmers are turning to recirculating aquaculture production systems. In many locations around the U.S., regulatory constraints already require the use recirculating aquaculture systems. In order to use these systems to produce marine finfish, we need to improve the filtration efficiency and develop cost effective recirculating production systems

The objectives of the five-year research program are to: develop the culture technology to produce marine or brackish water species in new environments (i.e., fresh water); improve the energy efficiency (i.e., solar) and reduce the production costs for enclosed aquaculture production systems; and design low-cost recirculating systems for intensive aquaculture production. The goal of our work is to design a cost effective and energy efficient solar aquaculture system capable of sustained production of warm-water species throughout the year in colder climates. The research team will design and test low-cost recirculating nursery and growout production systems for marine finfish. Our design will also include a computer control system for all solar components, water and interior temperatures, recirculating systems, and other mechanical components. Findings will expand U.S. aquaculture production of saltwater species into new locals, result in better utilization of land resources and reduce the demand for imported aquaculture products.

The collaborating institutions are seeking an appropriation of $1.7 million in FY2002 to support the development of sustainable marine aquaculture systems through the US Department of Agriculture's Agricultural Research Service (ARS) account.

Mr. Chairman this is an excellent project that will yield great rewards for our nation and is just one of the many ways that Florida State University is making important contributions to solving some key problems and concerns our nation faces today. Your support would be appreciated, and, again, thank you for an opportunity to present these views for your consideration.

Testimony Submitted to the
House Agriculture, Rural Development and
Related Agencies Appropriations Subcommittee
on behalf of Alachua County, Florida
by the Alachua County Board of County Commissioners
April 10, 2001

Mr. Chairman:

Thank you for allowing the Alachua County Board of County Commissioners to submit this written testimony before your Subcommittee regarding two significant projects. They are the Partners for a Productive Community Enhancement Initiative, and the Critical Services to Underserved Areas Initiative.

Partners for a Productive Community Enhancement Initiative
($2.3 Million in Funding Requested)

In response to a spiraling crime rate in southwest Alachua County, the Alachua County Sheriff's Office requested help from the Board of County Commissioners in 1993. Specifically, the Sheriff reported that 57% of its 911 calls came from an area that had only 3.2% of the County's population.

The County Commission responded by providing $38,000 in funding for a Program Manager to staff the Partners for a Productive Community (PPC) Program in fiscal year 1994.The PPC was launched as a strategic planning effort with three goals: the establishment of neighborhood-based services, the development of public/private partnerships and a focus on crime prevention. This Program has enjoyed great success due to the coordinated efforts of the Sheriff's Office, the Courts and the Alachua County Department of Community Support Services. Furthermore, since the inception of this Program, the County has budgeted over $1.6 million to support the Program through the Community Support Services Department and Sheriff's Office. Additionally, over $2.4 million has been leverage from other county departments, local social service providers and the Sheriff's Office through a local law enforcement grant.

The goal of the Sheriff's Office was to reduce the number of calls from the area, and to develop a relationship of trust with the area's residents. The goal of the Courts was to help with the swift prosecution of cases, and to increase personnel in key areas. Finally, the goal of the County's Department of Community Support Services was to develop and implement a neighborhood needs assessment, and to determine the social service needs in accordance with the results of the assessment. The Community Support Services Department was also responsible for developing public/private community partnerships, and community based organizations comprised of tenants, property owners and managers. Thus, this project represents a multi-agency strategy to stabilize, revitalize and sustain five specific neighborhoods of Alachua County.

In addition to improving the area's basic infrastructure, federal funding is also being requested to provide community recreational programs for the area's youth. These activities will provide positive alternatives to crime, and allow youth to participate first hand in community improvement programs. In doing so, these programs will build and encourage positive self-esteem, leadership skills and academic achievement. To complement these programs, additional improvements will be made in the community Safe Havens. Finally, the requested funding will also allow the PPC to expand this successful demonstration program into other at risk Alachua County communities such as Archer, Florida. Specifically, the PPC will develop a partnership strategy to address the unmet needs of health care, education, training, employment, youth recreation and transportation for the residents of Archer.

This request for federal funding is justified by the tremendous improvements and accomplishments that have been made in these neighborhoods since 1995. These achievements include: free community day care for 75 children, 30 community day care slots, 24 in-home day care slots, the creation of 30 new jobs by the Early Progress Center, the reduction in 911 calls from 57% to 14% of total calls in the area, and substantial increases in the property values for four of the five neighborhoods.

Furthermore, the implementation of seasonal recreation programs in the targeted communities by the Y.M.C.A. has been instrumental in providing positive, character building activities for children, teenagers and adults. Day camps are provided during the summer months, and back-yard sports are provided at the end of the school day during the school year. In addition, two 4-H Clubs serving 60 neighborhood children were established along with after school and community teen programs. Adult literacy and GED classes were made available at a nearby school campus. Finally, other programs have been established for the purpose of creating a sustainable neighborhood. These programs include quarterly informational forums concerning small business development, educational opportunities, self-help seminars, budget management and landlord/tenant issues.

With respect to community-wide improvement programs, a total of nine neighborhood cleanups were completed this year. With the active involvement of the residents of the neighborhoods, the Alachua County Office of Codes Enforcement has been able to reduce from twenty to two the number of abandoned and vandalized buildings. Furthermore, a new Waste Collection Ordinance which was supported by the PPC permits the efficient and timely citation of violators.

The sustaining factor within this Program is the formally organized Partners for a Productive Community Council. The Council is the guiding force that deals with issues and determines unmet needs. For example, a block captain organization was started this year with the assistance of the PPC Council, and the Alachua County Sheriff's Office. This group monitors and manages crime prevention programs block by block.

In recognition of the numerous accomplishments described above, the PPC received the National Association of Counties' Achievement Award in 1996 for distinguished and innovative contributions

to improving county government. Additionally, the League of Women Voters presented the County with a similar award for outstanding community service.

Furthermore, in December 1999 Alachua County received Official Recognition from the Executive Office of Weed and Seed for two of the neighborhoods being served by the Partners for a Productive Community Program. Pursuant to this recognition, these communities have been awarded a $175,000 Weed and Seed Grant for prevention and intervention strategies focusing on Cedar Ridge and Linton Oaks neighborhoods. This grant will further strengthen the long-term efforts to improve the quality of life in these neighborhoods.

As noted above, the federal funding requested will also be used to expand the successful Partners Initiative into the rural community of Archer, which is located in the southwestern portion of Alachua County. Archer and the rural areas surrounding it have a population of 6,348, of which 16% fall below the poverty level. While the City of Archer has one elementary school, emergency rescue, fire and police services are contracted from Gainesville/Alachua County. There are also two public housing communities, and a small obsolete community center which is used as a congregate meal site for senior citizens. Consequently, many of Archer's residents travel to Gainesville for employment, social services, recreational activities, adult and continuing education and health care.

Recently, the University of Florida, School of Nursing received $200,000 from the Florida Legislature to provide primary health care through a clinic based in Archer. Presently, this clinic is on the State Department of Health's list to be eliminated due to the limited area that it serves. Should this occur, there will be a need for additional funds to meet the health care needs in this area. Thus, a portion of the federal funding in this request could be channeled through the Alachua County Health Department in our continuing effort to develop partnerships, maximize resources and expand services to the citizens of Alachua County through our rural service initiative.

Employment opportunities, recreation for teens and outreach social services continue to be a challenge for the community of Archer. According to the Alachua County Sheriff's Office, Archer's crime rate is disproportionately high for a community its size. In 2000, the Alachua County Sheriff's Office received 2,657 calls for service. Of the dispatched calls, 30 were assaults and batteries, and 5 were for sexual battery. The largest number of dispatched calls (869) concerned burglary and theft.

In conclusion, Alachua County is requesting $2.3 million in federal funding to continue its highly successful and award winning neighborhood revitalization programs; and to expand these successful model programs to other neighborhoods, including the City of Archer, Florida.

Critical Services to Underserved Areas
($1.81 Million in Funding Requested)

Without a safe and reliable source of public utilities, the residents who live in the southeastern portion of the City of Gainesville and Alachua County must rely upon the use of obsolete private water systems, septic tanks and propane gas for their utility services. In addition to the health and

safety concerns, this lack of a public utility infrastructure serves as a deterrent to the area's economic revitalization.

While several subdivisions in the target area are in immediate need of a public utility infrastructure, it is the County's intent to approach this model program by focusing on the Kincaid Road subdivision as Phase I of the Initiative. This subdivision currently has over 150 homes on septic tanks, with many of them also using propane gas for heating. Historically, there are numerous health risks associated with malfunctioning septic tanks, including the possible contamination of ground water which could lead to the development of diseases within the area.

Gainesville Regional Utilities (GRU) indicates that the infrastructure needed to provide wastewater service to this area includes: the wastewater collection system lift stations, grinder pumps and on-site plumbing to connect to a new gravity sewer system. GRU estimates that the construction and extension of a central wastewater system to the Kincaid Road subdivision will cost approximately $1,585,000, while the extension of the natural gas lines is estimated at about $225,000. Thus, the total cost of Phase I of this model program is $1.81 million. Finally, it's important to note that GRU is currently planning wastewater facilities to serve the Kincaid Road subdivision, and may perform additional engineering work as in-kind services. The additional engineering work is estimated to cost approximately $121,000.

While Alachua County is requesting assistance from the federal government in funding this portion of the model program for the area's revitalization, the County has already begun numerous other programs and projects that have had an positive, significant impact on the area's redevelopment. For example, in July of 1996, the County began a series of neighborhood meetings in Greentree Village, which is a subdivision of about 60 households in the target area. Residents were encouraged to express their concerns about the area's problems and establish priorities. As a result of these meetings, the County assisted Greentree Village in the establishment of a crime watch program and the creation of a backyard recreation program through the Y.M.C.A.

Several new public buildings and facilities have also been located within the target area to encourage its redevelopment. During 1998/99, Alachua County expended about $5.5 million to purchase and renovate the Eastgate Shopping Center for the Alachua County Sheriff's Office. This new facility is 56,200 square feet in area, and it serves as the base of operations for the County's 239 sworn deputies, and 260 non-sworn administrative and support personnel. Completing this law enforcement complex is the new Alachua County Communications and Emergency Operations Center which recently opened adjacent to the new Sheriff's Office. This facility cost about $5.3 million and operates as a joint center for both Alachua County and the City of Gainesville.

Finally, with a contribution of approximately $430,000 from Alachua County, the City of Gainesville has completed a new Technology Enterprise Center (TEC) within the target area. This $3.0 million business incubator consists of a new, two-story 30,000 square foot facility located in the City of Gainesville Enterprise Zone. Over 60% of the construction funds for the TEC were provided by a grant from the U.S. Economic Development Administration. The purpose of business incubators is to promote the growth and development of new enterprises by providing flexible space

at affordable rates, a variety of support services, access to management, technical and financial assistance, and opportunities to interact with other entrepreneurs and business experts. Even though this facility has just recently opened, about 13,000 square feet of the TEC has already been leased to a leading technology accelerator company specializing in speeding pioneering technology entrepreneurs to the market. It is expected that when fully operating, the TEC will foster the creation of higher wage jobs, the expansion of the tax base and the augmentation of new business development within the target area.

In conclusion, Alachua County is undertaking the redevelopment of an existing urbanized area, which includes the modernization of its utility infrastructure. These improvements will build upon numerous previous programs and projects that have already had a positive impact upon the area. Phase I of this model program includes the extension of a central wastewater system to the Kincaid Road subdivision, as well as the extension of natural gas lines. The support of this Phase of the project through federal funding will serve as an impetus for the continued revitalization of these residential areas.

Concluding Comments for Written Testimony

The two initiatives described above represent well-conceived programs that address the social, physical and economic needs of the citizens of Alachua County. Furthermore, they demonstrate the County's continuing commitment to programs that emphasize a balance between environmental protection, economic development and social equity for all of the residents of the County. Therefore, we hope that the Subcommittee will find these two critically important projects worthy of your support. Thank you for your consideration.

Testimony Submitted by the Coalition for APHIS/Animal Care Appropriations To the Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies Committee on Appropriations, U.S. House of Representatives On FY 2002 Appropriations for Animal Welfare Act Enforcement, United States Department of Agriculture April 10, 2001

The Coalition for APHIS/Animal Care Appropriations first wishes to express its appreciation to the Committee for helping to improve *Animal Welfare Act* (*AWA*) enforcement in fiscal years 2000 and 2001 through the first funding increases the program has experienced in a decade. As you know, the *Animal Welfare Act* sets minimum standards of humane care for millions of animals in research institutions; in zoos, circuses, roadside menageries, and other exhibits; at the facilities of breeders and dealers; and during transportation by common carriers, such as airlines. After such a long period of budget stagnation and program retrenchment, the Animal Care (AC) division of the Animal and Plant Health Inspection Service has put the new funds to good use by, among other things, increasing the number of compliance inspections, which are crucial to protecting human and animal health and safety as the law requires, from a low of 8,772 to a projected 10,086 this fiscal year. Moreover, Animal Care has initiated a more vigorous effort directed at unlicensed facilities, and has more frequently been able to confiscate and place animals immediately when necessary to relieve suffering.

Our testimony today urges the Committee to continue to support this steady and much needed improvement in AWA enforcement, which would entail a modest total increase of $3.8 million in FY 2002 in three critical *AWA*-related programs. We have attached materials providing details on each component of this request and have summarized as follows:

1. Ideally, **Animal Care** should be conducting 17,000 *AWA* compliance inspections per year (AC also carries out over 1,000 prelicensing and preregistration inspections annually), conducting internal audits and inspector quality reviews, and expanding its programs for regulated industries. To sustain the progress it has achieved in the last two years, Animal Welfare will need a **modest increase of $2.4 million** in FY 2002, for a total appropriation of **$14.5 million**.

2. Ironically, Animal Care's enhanced *AWA* activities have now brought to the fore problems elsewhere, specifically in Investigative and Enforcement Services. This division supports AC's inspectors through timely and complete investigations of alleged *Animal Welfare Act* violations. Like AC, IES has experienced severe erosion in its purchasing power; unlike AC, however, it has not begun a recovery from the resulting erosion in its programs. In 2000, it had only 56 investigators, down from 73 in 1992. AWA investigations have dropped from approximately 800 in the early 1990s to 329 in 2000. **A relatively small increase in FY 2002 of $1 million**, for a total appropriation of **$7.263 million**, would enable IES to add much-needed field investigators, especially in areas with high concentrations of

animal welfare licensees and registrants. More investigations could be completed in less time and better tracking of unlicensed facilities would be possible. Because IES has other responsibilities unrelated to its role in AWA enforcement, we respectfully request that the following report language also be included so as to avoid confusion within the division:

> "The Committee directs that the $1 million of additional funds for Investigative and Enforcement Services be used for enhanced enforcement of the *Animal Welfare Act.*"

3. An important resource for assisting research institutions in complying with the *AWA* is the Animal Welfare Information Center, which serves as a clearinghouse and education resource for all individuals involved in the care and use of animals for experimentation. However, its $750,000 appropriation is unchanged since AWIC's creation in 1985. With an **additional $400,000 in FY 2002**, for total spending of **$1.150 million**, the Center could, among other things, conduct more user workshops, develop web-based training, and expand its website content and improve the search engine to maximize access to the data available.

We thank the Committee for this opportunity to express our support for this modest request, one that is very small in the context of the department's budget but large in its ability to sustain and advance the progress in AWA enforcement that Congress has made possible in the past two years.

Submitted on behalf of the Coalition for APHIS ANIMAL CARE Appropriations, representing regulated industry, the scientific community, humane organizations, and their members across the U.S.:

The American Humane Association
The American Society for the Prevention of Cruelty to Animals
The American Veterinary Medical Association
The American Zoo and Aquarium Association
The Humane Society of the United States
National Association of Federal Veterinarians
Society for Animal Protective Legislative
Working for Animals used in Research, Drugs, and Surgery (WARDS)

Neither the Coalition itself nor any of its constituent groups, to the best of their knowledge, receives any federal funds.

Coalition for APHIS Animal Care Appropriations
FY 2002 Budget Request for *Animal Welfare Act* Enforcement

Animal Care (Animal and Plant Health Inspection Service)

FY 2000	$10.167 million
FY 2001	$12.167 million
FY 2002	$14.500 million (Needed increase of $2.4 million)

Between FY 1992 and FY 1999, the appropriation for the **Animal Welfare** program under Animal Care remained stagnant, which meant a decrease in spending power. The number of inspectors responsible for nearly 10,000 sites fell from 88 to 64. Inspections dropped precipitously, from nearly 18,000 to 9,000. With respect to commercial dog breeders alone--some of the most problematic of licensees and the area where many unlicensed facilities operate--the average rate of inspection fell from three per year to one, which includes the average of four to eight visits required by noncompliant facilities. Audits by the Office of Inspector General found that "APHIS did not ensure all sites are periodically inspected" and "did not perform all required reinspections." A 1998 audit found that "of 221 sites used by 3 airlines in one APHIS region, only 32 percent had been inspected since January 1995." In the meantime, problems during air travel continue to result in the death, injury, and loss of animals.

In FYs 2000 and 2001, the Animal Welfare portion of Animal Care's budget rose by a cumulative $3 million, to $12.167 million. This increase has allowed a strengthening in the number of inspectors to 80 and a slow recovery in the number of annual inspections (although in FY 2000 the number still went down, it slowed considerably and actually went up in the last half of the year as the new staff went out into the field); just over 10,000 inspections are projected for FY 2001). Animal Care has initiated a more vigorous enforcement effort directed at "puppy mills" that are in chronic violation of the law, as well as at those not licensed at all.

These improvements are long overdue and most welcome and demonstrate the effective use to which Animal Care is putting its increased funding. They also show the tremendous need that remains. In order to ensure that all sites are visited at least once annually and all noncompliant facilities receive the needed follow up, AC should be conducting **at least 17,000 compliance inspections** per year. (AC also carries out over 1,000 prelicensing and preregistration inspections annually.) APHIS also expects--and indeed, is already seeing--a rise in the number of airline-related incidents it must investigate as a result of new reporting requirements mandated in the FAA Reauthorization Act (P.L. 106- 181, Section 710).

A $2.4 million increase in FY 2002, for a total appropriation of $14.5 million would enable AC to maintain all current AWA activities; strengthen its field staff by hiring, training, and equipping an additional 12 inspectors; increase AWA inspections to approximately 11,600 and improve follow-up inspections to verify correction of violations; increase searches for unlicensed and unregistered operations and other illegal activities; handle Animal Welfare Act complaints more quickly; expand programs for regulated industries; and implement internal audits and inspector quality reviews.

Investigative and Enforcement Services (Animal and Plant Health Inspection Service)

FY 2000	$ 5.850 million
FY 2001	$ 6.263 million
FY 2002	$ 7.263 million (Needed increase of $1 million)

APHIS's Investigative and Enforcement Services provides crucial support to Animal Care's inspectors (in addition to three other APHIS divisions) through timely and complete investigations of alleged *Animal Welfare Act* violations. IES staff perform a variety of critical functions: Conduct investigations; track unresolved cases; coordinate investigative efforts within APHIS and with other federal and state agencies; train APHIS inspectors in documenting violations and gathering evidence

As with AC, ten years of static budgets have eroded IES's purchasing power, resulting in a substantial reduction in force, from 73 investigators in 1992 to 56 in 2000. Only 329 AWA investigations occurred in 2000, a 58 percent drop from a yearly high of 800 in the early 1990s. The average time needed to complete an investigation in 2000 was about 140 days; in the early 1990s, it was 60 days. Clearly the budget shortfalls during the last decade have a serious detrimental impact on IES's operations, which in turn adversely affects the health and well-being of regulated animals, who may not receive relief until a case is resolved. Moreover, the deterrent effect of a sanction is severely diminished when action is not taken soon after the violation.

IES's FY 2001 budget is insufficient to keep up with the projected growth in demand for its investigative and enforcement services in the next few years as a result of the addition of 250 inspectors to Plant Protection and Quarantine, and the addition of a total of 35 inspectors to Animal Care between FYs 2000 and 2002.

Because IES has fallen so far behind, the modest increase of $400,000 in IES budget for FY 2001 was insufficient to cover current program activities; most of it was immediately absorbed by cost of living increases. The APHIS Administrator made a one-time transfer to allow IES to fill critical vacancies in the central part of the country.

An increase of $1 million in FY 2002, for a total appropriation of $7 26 million, will enable IES to fill a critical vacancy for an enforcement specialist and continue to support the four field investigator positions now temporarily funded through the APHIS Administrator, as well as add four new field positions strategically placed in areas with high concentrations of animal welfare licensees and registrants. With these additional funds, other improvements in IES functions would occur, including:

- *Reducing time to complete investigations;*
- *Allowing investigators to accompany Animal Care staff to noncompliant facilities;*
- *Deploying "quick-response" teams to respond to high-priority violations;*
- *Implementing electronic case report format to accelerate case routing and processing;*
- *Increasing tracking of unlicensed operators.*

With this additional funding, IES would be able to respond more quickly to the growing number of new animal care violation cases and to enhance enforcement efforts directed toward protecting the welfare of animals under the *Animal Welfare Act.*

The Animal Welfare Information Center (Office of Research, Education and Economics/National Agricultural Library)

FY 2000	$ 750,000
FY 2001	$ 750,000
FY 2002	$1.150 million (Needed increase of $400,000)

The Animal Welfare Information Center (AWIC) was created by legislative mandate in the 1985 amendment to the Animal Welfare Act, the Improved Standards for Laboratory Animals Act. The AWIC's purpose is to serve as a clearinghouse and educational resource for all individuals involved in the care and use of animals for experimentation. The Center provides information on appropriate care for animals including minimization of pain and distress, preventing unintended duplication of experiments, training for laboratory employees, legal requirements regarding the use of animals in research, and reduction and/or replacement of the use of animals in research, where possible. The website address for AWIC is http://www.nal.usda.gov/awic and users have accessed this site nearly half a million times in one year alone. It is an invaluable resource for the research community, yet its funding has remained stagnant at $750,000 since its creation more than fifteen years ago.

We are seeking a $400,000 increase in appropriations to enable the AWIC to provide much needed services. These additional monies would permit the Center to sponsor workshops in different regions of the country and to develop web-based training to educate the regulated community and thereby ensure increased compliance with the federal law. The website would be expanded with additional material and an updated search engine to maximize access to the data available and the efficiency of obtaining it.



NASULGC National Association of State Universities and Land-Grant Colleges

TESTIMONY

PRESENTED TO THE

SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT,
FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

OF THE

COMMITTEE ON APPROPRIATIONS,
U. S. HOUSE OF REPRESENTATIVES

ON BEHALF OF THE

BOARD ON AGRICULTURE
OF THE
NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES

BY

DR. GALE A. BUCHANAN

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APRIL 10, 2001

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Board on Agriculture

National Association of State Universities and Land-Grant Colleges

Recommendations for USDA's
Cooperative State Research, Education, and Extension Service for FY 2002

Submitted by Dr. Gale A. Buchanan
Chair of the NASULGC Board on Agriculture Budget Committee

Mr. Chairman, I would like to extend my thanks to you and the Committee for the opportunity to submit testimony regarding funding for USDA's Cooperative State Research, Education, and Extension Service in FY 2002. I am Gale A. Buchanan, Dean of the College of Agricultural and Environmental Sciences at the University of Georgia. I serve as Chair of the Board on Agriculture Budget Committee of the National Association of State Universities and Land-Grant Colleges (NASULGC). Founded in 1887, NASULGC is the nation's oldest higher education association. A voluntary association of public universities, land-grant institutions and many of the nation's public university systems, NASULGC campuses are located in all 50 states, the U.S. territories and the District of Columbia. As of October 2000, the association's membership stood at 212 institutions. This includes 75 land-grant universities (of which 18 are the historically black public institutions created by the Second Morrill Act of 1890) and 28 public higher education systems. In addition, tribal colleges became land-grant institutions in 1994 and 30 are represented in NASULGC through the membership of the American Indian Higher Education Consortium (AIHEC).

The Bottom-line

The Land-Grant Colleges and State Universities support doubling the investment in agricultural research, extension and teaching over the next five years. To accomplish this goal,

We recommend increasing funding for USDA/CSREES by $200 million in FY 2002.

We recommend that these increases be accomplished through a balanced portfolio of investments, which are listed in the attached table. We recommend that these increases be targeted to investments in five priority areas: An Educated Workforce, Dependable Food Supply, Revitalizing Communities, Environmental Balance, and Capacity Building. The Capacity Building category allows for critically needed investments in our minority-serving institutions, which will enable them to more effectively address the other priority areas and the unique needs of the communities that they serve.

Invest in an Educated Workforce

The entire traditional education system is due for an overhaul and expansion. It must be transformed through technology, electronic-based learning and globalization of the curriculum. And there's no time to spare. In a very few years, today's students will run a food and agricultural system with assets exceeding a trillion dollars. Almost 20 percent of the workforce in this country is involved in the production, processing, packing and distribution of nutritious and safe food and fiber. All the new technology and knowledge in the world are useless without the well-trained mind of someone to learn from it, apply it and expand it. Yet undergraduate

and graduate education in colleges of agriculture and life sciences is largely neglected in federal funding. More investment is needed to make the higher education system a more global one through electronic-based learning. We need to equip our college students, especially minorities, with skills and opportunities to become leaders in our nation's workforce. And we need to ensure that the state and land-grant university system continues to provide unbiased information, continuing education and workforce preparation to help people prosper in today's ever-changing world. Our state and land-grant institutions educate future scientists and employees who serve one of the largest sectors of the American economy. Their future is key to our nation's future.

We are proposing that an investment of $19.7 million be targeted towards workforce education. The specific funding mechanisms that we think can best address this issue are listed in the Table. We recommend increased funding for Graduate Fellowship Grants, Institution Challenge Grants, Multicultural Scholars, and Secondary/2-year Post Secondary grants. As part of this mix of funding mechanisms, we propose that $3 million be identified for workforce preparation within the integrated Sec. 406 accounts. This new program would integrate research, teaching, and extension elements into workforce preparation, fostering innovation in our agricultural teaching and extension outreach programs.

Invest in a Dependable Food Supply

As agricultural markets rapidly move into the world arena, American farmers go head to head with farmers from other countries who rely on high government supports, work under less stringent environmental protection rules and safety standards, or pay far less for labor and other expenses. Yet American farmers must compete internationally to stay in business. Their best hope is science, conducted through state and land-grant universities. New biotechnology tools and the science of genomics will open new horizons and challenges for food production, processing and international trade. Advancements in health and agricultural sciences will help us better understand the interactions between diet and health. It can learn how foods may contribute to allergies or stave off chronic diseases. It can fight insects, weeds and diseases in the field; create new crops and economic opportunities; develop new foods and processing techniques, and keep pathogens and other dangers out of the food supply.

When it comes to food, everyone — consumers, growers, processors and authorities — all demand safety, and for good reason. The Centers for Disease Control and Prevention says 76 million illnesses can be attributed in this country to food-borne diseases. Economic losses attributed to meat and poultry risks alone may top $28 billion annually. Many of the causes of greatest concern were not even recognized 20 years ago. Recent news about "Mad Cow" and "hoof-and-mouth" diseases are immediate examples of the need to invest in assessment and treatment research, as well as producer training and public education programs. Biotechnology, genomics and other yet-undiscovered sciences must undergo rigorous reviews to keep a close eye on these promising advancements. They may offer the key to developing foods to combat diseases and chronic health problems, and improving nutrition.

To address the production needs of farmers and ranchers and the safety and health concerns of consumers, we request a total budget increase in this category of $35.404 million. The mix of funding mechanisms that can best target these issues are shown in the Table. We have proposed increasing Hatch research funds by $7.587 million, to be targeted to these issues. We've targeted all of our proposed increases in Animal Health to these issues. We urge enhancing the Expanded Food and Nutrition Education Program (EFNEP). We recommend a doubling of the Ag in the Classroom program. We recommend creating two new categories in Sec. 406. We recommend creating an category addressing biobased products, both to develop alternative renewable energy sources and to develop new and value added products. We recommend a second category to address biotechnology and health issues, which should be targeted towards addressing research and education efforts to address public

concerns regarding emerging new technologies, such as genetically modified organisms. We also recommend funding a Small Farms Initiative to meet the special challenges facing smaller producers.

Invest to Renew Communities

Community leadership, sound public policy, portfolio diversity for the tax base, well-managed and envisioned community services, active public involvement, strong schools and medical facilities, a healthy population: these are the characteristics of a healthy, growing community. Both rural and urban communities will face special challenges in the next decade. Local communities will be required to make complex decisions about health care, education, telecommunications, economic development, and the delivery of social services. The land-grant system is the only dependable source of information for many struggling communities. It can arm them with the necessary tools to succeed. Researchers and educators can help them develop participatory citizens, involve youth through 4-H in life-long learning, promote economic vitality, and strengthen the agricultural and agribusiness sector. They can tackle community health issues, enhance private forestland production while sustaining environmental quality and train potential community leaders. The Extension Service educates community leaders, coordinates projects across states and regions to help communities learn from each other, and develops local solutions to local challenges. The land-grant system can help bridge the widening gap in acquiring and applying technology in communities in danger of being left behind in the technology revolution.

We request a total budget increase of $30.646 million to help our communities. All of the proposed increase of $23.178 million for Extension formula funds (Smith-Lever) is targeted to developing community opportunities. We recommend strengthening the Extension investment in our Rural Development Centers and we recommend reestablishing the research component of these Centers. We recommend increased funding for our Children, Youth and Families at Risk programs. We also propose developing a new designation within the Sec. 406 account to be targeted to rural economic development.

Invest in Environmental Balance

Production of food and fiber also means conserving scarce natural resources, private forests and open spaces. Research, extension and education efforts at state universities and land-grant colleges are providing farmers and ranchers with the tools and technologies that they must have to conserve their natural resource base and protect the environment, while staying economically healthy and competitive. Our programs provide science-based management alternatives that help prevent the need for regulatory solutions. Environmental research at schools of agriculture is playing a part in devising new technologies to reduce or reuse animal wastes and crop byproducts. Novel studies in animal diets, air quality and animal production systems will help keep agricultural odors away from the non-farmers. The use of global positioning system precision farming sensors can reduce runoff of farm chemicals and land-applied animal waste. Scientists are looking at crops that could trap carbon to slow climate change. Complex biochemistry could change plant oils into petroleum-like materials. With increased investment, scientists can increase their discoveries of new ways to control pests naturally, maintain biodiversity, and tackle environmental problems

Research and education efforts at the land-grant universities created Integrated Pest Management (IPM), a well-known system that melds management and technology to reduce the use of expensive and potentially harmful pesticides in and around farms, businesses and public buildings. The next generation of integration, called Environmental Management Systems looks at the entire system of agricultural production and how strategies and methods can improve conditions for farm workers, children, consumers, wildlife and the environment as a whole.

We recommend increased funding of $46.404 million to address natural resource and environmental issues. We propose an increase of $7.587 million in research formula funds (Hatch) to be targeted to helping farmers and ranchers address environmental issues. All of our proposed increase in forestry research (McIntire-Stennis) is targeted to addressing these issues. We propose a mix of additional funding mechanisms, as shown in the table, ranging from Integrated Pest Management through Water Quality and Pesticide Applicator Training. We propose substantial increases in the Renewable Resources Extension Act. We recommend establishing a new, integrated program to manage animal waste through Sec. 406.

Capacity Building

Land-grant colleges serving minority communities, including the 1890s and Tribal Colleges, have historically struggled with inadequate funding resources to meet the especially challenging needs of under-served communities. Their challenge is two-fold. Limited resources have taken their toll on the quality of facilities that enable these institutions to effectively compete for other funding sources. In turn, they slip behind in their ability to connect university research, teaching, and extension services with the minority communities that so vitally need their services. Capacity building at these institutions is the foundation for not only providing better research and teaching facilities, but also leveraging additional dollars for community based programs working in some of our nation's poorest communities. Land-grant institutions serving minority communities have dramatically increased the economic viability of small and limited resource farmers. In spite of years of neglect and under funding, the 1890s have been able to make contributions of high quality and relevance to the agricultural sciences and their stakeholders; their continued success and future growth (and that of the 1994s) depends on solid investments in capacity building programs.

NASULGC proposes a budget increase of $35.846 million to build capacity at minority serving institutions. The Capacity Building portfolio provides for facilities rehabilitation, research grants, teaching programs, minority recruitment, and extension activities. The mix of mechanisms we recommend for investment is provided in the Table. These funding lines target the specific needs of our historically black 1890 institutions, the Tribal Colleges and Hispanic Serving Institutions. Included in this mix is our proposed increase of $3.521 million for 1890 research formula funds (Evans-Allen) and $4.757 million for 1890 extension formula funds.

Cross Cutting Funding

The proposed increases in capacity building for minority serving intuitions will enable them to more effectively address the priority issue areas addressed previously. In addition, there are two funding mechanisms that can be used to effectively address each of these priority issues: the NRI and the International Science and Education Grant Program. We strongly recommend restoring the National Research Initiative and increasing its funding to a minimum level of $130 million. We recommend that the earmarking of funds to address food safety concerns be lifted, or far better, that the funding targeted to food safety be added to the total amount of funding available through the NRI. We also recommend establishing the International Science and Education Grant Program at $8 million. This program was established as Sec. 1458 in the 1998 Agricultural Research, Extension and Education Reform Act. This program is designed to internationalize the curriculum of our agricultural courses and to better prepare students and faculty to compete and prosper in today's increasingly global industries and markets. This program address each of the priority areas addressed previously, but from an international perspective.

Why should food and agricultural science and education receive new funding in the 2002 USDA/CSREES budget?

The decades of investment in both base programming and competitive grant funding for state and land-grant institutions have revolutionized agricultural production, ensuring a safe, affordable food supply. But agriculture does not live on bread alone. It takes a strong network of agribusinesses to supply equipment and other inputs, process agricultural products and connect the producer to the market. It takes communities with trained and visionary leaders who can anticipate development. It takes respect and understanding for the environment, and the ramifications of agricultural production within that realm. And it takes the education of students of all ages— whether through 4-H for youngsters, degree work in the agricultural and life sciences or continuing education for producers and consumers alike.

What are the new investments needed now?

Tomorrow's science comes with a high price tag as scientists delve into biotechnology, genetics, satellite imagery and many other highly technical fields. Tomorrow's scientists must be educated today, even as the fields of science advance each day. A balanced portfolio of funding mechanisms must be used to address these critical issue areas, drawing on base funding to sustain programs and competitive grants to target specific projects.

What scientific progress has resulted from this work?

Integrated pest management to cut production costs and protect the environment, constant vigilance in testing for and detecting food safety problems, genetic improvements among livestock species to breed leaner animals for healthier products, advances in crop breeding through biotechnology that assures more affordable food throughout the world, variety testing and field work to take the guesswork out of farming...the list is endless. And beyond production agriculture, the community development work and educational advances happen every day in communities and classrooms throughout the country. The state and land-grant institutions stretch out their research, extension and education arms with one mission in mind: to support the nation's prosperity and our quality of life.

Will progress continue?

Even with a generous infusion of funds to support food and agricultural sciences and education, it's only a beginning. New scientific investigation can build production efficiency and profitability through biotechnology without harming the environment, attract minority and other students into the exciting fields of science and design marketing strategies and economic alternatives for struggling communities. But one year's work can only be the beginning. The science and education community in the food and agricultural sciences welcomes this challenge and responsibility. The future belongs to those with the vision to see it.

NASULGC Board on Agriculture Budget Committee

Recommended Increases for USDA/CSREES in FY 2002

		Funding Lines (amounts in $000)	FY 2001 Appropriations	FY 2002 NASULGC	$ Change over FY 2001
Invest in an Educated Workforce					
	T	Graduate Fellowships Grants	3,000	8,500	$5,500
	T	Institution Challenge Grants	4,350	10,350	$6,000
	T	Multicultural Scholars	1,000	5,000	$4,000
	T	Secondary/ 2-year Post Secondary	800	2,000	$1,200
	I	* *Workforce preparation*	0	3,000	$3,000
		Workforce Subtotal	**9,150**	**28,850**	**19,700**
Invest in a Dependable Food Supply					
	R	Hatch Act	$90,273	$97,860	$7,587
	R	Animal Health	5,109	5,530	$421
	R	Grazing Lands	0	2,000	$2,000
	E	Expanded Food and Nutrition Education Program	58,695	61,043	$2,348
	T	Ag in the Classroom (AITC)	452	1000	$548
	I	* *Biobased products*	0	9,000	$9,000
	I	* *Biotechnology and health*	0	9,500	$9,500
	I	Small Farms Initiative	0	4,000	$4,000
		Food Supply Subtotal	**154,529**	**188,933**	**$35,404**
Invest in Community Opportunities					
	E	Smith-Lever Formula 3(b) & (c)	$276,548	$299,725	$23,177
	R	Rural Development Centers	523	1,200	$677
	E	Rural Development Centers	908	1,200	$292
	E	Children, Youth & Families at Risk	8,500	10,000	$1,500
	I	* *Rural economic development*	0	5,000	$5,000
		Communities Subtotal	**286,479**	**317,125**	**30,646**
Invest in Environmental Balance					
	R	Hatch Act	$90,273	$97,860	$7,587
	R	McIntire-Stennis	21,932	23,741	$1,809
	R	Global Change, UV-B Monitoring	1,434	1,567	$133
	R	Integrated Pest Management & Biological Control	2,731	5,000	$2,269
	R	Minor Crop Pest Management, IR4	8,990	10,711	$1,721
	R	Pest Management Alternatives	1,623	4,200	$2,577
	E	Pesticide Applicator Training	0	1,500	$1,500
	E	Renewable Resources Extension Act	3,192	15,000	$11,808
	I	Water Quality	13,000	15,000	$2,000
	I	* *Waste Management*	0	15,000	$15,000
		Environment Subtotal	**143,175**	**189,579**	**46,404**
Invest in Capacity Building					
	R	Evans-Allen (1890)	32,676	36,197	$3,521
	E	1890 Colleges & Tuskegee	28,243	33,000	$4,757
	E	1890 Facilities (Sec 1447)*	12,200	15,000	$2,800
	T	1890 Institution Capacity Building Grants	9,500	15,000	$5,500
	E	1994 Institution Facilities	0	1,700	$1,700
	R	1994 Research Grants	1000	3000	$2,000
	E	Extension Indian Reservation Grants (EIRP)	2,000	5,000	$3,000
	E	Extension Services at the 1994 Institutions	3,280	5,000	$1,720
	T	Tribal Colleges Education Equity Grants Program	1,552	3,000	$1,448
	T	Tribal Colleges Endowment Fund	7,100	12,000	$4,900
	T	Tribal College Research	0	3,000	$3,000
	T	Hispanic Serving Institutions Education Grants Program	3500	5000	1500
		Capacity Building Subtotal	**101,051**	**136,897**	**35,846**
Cross-Cutting Funding Mechanisms					
	R	National Research Initiative	106,000	130,000	$24,000
	I	International Science and Education Grant Program	0	8,000	$8,000
		Cross-Cutting Total	**$106,000**	**$138,000**	**$32,000**
TOTALS			**800,383**	**999,383**	**200,000**

R = Research, E = Extension, T = Teaching, I = Integrated, * = Proposed new programs in Sec 406

Statement of the American Honey Producers Association, Inc.
for the
Subcommittee on Agriculture, Rural Development,
Food and Drug Administration, and Related Agencies
House Appropriations Committee
U.S. House of Representatives
Washington, D.C.

April 10, 2001

My name is Richard Adee. I am President of the American Honey Producers Association, Inc., and I am submitting this statement in its behalf. The American Honey Producers Association, Inc. is a national organization of commercial beekeepers with activities in most of the States in this country.

First, the Association wishes to thank the Subcommittee for the support it has provided in the past for agricultural research activities in behalf of the beekeeping industry. It has enabled the Agricultural Research Service to staff its bee laboratories at the minimum level necessary to meet with critical needs of the industry. To continue this research, the Association supports funding for bee research at the ARS facility at Weslaco, Texas, at not less than the level appropriated for FY 2001. The Association also recommends an increase of $500,000 in the level of funding for the ARS honey bee breeding, genetics, and physiology laboratory at Baton Rouge, Louisiana.

(1) **Background**. Honey bees pollinate over 90 cultivated crops and are an essential element in the productivity achieved by American agriculture. It is estimated in a Cornell University study published in 2000, that the annual value of agricultural production attributable to honey bee pollination amounts to $14.6 billion. These include the production of such diverse crops as almonds, apples, oranges, melons, vegetables, alfalfa, soybeans, sunflower, and cotton, among others. Their increased value comes in the form of both increased yields and improved quality. In addition, honey bees are responsible for the production of an average of 200 million pounds of honey annually, the sales of which helps sustain this nation's beekeepers.

Since 1984, the survival of the honey bee has been threatened by continuing infestations of mites and pests for which appropriate controls are being developed by USDA scientists. Unfortunately, there is no simple solution to these problems. The honey bee industry is too small to support the cost of the needed research, particularly with the current depressed state of the industry. Further, there are no funds, facilities, or personnel elsewhere available in the private sector for this purpose. Accordingly, the beekeeping industry is dependent on research from public sources for the scientific answers. The key to the survival of the honey industry lies with the honey bee research program conducted by the Agricultural Research Service.

(2) Research at the ARS Weslaco, Texas, Laboratory. the Association recommends that the appropriation for the Weslaco laboratory be approved at not less than current levels. This will enable the laboratory to continue its work in finding a chemical solution to parasitic mites that are causing a crisis for the U.S. beekeeping and pollination industries.

Varroa mites are causing the loss of hundreds of thousands of domestic honey bee colonies annually as well as devastating wild bee colonies The only chemical which has received a general registration for varroa mite control, fluvalinate, is being rendered ineffective by the development of resistant mite populations. The USDA honey bee lab at Weslaco, Texas, has been working hard trying to find alternative chemicals to control the varroa mite. It appears that the laboratory has found a chemical, coumaphos, with the potential of being equally effective as fluvalinate. This is a real break through for the bee industry, but as of today we have only been able to obtain section 18 emergency registrations. Much work still remains to be done before a section 3 general registration is granted by EPA.

A new pest, the small hive beetle, found in Florida has caused severe bee colony losses. Apparently, it originated in South Africa. Estimates put the losses in just one season at over 30,000 colonies. There is evidence that the beetles are spreading to other areas in the East coast. As the beetles spread, they will just devastate the bee industry. In order to contain the beetle, several states have quarantined bees from Florida, North Carolina, South Carolina, and Georgia or are actively considering such quarantines. Despite these precautions, the beetle has recently spread to California. There is a fear that its spread in California will be difficult to control because of similarity of soil conditions with those in Florida. It seems that coumaphos may help control this insect as well as the varroa mite, but as previously stated it has not received a section 3 registration and it is unclear when such a registration will be granted by EPA.

The USDA-ARS honey bee research scientists at the Weslaco laboratory have been working overtime to find chemicals, techniques, pheromones, or other methods of controlling the beetle. Time is of the essence, as a control must be found immediately as all the bee colonies in the Western Hemisphere are at risk.

Additionally, the Weslaco lab is responsible for finding new and improved methods for control of other parasitic mites, such as the tracheal mite, as well as solving beekeeping problems that interfere with honey production and effective crop pollination, and determining the impact and spread of Africanized honey bees.

(3) Research at the ARS Baton Rouge, Louisiana, Laboratory. The Association also recommends an increase of $500,000 in the appropriation for the ARS laboratory at Baton Rouge, Louisiana. The Baton Rouge lab is the only laboratory world--wide focusing on the development of long-term, genetic-based solutions to the varroa mite. Existing stocks of U.S. honey bees have several desirable traits but are not genetically resistant to the parasitic mites. Research scientists with the Baton Rouge laboratory have been to the far corners of the world looking for mite resistant bees. In eastern Russia, they found bees that have co-existed for decades with the mites and survived. The bees were brought to the United States and are in the

process of being evaluated to assure that the resistance holds up under a wide range of environmental and beekeeping conditions. Attributes such as vigor, pollination, and honey production are being tested.

There is an immediate need to propagate the resistant queen bees in large numbers for wide scale distribution to beekeepers so that this evaluation can be accomplished. The work is slow and tedious. It is also costly. The requested appropriation will accelerate the research, development, and transfer of queen bee stock resistant to varroa mites by providing for the employment of an additional research scientist and supporting staff whose salaries are not included in the USDA budget.

(4) **Summary**. In conclusion, we wish to thank you again for your support of honey bee research in the past. We also would appreciate your continued support by approving an appropriation at not less than current levels for the Weslaco, Texas, lab, by adding an additional amount of $500,000 to the appropriation for the Baton Rouge bee facility, and by otherwise supporting the Administration's request for bee research. Only through research can we achieve and maintain profitability in the U.S. beekeeping industry and continue to provide stable and affordable supplies of bee pollinated crops which make up fully one-third of the U.S. diet.

I would be pleased to respond to any questions that you may have.

#167795

WRITTEN TESTIMONY OF
ROBERTA BIEGEL
REPRESENTING THE SOCIETY FOR WOMEN'S HEALTH RESEARCH
APRIL 9, 2001
SUBMITTED FOR THE RECORD

Good morning, Mr. Chairman and members of the Subcommittee.

I am Roberta Biegel, director of government relations for the Society for Women's Health Research. I appreciate the opportunity to testify on behalf of the Society.

The Society is a non-profit advocacy group founded ten years ago to improve the health of women through research. In 1990 it brought to national attention the need for the appropriate inclusion of women in major medical research studies and the resultant need for greater funding for research on conditions experienced by women. The Society works to increase public and private funding for research on women's health, promote the inclusion of women in medical research studies, and encourage the scientific examination of basic biological and physiological differences between women and men and how those differences affect both health and disease.

As you know, the Food and Drug Administration has jurisdiction over drugs, medical devices, vaccines, blood and tissue products, foods and cosmetics. Women and their families depend upon these products, with about one-quarter of every consumer dollar being spent on products regulated by this agency. My testimony before the Agriculture Appropriations Subcommittee highlights women's health and sex and gender-based research, areas in which the Society long has been a proponent.

Earlier this year, the General Accounting Office released a report on the FDA entitled: "Drug Safety: Most Drugs Withdrawn in Recent Years Had Greater Health Risks for Women." (This report is an outgrowth of another soon to be released report on women and the FDA.) The released report concludes that eight of ten prescription drugs that were withdrawn from the U.S. market since January 1, 1997 posed greater risks for women than men. Four drugs may have caused more adverse effects in women because they were prescribed more often to women while four others affected women more adversely although they were prescribed widely in both men and women.

This GAO report heightened the Society's concern about the FDA's ability to perform its mission. At a time when scientific and medical advances are occurring rapidly and the public wants access to the most recent innovations, the FDA's budget, including that of its Office of Women's Health, has increased minimally.

The Office of Women's Health at the FDA was administratively established in 1994. Its current budget is approximately $2 million, about the same as its original budget when the office was established eight years ago. With inflation factored in, funding for this office has not kept pace with the economy, hindering its ability to accomplish its mission. The office aims to provide scientific and policy expertise on gender sensitive regulatory

and oversight issues. It aims to correct gender disparities in the areas for which the FDA is responsible – drugs, devices, and biologics. It aims to monitor women's health priorities, providing leadership and an integrated approach across the agency. Finally, it aims to form partnerships, within the government and with outside groups and with outside organizations. Currently, the Office of Women's Health at the FDA is doing admirable work, but its inadequate budget prevents it from fully accomplishing its mission.

Today, I would like to discuss three areas in which the OWH at the FDA could utilize additional funding to meet the needs of women and their families. These are the development of a database and a training program, expansion of its science program, and increased support for its outreach programs.

Clinical trials provide the safety and efficacy data necessary for FDA approval of regulated products. Over the years, the FDA has reversed its policies regarding the inclusion of women in clinical trials. From a 1977 policy that prohibited the inclusion of women of childbearing age, the FDA subsequently stated that clinical data should be analyzed from a representative population sample and in 1993, that women of childbearing age should be allowed to be included in clinical trials. Since women throughout their lives, as men, rely on FDA regulated products, for the treatment of numerous diseases and conditions, this shift takes into consideration the potential for differences between women and men.

As recent changes in the inclusion of various groups, including women, have occurred in U.S. regulations and guidelines, laws in foreign countries have been slow to change. Concurrently, the number of clinical trials conducted in other countries that are submitted to the FDA for evidence of safety and effectiveness of products has increased many-fold. Likewise, ethical issues about the conduct of clinical trials in foreign countries have been questioned. Presently, there is no centralized database at the FDA to coordinate clinical trial oversight, monitor the inclusion of women in clinical trials, and oversee the parameters of informed consent, and identify training needs, both internal and external.

We believe that such a clinical trials database could play a vital role in agency coordination across centers to ensure that women are included in clinical trials. It would identify sex and gender differences to be monitored through post market approval and point to areas necessary for reviewer training and policy development. Such a database would support the Food and Drug Administration Modernization of 1997 section mandating the review and guidance, as appropriate, on the inclusion of women in clinical trials. Throughout the agency, it would assist with gathering and analyzing demographic data, including data on women, children, minorities, and the elderly; locations of clinical trials; and applied ethical standards. It also would summarize analysis of clinical data by sex, age and ethnicity, and signal potential areas for post market surveillance.

A federal agency in the 21st century should be able to identify and analyze data in the same manner as the business sector it regulates. Otherwise, the government agency is handicapped in safeguarding the people it is supposed to be protecting. We estimate that

creating and maintaining such a database would cost approximately $2 million annually. This is a small sum compared with the benefits that could accrue from such a system. If lives are saved because information leading to adverse events is noted early as a result of computer analysis and synthesis, such a database is well worth the cost.

A second feature originating from this program would be to develop and implement a training program for all scientific agency staff who analyze human clinical trials. At present, training occurs on a voluntary basis. Consistent training, specific to each Center, on agency guidance for the inclusion of women in clinical trials and analysis of clinical data by sex, age, and ethnicity would provide uniform understanding of current FDA policies. Programs also would be developed for the databases. We estimate these training programs to cost approximately $500,000. Only with consistent, appropriate and adequate training will agency personnel be able to uniformly implement agency policies to provide for safe and effective products.

Another area in need of additional funding is the science program of the Office of Women's Health. Since its inception, we believe that the OWH has funded intramural competitive peer-reviewed scientific projects of the highest caliber. It selects those projects offering the most potential for enhancing knowledge of women's health in a short period of time that could have a regulatory impact.

The office funds projects that others are not funding. For instance, currently it is funding a project on drug metabolism of medication use during pregnancy. Women often need to take medication during pregnancy, but for many medications, there is little evidence of their safety or efficacy during pregnancy. The information that this research will yield could immeasurably protect mothers and children. Other topics that are being studied are gender differences in FDA regulated products and assessment and development of methodologies in bone density measurement. This scientific program fills in the gaps in knowledge about women's health as they relate to the FDA's mission. With funding of an additional one million dollars, the Office of Women's Health's scientific program could hasten answers in many understudied areas important to women's health.

Lastly, funding for the overall Office of Women's Health has lagged in recent years despite its fine work. As part of its overall mission, the office forms partnerships, not only with government entities, but also with consumer and professional groups, industry, and health advocates. As an example of the office's work in this area, I cite the issue of prescription drug-related death and illness, which is a serious medical problem and a significant public policy issue. Estimates of cost associated with management of drug-related morbidity and mortality is $76.6 billion annually, according to a 1995 article in the *Archives of Internal Medicine*. Thirty to fifty percent of those who take medicines do not use them as directed, according to the FDA.

To address this issue, the OWH developed a medicine safety campaign, "Women's Health: Take Time To Care." It is an award-winning program that since its inception three years ago has grown to reach million of women across the nation. The Society for Women's Health Research was one of the many groups that offered advice as the office

piloted the program. Aiming to reach women where they live, work, and conduct their daily activities in rural and urban areas across the nation, the OWH leveraged its resources and partnered with diverse groups with an interest in women's health. As part of this project, the office created a public service campaign, "Use Medicines Wisely," which has distributed more than 6.5 million brochures from chain drug stores and community sites. To continue this fine work and expand upon the many needed other areas of outreach with both the consumer and professional communities, we recommend that you provide the office with $500,000.

In closing, thank you again, Mr. Chairman and committee members for the opportunity to discuss the Office of Women's Health at the FDA. The Society for Women's Health Research worked to see that this office was originally established. It believes that now more than ever the office's mission is critical to the health and well-being of women and their families across the nation. Revelations of the most recent GAO report that 8 of 10 prescriptions drugs withdrawn from the market since 1997 posed greater risks for women provide a compelling reason for the need to provide adequate and expanded resources for this office. To ensure adequate analysis and recording of sex and gender disparities in drugs, devices and biologics and appropriate regulatory policy, and to avert future health crises, we believe that the OWH at the FDA should be funded at a total of $6 million so that it can create, implement, and coordinate gender sensitive programs vital to women and men throughout the nation.

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Oklahoma Farmers Union Membership Relations Coordinator
National Fire Ant Task Force/National Fire Ant Strategy Development Founding Member
Oklahoma Fire Ant Research and Management Advisory Committee Founding Member
Before the
Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies
Subject: USDA-ARS

I am an agriculture producer, serve as a member of the National Fire Ant Task Force and the Oklahoma Fire Ant Research and Management Advisory Committee task force. Our national purpose is to develop and promote research that can be flexible, adaptable to different climatic regions of the country, sustainable but not chemical discouraging, but hopefully results in the use of less chemicals and less expense to the property owner while accomplishing the task at hand.

From a state perspective, our purpose is to determine what can be done to address the continued growth of fire ants in our state with state resources and how that we might cooperate with other multi-state and national ventures to address the problem. This testimony is on behalf of the committee and myself as an impacted agriculture producer and how the research funding or lack thereof impacts locally within the states. I would like to discuss briefly the continued expansion of the range of imported fire ants in this country, the continued economic and social impact of such expansion and the resulting need for research funding.

It is an exciting time for fire ant research because for the first time since the pest entered the United States, we have hope for stopping the spread and controlling its march across the south and soon to reach middle America. Our hope lies with bio-control methods coupled with other methods of control. But, without significant research funds to the basic research effort all efforts may soon be lost. The USDA-Agricultural Research Service charged with the mission of fire ant research has not seen a congressional increase in 30 years for this effort. Our request is that you increase the research base of the Imported Fire Ant Unit at the Center for Medical, Agricultural & Veterinary Entomology in Gainesville, Florida by a total of $900,000. The proposed Florida allocation would be $600,000 above the current level which would just return the location to where it was 14 months ago restoring two FTE's. The remaining $300,000 would be directed to the Mississippi location to further develop efforts there that tie back to the Gainesville activity.

We appreciate the final conference committee funding of $325,000 already included by Senate leadership for the last two years that was directed to Mississippi. However, the available base in the Agricultural Research Service for this research mission has actually been dropping steadily and we are in a position today where the critical mass of the few experienced scientists headquartered at Gainesville, currently only 4.5 FTE's, now available is about to be even further reduced. We believe investing in the basic applied research with ARS will compliment and enhance the specially directed funds.

Why is Oklahoma so interested in seeing funding to a Florida location? As an emerging state with fire ant populations growth, we are interested in stopping the number of counties that are impacted each year. We have worked with cooperative research in Oklahoma with ARS and are working toward an area wide research effort to be conducted in Florida, Oklahoma , Texas and Mississippi. We are tired of losing livestock, other economic impacts and most importantly our elderly and children being attacked. With the rapid rate of expansion and the proven ability to survive in northern reaches of the projected expansion area, in just a short time they will most likely be in the District of Columbia -- on the Capitol grounds, the White House lawn, other government buildings and private properties. For seven consecutive years, ants have been found north of Washington in the Bowie, Maryland area.

While fire ants have been around for decades as a result of importation into Alabama from South America, this non-native pest has spread further and caused far more destructive damage than ever envisioned. Just a few decades ago, it was never anticipated that these pests would expand so far north and encompass so many states and such a great population. Yet, today there are no signs of any slow-down and the impacted constituencies continue to grow. The red imported fire ant now infests and requires APHIS quarantine in over 318 million acres in 12 contiguous states plus counties with firm establishment in California and New Mexico - now under quarantine - Maryland, and occasional occurrences in Arizona, Nevada, West Virginia, and Kentucky.

In 1985, Oklahoma's experience with fire ants began with the first mounds discovered in the Oklahoma-Arkansas border county of Leflore. Since that time twelve Oklahoma Counties now are classified as "Red Imported Fire Ant Established." Another 15 counties have fire ant activity but that are not yet fully established. Some predicted that fire ants would never expand further than the southern Oklahoma border of the Red River, yet today Tulsa and Payne Counties in northern Oklahoma have recorded finding fire ants -- the same latitude as the U.S. Capitol. Both counties are one and two counties south of the Kansas border. In the State of Arkansas they are near the Missouri border and in Tennessee they have been found near the Kentucky border.

My interest in addressing the imported fire ant issue is not only from a professional point of representing the farm and rural membership of Oklahoma Farmers Union but also a very personal one. My family and I farm and ranch along the Red River in the southern Oklahoma counties of Love and Jefferson. In the last two years we have seen a literal proliferation of this pest to the point of destroying pasture land and harming farm equipment with their huge mounds.

It even becomes more personal when my 5 year-old daughter is simply playing and the fire ants attack her — inside the house. Just two counties over a child in his own bed was attacked hundreds of time while he lay sleeping. Producers and other citizens alike experience the loss of electrical water heaters, air conditioning and heating units when fire ants gather in such numbers that they cause electrical shorts resulting in property loss. It is quite common for the local Rural Electric Cooperatives to experience losses on their supply lines because of the pests.

From an agricultural economic standpoint, fire ants pose an immediate and present danger to our family farm and others just like us who are in the hay production business. Because our county is quarantined, we must sell our hay only to other counties where fire ants are established. This

limits our available markets. We have just come through three of the worst droughts in U.S. history. Three years ago, many producers in Oklahoma received hay from Kansas, Colorado, Missouri and Arkansas. Imagine if the drought had been to the north and farmers depended on southern producers for their supply. Although we would have had hay, we would have been unable to provide a hay supply to our neighbors to the north because of fire ant quarantines. God forbid that such should ever happen. This has occurred when hay from North Carolina was shipped to drought areas of West Virginia and infestation resulted. Our own state department of agriculture is now aggressively working to check the border to ensure that product will not cross the border that is infested. Each load must be fire ant free. We applaud this effort but realize that research provides the only real answer to our plight.

I would point out that the Southern United States, which so far has been greatest impacted, also has some of the most vulnerable citizens to fire ant stings. Since the South attracts more retirees than most parts of the country, the numbers alone make the elderly a prime target of fire ants. Attacks on the elderly, with weakened immune systems, in nursing homes and hospitals is coming far too often. Last year an incapacitated lady in Florida died from 1,600 stings while in a nursing home. Another of the most vulnerable — our children — have increasingly been evacuated from schools so the properties can be treated for fire ants. Other public properties around the United States such as parks, lakes and zoos are becoming inundated. Peanut farmers in Southern Oklahoma now think twice before they reach to repair a digger or combine that can be covered with fire ants that thrive in the sandy peanut soils. Three years ago, over 500 farmers in Bryan County gathered to talk about fire ants because they had been impacted by the rapid expansion of the fire ant. Producers want answers and quickly.

While there has been extensive research work on baits and other chemical applications dealing with fire ants, it appears that these solutions only will help curtail and not eradicate or bring under control this pest. These options are also very expensive and for the chemical application process to work everyone must be willing to apply the solution repeatedly. We know that this is an unrealistic and expensive solution for either the private or government sector.

What has shown the most promise in the last four years are biological control methods that can be applied in conjunction with chemical applications for what could be an effective permanent management solution. I am particularly excited about the development of a national strategy that will for the first time strategically address this pest since it first came to the shores of Alabama in the 1920's. Such a strategy has been set forth by the Southern Legislative Conference, comprised of state legislators across the south, and the scientists and research leaders of the United States Department of Agriculture's Agricultural Research Service. I am pleased to have had the opportunity to have participated in the development of this initial plan.

USDA-ARS research in Gainesville, Florida, on the development and release of candidate self-sustaining bio-control agents, resulted in an Agreement in 1998 with the Southern Legislative Conference, representing the elected state officials in the southern 15 states. Based on the successful survival of the early releases of the two bio-control agents in Gainesville, a formal agreement with the SLC was established. Participating states provided limited state resources to assist the Gainesville laboratory in increasing production of bio-control agents for limited field

trials in their states. By 2000, participating states included Oklahoma, Texas, Alabama, Georgia, South Carolina, North Carolina, and Louisiana. Other existing collaborations provided release opportunities in Arkansas, Mississippi, Florida and Tennessee. From 1998-2000, phorid flies were released and established in Florida, Mississippi, Louisiana, Texas, Alabama, North Carolina, and South Carolina. In Florida, where releases began in 1997, populations expanded from 5 mound locations (1997-98) to 50 square miles by 1999, and to 1,000 square miles by December, 2000.Concurrent paired field studies (72 sites total) examining the impact on fire ant populations will continue through 2002.

Also from 1998-2000, the disease agent of fire ants was released at selected sites (5 mounds each) in Florida, Oklahoma, Arkansas, Alabama, Tennessee, North Carolina, South Carolina, Mississippi, and Louisiana. Subsequent infections was detected in Florida, Oklahoma, Arkansas, Alabama, North Carolina, South Carolina, Georgia, Mississippi, and Louisiana. In Florida, infections spread among mounds at the initial release site, and resulted in a 40-60% reduction in fire ant populations in the affected area.

In 2000, the first field test of an integrated management strategy for fire ants was initiated at a military installation in South Carolina. With supplemental temporary funding to ARS from EPA, and commitment of in-kind resources from the U.S. Army, the South Carolina National Guard and Clemson University, a central "near-zero tolerance" area was treated with traditional pesticide applications while surrounding areas were inoculated with phorid flies and the disease agent of fire ants. At 16 weeks, assessments indicated a 96% reduction in the near-zero tolerance area, and the successful establishment of both bio-control agents. Assessments continue.

Also in 2000, USDA-APHIS and the National Biological Control Institute, canvassed state departments of agriculture, and found that bio-control of fire ants was the single highest priority for invasive insect species. Subsequently, APHIS and ARS partnered with the State of Florida Department of Agriculture and Consumer Services to initiate mass-rearing of phorid flies at state facilities in Gainesville, Florida, for subsequent release in the infested states. The agreement was finalized in February, 2001. Releases will begin by late summer.

As a result of the outcome of the ARS, DoD and SLC leadership in the South Carolina IPM project and based on the merits of the proposal, a new peer reviewed proposal funded internally will expand such tests to Oklahoma, Texas and Florida initially. This 4-5 year temporary project will focus on cattle and improved pasture regions. Of ten projects reviewed this was the one funded in FY01. I stress this to demonstrate the confidence placed in the research through peer review. However exciting this funded project may be, it has no impact on the base funds to maintain - let alone increase - much needed basic research.

The bottom line is to develop self-sustaining biological control agents for the imported fire ant. Farmers, and particularly disadvantaged farmers in the southern and western states, need relief from fire ants, but traditional baits and pesticides are too costly and require frequent application to manage the invader. In a survey of Texas cattle producers, an estimated $67 million per year in losses was due to fire ants. The ant also will kill chicks and adversely affects the yields of several important agricultural crops. The need for self-sustaining bio-control and a pesticide-

reduced integrated pest management approach is critical. Besides being expensive, traditional chemical pest management strategies fail to provide sustained management of the pest without continuous re-applications of insecticides, which not only kill the imported fire ant but basically sterilize the sites of all living invertebrates, continuing the disruption of ecological balance originally upset by the invading fire ant. Because of wide-spectrum toxicity, adverse environmental impact and economic cost, chemical treatment strategies are not suitable for large tracts of land such as pastures in sustained management.

The goal of the National Fire Ant Strategy is to develop customized regional management strategies to reduce the imported fire ant infestations to levels below economic thresholds on agricultural lands and large acreage tracts. Such is the case in South America, the native range of fire ants where populations are only 20% of those in the U.S. In fact, fire ants in that country are not generally considered a pest. A second purpose is to eliminate fire ants as a nuisance or health threat in local urban high-risk environments. Biologically-based technologies are a major component. A systematic approach will be developed to optimize integrated management strategies with biologically-based technologies as a major component. Coordination has occurred among federal, state and private sectors to ensure that current and emerging technologies are evaluated for regional effectiveness, and that they are rapidly implemented.

Through coordinated federal, state and private sector efforts, the strategy includes the release and monitoring of candidate biocontrol organisms for regional comparisons, development of new biologically-based technologies and the subsequent "fast tracking" of the implementation of successful tools. With the use of the latest technology applications, customized regional, biologically based strategies will be developed. Precision targeting for maximum local elimination in high risk and high priority areas with existing bait or chemical technologies will be redefined. The final direction of the work plan strategy in accomplishing the objectives is to package the technologies and strategies for optimized integrated pest management.

Biological methods for treatment of fire ants appears to be working! Two bio-control agents are now available with 25 remaining in South America with potential for reducing populations in the U.S. While it is exciting that we are finally making more progress on fire ants in the last few years than we have for the entire time that fire ants has plagued this country — **it requires one key ingredient — adequate funding.** Three years ago we began an effort to see increased funding. Based on the national strategy as developed, funding of $2 million would be needed on an annual basis to apply the strategy that shows so much promise and to "fast track" the results and technologically transfer that information to the private sector for application. The proposed increase of $900,000 above the current base restores lost positions and strengthens the program.

We would strongly encourage you to provide the appropriate funding of $2 million annually to Gainesville by adding $900,00 to the ARS budget base for such a nationally biologically-based integrated management strategy that includes a partnership of both USDA-ARS, state land-grant universities, state legislatures and the private sector.

Thank you again for this opportunity to submit testimony regarding the need for additional appropriations for fire ant research.

Curriculum Vitae

Paul G. Jackson
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PROFESSIONAL EXPERIENCE

February 1995 - Present

Membership Relations Coordinator, Grassroots and Federal Relations Coordinator, Farm and Rural Programs Manager, Oklahoma Farmers Union. Directed legislative, education, youth and cooperative education activities. Developed, implemented and managed the farm organization budget in excess of $2 million annually, proposed additional funding initiatives for programs. Enhanced communication staff and programs. Designed 11-member statewide legislative field representative program working with members on legislative efforts and other program efforts. Initiated statewide county matching scholarship program. Traveled extensively, represented organization at the state capitol and nation's capitol organizing legislative fly-in's, meetings and issue packets. Drafted testimony for state and federal hearings. Responsible for policy drafting coordination with members. Grassroots communication vehicles development and implementation. Coordinated leadership training sessions. Managed the annual convention with as many as 2,500 delegates. Co-authored OFU History Book. Initiated comprehensive radio and print advertising program. Represented OFU at various events. Revitalized PAC program with creative auction. Board nominations and appointments.

December 1994 - February 1995

Sales Representative. Marketing and start-up of cable service provider Heartland Wireless Cable targeting rural areas.

February 1994 - November 1994

Staff Assistant, Wes Watkins for Governor Campaign. Wrote press releases, traveled with candidate to meetings, assisted in establishing grassroots network statewide town-to-town, produced and distributed campaign materials, conducted advance work and planning and, developed and distributed media kit for statewide media.

August 1993 - February 1994

Farmer/Rancher. Operated and managed wheat, cattle and hay farming/ranching enterprise which continues to present.

January 1991 - August 1993

Director of Professional Programs Division, National Rural Water Association. Responsible for program management of all professional training and technical assistance programs including the development of training material. Directed immediate staff of 35 plus oversight of over 200 employees through state agreements.

October 1990 - December 1990

Special Projects Director. U.S. Congressman Wes Watkins, Washington, D.C./Stillwater, Oklahoma. Supervised closing of Congressional office and opening of new Congressional office.

June 1990 - September 1990

Candidate, Campaign Manager, Southern Oklahomans for Jackson State Legislature District 49 Campaign, Marietta, Oklahoma. Supervised volunteers in specified projects, wrote and delivered speeches, campaign strategy development and implementation, and filed campaign receipts and expenditure reports.

September 1984 - May 1990

Associate Staff, House Appropriations Committee, Washington, D.C. Functioned as personal liaison between the committee and a Member of Congress in obtaining appropriations for projects benefitting the Nation. Drafted questions, legislative and report language for inclusion in appropriations hearings and bills.

Legislative Director/Legislative Assistant, U.S. Congressman Wes Watkins, Washington, D.C. Shared administrative duties for a staff of 18. Supervised legislative staff, computer operations, and interns. Supervised and coordinated all legislative activities. Supervised and coordinated quality and timeliness of outgoing legislative correspondence. Monitored, analyzed, and developed legislation; prepared background memorandum, briefings, floor statements, notes for press releases, testimony, and speech material; attended and reported on committee hearings; responded to inquiries of constituents and state and federal government officials. Utilized strong working knowledge of the budgetary, authorization, appropriations and regulatory processes of the federal government. Represented the Member in meetings with district, state and federal officials and interest groups. Covered major issue areas, including agriculture, rural development, energy and water development, and interior.

Special Assistant/Communications Director. Responded to crisis concerns as dictated by the Member. Liaison with the media and spokesman for the Member. Coordinated the development and distribution of statements, news releases, press kits, video tapes, and audio and satellite feeds.

District Field Representative. Represented the Member at special meetings and events. Advanced the arrival of special dignitaries - legislative and executive branch. Responded to constituent concerns in areas of water and sewer loans/grants, agriculture loans, housing and miscellaneous projects. Traveled extensive with Member in the District. Represented Member at District functions, meetings and events.

July 1986 - September 1986
Staff Assistant, Part-time, Watkins for Congress, Ada, Oklahoma. Purchased radio time, distribution of campaign materials, general campaign assistance and advance work.

June 1984 - August 1984
Legislative Intern. Office of U.S. Representative Wes Watkins, Washington, D.C. General assistance and wrote testimony for hearing.

August 1980 - May 1984
Student, Oklahoma State University. Worked for the O'Collegian student newspaper, public radio KOSU and the local college cable news station.

May 1980 - August 1984
Farm/Ranch Worker, Summers and Weekends, Jackson Farms, Courtney, Oklahoma.

- May 1980
Student, Ringling High School, Ringling, Oklahoma
Farm/Ranch Worker, Summers and Weekends, Jackson Farms, Courtney

OTHER ACTIVITIES

National Fire Ant Task Force/National Fire Ant Strategy Committee
Founder/Organizer
Oklahoma Fire Ant Research and Management Advisory Committee Founding Member
Advocate Fire Ant Funding at the State and Federal Levels
Advocate for Volunteer Fire Funding on the State Level
State Capitol Ag Mural Fund raising Steering Committee
NFU Farm PAC
OFU Farm PAC
Courtney Volunteer Fireman
Oklahoma Agriculture/Rural Council Chairman
Governor's Conference on the Environment and Water Conference Planning Committee
Oklahoma Agricultural Leadership Program Graduate
Oklahoma Beef Quality Summit Participant
Congregational Song Leader/Soloist

Southern Gospel Concert Promoter
OSU Alumni Association
OFU Foundation Contributor
American Farmer Degree Recipient

EDUCATION:

Oklahoma State University, Stillwater, Oklahoma
Major - Agriculture Communications, B.S. May, 1984

DISCLOSURE STATEMENT

I, Paul Jackson, a member of the National Fire Ant Task Force and the Oklahoma Fire Ant Research and Management Advisory Committee have not received direct funds as a result of our lobbying effort nor is this my or our purpose. Funding was increased by the Senate as a result of our testimony the last two years that directed funding to a USDA-ARS Mississippi location rather than to the base location in Gainesville, Florida which provides the technologies to the Mississippi location.

The impact to the National Task Force and the State Committee has only been indirect with funding from USDA-ARS being utilized directly with Oklahoma State University to conduct field research. The funding has been from existing research dollars and not funding obtained through additional grants or appropriations. In fact, several states (including Oklahoma) has contributed a partnership grant to the federal government to advance the research promoted because of inadequate federal funding. We definitely can say we have not received any funding or benefitted personally.

As members of the committee(s) our interest is not financial in nature for us individually but rather for the greater good of rural and urban America. Any benefit we receive will be as a result of successful applied research provided sufficient federal funding is provided. Our interest is to be good citizens in working to resolve this issue impacting the country. Field research locations has not involved the properties of members of the committee. Most Committee members volunteer their time and resources for the national effort. And, most forego expenses provided through the state because of inadequate state funding.

TESTIMONY SUBMITTED TO THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FDA, AND RELATED AGENCIES

by John Heissenbuttel
Vice President, Forest & Wood Products Division
on behalf of the
American Forest & Paper Association

April 10, 2001

The American Forest & Paper Association (AF&PA) submits this written testimony for the record in support of USDA research programs that contribute pragmatic solutions to our nation's sustainable forestry needs. Both USDA Forest Service Research and USDA Cooperative State Research, Education, and Extension Service (CSREES) have the obligation to support research to benefit all forest landowners, public and private. These organizations are uniquely qualified to support collaborative, long-term research and deserve well-targeted funding increases to focus resources where they are critically needed: on forest productivity, utilization, and inventory issues.

AF&PA Interest in Forest Research

AF&PA has a substantial interest in promoting research to improve and document forest productivity. As the national trade association of the pulp, paper, and forest products industry, we represent approximately 84 percent of paper production, 50 percent of solid wood production, and 90 percent of industrial forestland in the United States. Forests provide a renewable raw material source for our industry, which attempts to meet consumer demand while providing rural communities with stable, living-wage job opportunities. We face a significant global competitiveness challenge, as companies throughout the southern hemisphere grow trees three to four time faster at a fraction of the cost, often without environmental compliance standards similar to those in the United States. We also face a significant domestic challenge as the entire forestry community needs timely access to more consistent, comprehensive, and accurate forest measurement data.

AF&PA is a member of the National Coalition for Sustaining America's Nonfederal Forests and supports the overall objective of well-targeted increases in federal investment to support forestland stewardship. Research contributes cutting edge, science based solutions to ensure that our nation's forests can be managed sustainably for all values.

Related AF&PA Programs

Two AF&PA programs recognize the critical contribution of forest research to sustainable forestry.

The Sustainable Forestry Initiative (SFI)^{SM} Standard is a condition of AF&PA membership and requires that participants support "forest research to improve the health,

productivity, and management of all forests." The AF&PA Agenda 2020 program is a collaborative effort initiated with the U.S. Department of Energy to promote research that enhances energy efficiency in areas such as forest raw material supply. Competitive grants are awarded to universities and agency labs based on matching funding, scientific peer-review, and collaboration.

Agenda 2020 provides an outstanding model of a public/private partnership that efficiently allocates federal funding to support research that benefits the nation. AF&PA would like to expand this partnership and add USDA agencies as formal Agenda 2020 partners.

General Research Recommendations

AF&PA supports funding increases within existing authorizations for USDA agencies best qualified to conduct long-term forest productivity research to benefit all landowners. The need for pragmatic research designed to produce and measure healthier, faster growing forests far exceeds supply. Well-targeted increases in federal funding support are needed to re-build research capacity and focus resources in areas where the nation will receive the best return on investment: biotechnology/genetics, soil productivity, tree physiology, forest measurements and forest products utilization.

A portion of this funding should be allocated through competitive grants that support collaborative Agenda 2020 research. Greater use of tools such as matching funding, competitive grants, and scientific peer-review will leverage scarce resources, ensure quality research, and help measure success. To the greatest extent possible, agency research priorities should be established in collaboration with university, state, and private sector forest researchers and managers. This will ensure that research objectives remain relevant to all forestland owners.

AF&PA concurs with the recommendations contained in the 1998 National Research Council report: "Forested Landscapes in Perspective: Prospects and Opportunities for Sustainable Management of America's Nonfederal Forests." The report, commissioned by the Secretary of Agriculture, calls for greater funding in forest science, technology and research programs. In "Report to the Secretary of Agriculture" dated November 1, 1999, the Forest Research Advisory Council (FRAC) urged that USDA "foster competitive grant or other programs" to address "sustainable intensive timber production" and "forest assessment (inventory)." This represented the views of 20 forest research experts from federal and state government, industry, academia, and the conservation community.

AF&PA forest research recommendations are also consistent with the Congressional findings of the 1998 Farm Bill. It is important to review some of those findings since it gets to the heart of the forest community's ability to compete in the global marketplace. Congressional findings included:

- "Uncertainty over the availability of the United States timber supply, increasing regulatory burdens, and the lack of Federal Government support for research is causing domestic wood and paper producers to move outside the

United States to find reliable sources of wood supplies, which in turn, results in a worsening of the United States trade balance, the loss of employment and infrastructure investments, and an increased risk of infestations of exotic pests and diseases from imported wood products" and

- "Wood and paper producers in the United States are being challenged not only by shifts in Federal Government policy, but also by international competition from tropical countries where growth rates of trees far exceed those in the United States. Wood production per acre will need to quadruple from 1996 levels for the United States forestry sector to remain internationally competitive on an ever decreasing forest land base."

FY 02 USDA Recommendations – Agriculture Appropriations
Cooperative State Research, Education, and Extension Service (CSREES)

Four programs administered by the USDA Cooperative Research, Education, and Extension Service (CSREES) make a significant contribution to supporting university research, forestry education, and vital partnerships. These are McIntire-Stennis, The Renewable Resources Extension Act (RREA), the National Research Initiative (NRI), and the Initiative for Future Agriculture and Food Systems (IFAS).

AF&PA strongly supports these programs and specifically recommends a total $39.9 million increase (4.0%) increase for the USDA Cooperative State Research, Education, and Extension Service (CSREES) targeted at three (3) priorities, summarized and discussed below.

Budget Item	FY 01 Total Funding (millions)	FY 02 Targeted Increase (millions)	FY 02 Total Funding (millions)
McIntire-Stennis	$21.9	$8.1	$30.0
RREA	$3.2	$11.8	$15.0
NRI	$106.0	$20.0	$126.0
Total – Priority Programs	**$131.1**	**$39.9**	**$171.0**
Total CSREES FY 01 Budget -Enacted	**$988.6**		
% Increase		**4%**	

- **$8.1 million increase for the Cooperative Forestry Research Program (McIntire Stennis Act).**
  This program provides critical core funding for forestry research and scientist training efforts at universities. It is authorized at $105 million, was funded at $21.932 million in FY 01 and matched more than three times by universities with state and nonfederal funds. AF&PA suggests that a total $8.1 million increase be targeted as follows:
  - $3 million - forest productivity research as defined by Agenda 2020
  - $2.1 million - forest information technology
  - $1.1 million – wood utilization and processing technology

- $1.9 million – assessing economic impacts of policy decisions

➢ **$11.8 million increase for the Renewable Resources Extension Act (RREA) program.**
This program provides the foundation for extension and outreach efforts delivered to private landowners through universities. It is authorized at $15 million and was funded at $3.192 million in FY 01. Cutting-edge sustainable forestry solutions developed through research are of limited benefit unless they can be effectively delivered to the nation's forest landowners. AF&PA suggests a total $11.8 million increase to fully fund this important program, with new funding targeted at developing databases, communications materials, and effective delivery mechanisms to ensure that landowners have easy access to forest management advice and professional services.

➢ **$20.0 million increase for the National Research Initiative Competitive Grants Program (NRICGP) targeted at forestry research in the areas of forest biotechnology, forest soil productivity, tree physiology, and forest information technology.**
This program is a significant source of funding ($106 million in FY 01) for basic and applied research in several categories related to agricultural crops, sustainable forestry, and related market/trade issues. It has great potential to contribute to the nation's sustainable forestry research needs, though only ten percent (10%) of the available funding has been allocated to forestry research. AF&PA supports a total $40 million increase targeted at Agenda 2020 priorities, equally divided between FY 02 and FY 03, as a reasonable means to increase the emphasis on critical forestry research needs.

FY 02 USDA Recommendations - Interior Appropriations
Forest Service Research & Development

AF&PA supports increased funding for Forest Service research in three areas of critical importance:

- Forest Productivity Research with a Competitive Grants funding component,
- Forest Inventory & Analysis (FIA) program,
- Forest Products Laboratory in Madison, Wisconsin.

Improved science in these areas transcends ownership categories and will result in enhanced tree growth, improved knowledge for sustainably managing all forest values, and increased wood utilization efficiency. As authorized by the Forest and Rangeland Renewable Resources Act of 1978, Section 2 (a)(1), Forest Service research should "support the protection, management, and utilization of the Nation's renewable resources." This Act refers not just to public lands, but to private lands as well.

AF&PA recommends a total $31.5 million increase (13.7%) for Forest Service Research & Development targeted at three (3) priorities, summarized and discussed below.

➢ **$11 million increase for Forest Inventory and Analysis (FIA).**

This is consistent with recommendations in the Memorandum of Understanding (MOU) between the Forest Service and the National Association of State Foresters. Forest Inventory and Analysis (FIA) provides data needed to measure forest growth, health, and other essential information needed to make resource allocation and forest policy decisions.

- **$16 million increase to build forest productivity research capacity, with $10 million dedicated to Competitive Grants to support Agenda 2020 priority research in biotechnology, forest soil productivity, tree physiology, and forest information technology.**
  The number of scientists and projects focused on producing more wood products from fewer acres has dramatically declined as the agency has moved away from commodity production. Forest Service regional experiment stations have both an obligation and the unique ability to address the nation's sustainable forestry needs through long-term research. Section 1672 of the Agricultural, Research, Extension, and Education Act of 1998 (Research Title of the Farm Bill) specifically identified improving long-term forest productivity as a priority research need and allows the Secretary of Agriculture to award competitive grants for such research.

  We recommend that the Forest Service implement a formal competitive grants program at fully authorized levels to support collaborative forest productivity research through Agenda 2020 in the areas of biotechnology, soil productivity, tree physiology, and forest information technology. This will help build stronger partnerships between the agency and our nation's university-based forestry schools.

- **$5.5 million increase for Forest Products and Utilization Research at the Forest Products Laboratory in Madison, Wisconsin and other labs, with $2 million to support core functions and $3.5 million dedicated to the housing research initiative.**
  A $2 million funding increase for core functions will ensure continued technological innovation in using renewable wood products. Forest products and utilization research contributes to improved forest productivity and sustainability by focusing on efficient and effective use of wood fiber. AF&PA also endorses the housing research initiative and suggests that $7 million equally divided between FY 02 and FY 03 is a reasonable and responsible means to provide technological innovation needed to respond to increased housing demand.

Conclusion

In conclusion, AF&PA recognizes a critical need for increased investment in forest research and respectfully recommends well-targeted increased appropriations within USDA. At least two USDA agencies are uniquely qualified to support collaborative, long-term research in priority areas: forest productivity, utilization, and inventory. Increased appropriations for these forest research priorities are a needed investment that will pay substantial dividends for our nations' future.

Biographical Sketch

John Heissenbuttel
Vice President, Forestry & Wood Products Division
American Forest & Paper Association

John joined the American Forest and Paper Association in 1988. He is currently responsible for managing the association's Forest Resources Group, Wood Products International Department and the American Wood Council. In this role he is responsible for identifying and pursuing issue priorities, strategic goals, and imperatives for ensuring fiber supply and access to wood product markets for member companies. John is known for providing the staff leadership to create and implement AF&PA's Sustainable Forestry Initiative.

Prior to joining AF&PA, John worked for American Forest Products Company in California for 11 years in a range of forest management and forest policy positions.

John is a 1976 graduate from Humboldt State University with B.S. in Forest Management.

Testimony of
Carolyn B. Brooks, Chair
Association of Research Directors (ARD)
1890 Land-Grant Colleges and Universities

Respectfully Submitted To
The House Committee on Appropriations
Agriculture, Rural Development, Food and Drug
Administration and And Related Agencies Subcommittee

April 10, 2001

Chairman Cochran, and other distinguished members of the Committee, I am Carolyn Brooks, Dean of the School of Agricultural and Natural Sciences and Research Director at the University of Maryland Eastern Shore and Chair of the Association of Research Directors (ARD) of the eighteen Historically Black Land-Grant Colleges and Universities, including Tuskegee University (hereafter referred to as the 1890s). Mr. Chairman, I submit, on behalf of the ARD, this written testimony in support of the FY 2002 Federal Budget recommendations, primarily those submitted by the National Association of State Universities and Land-Grant Colleges (NASULGC).

General Information

The role of the 1890 Land-Grant institutions, relative to research in the food, fiber, and agricultural sciences, partnering and collaborating with USDA, NASULGC and other entities, is to conduct basic and applied research to ensure a safe, economical and adequate food supply, promote a sustainable environment, conserve the natural resource base, and contribute to the improvement of the socio-economic well-being and overall quality of life of diverse rural and urban populations. Research at our institutions is increasingly multi-institutional, multi-state and stakeholder driven and is focused on:

- Economically competitive and sustainable small-scale agricultural systems;

- Crop diversity/alternative crops and marketing strategies for farmers;
- Food safety and quality;
- Family and community development;
- Protection and improvement of water quality and quantity;
- Waste management and prevention of environmental pollution;
- Value-added plant and animal products; and
- Improved nutrition and health of urban and rural populations.

The 1890 Land-Grant mission of providing access to higher education and opportunities for betterment of life for all Americans constantly guides the plans and initiatives in research, outreach and academic programs of these institutions. The general philosophy of the 1890s is that "men and women of talent and ability, regardless of their economic and social condition, can contribute to the common good, with hard work and the opportunity to develop and prosper." Although the 1890s proudly keep pace with mainstream education and cutting-edge advancement, these campuses hold true to focusing on viable research programs that focus on societal needs and increasing diversity within the human resource capital.

Budget Recommendations

The 1890s/ARD request continuing support of these research efforts, which will result in having positive impacts and valuable benefits for the people served and will involve students, giving them valuable training and experience in research methodology and practices. Research initiatives the 1890s/ARD request congressional support for in the FY 2002 Federal Budget are:

I. To Strengthen The Evans-Allen Base Program

The Evans-Allen formula funding provides the 1890s with their primary financial support to conduct research in the food, fiber, and agricultural sciences. The research conducted by these

institutions provides both proactive and reactive responses to public concern about environmental, social, economic, and health issues, small-scale agriculture, and small business enterprises. The NASULGC/ARD budget request for this research program is $36,197,000.

II. To Enhance Research and Teaching Initiatives

The 1890s are the major producers of African-American minority human capital resources in food, fiber, and agricultural sciences. The human capital resources produced by these institutions meet a significant employment need of their land-grant partners, which include USDA agencies, private industry, and 1862 Land-Grant Universities. Initiatives to be supported are:

(A) **The Capacity Building Grants Program** - This highly competitive program is needed to continue to build and enhance the capacity of the 1890s in research and teaching endeavors. Because of a history of neglect and underfunding, it is amazing how the 1890s have been able to do so much with so little. At least 80% of all African Americans who receive baccalaureate degrees in the agricultural sciences have received their education from 1890 institutions. These students deserve the same quality of education provided at higher funded institutions. Capacity Building grants assist the 1890s to raise the quality of research and teaching programs at our institutions. We have a unique and vital mission as intellectual, educational, service centers and funding that recognizes this is crucial to our vitality and quality. The NASULGC/ARD budget request for this grant program is $15,000,000.

(B) **The Facilities Grants Program** - Funds may be used by the recipient institutions to purchase land, acquire state-of-the-art equipment, and renovate or construct facilities to enhance their teaching, research and extension land-grant programs. The NASULGC/ARD budget request for this grant program is $15,000,000.

Closing Comments

Mr. Chairman, based on past accomplishments of which we are extremely proud, and a visionary approach, the 1890s/ARD are positioning themselves to enter the 21st Century with a renewed commitment and capacity to implement their land-grant research mission. Full appropriations of the FY 2002 budget recommendations as stated above will facilitate this and is vital to the ARD member institutions. I thank you very much for allowing me to address this honorable body and if there is a need for additional information, you may contact me as indicated below.

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Testimony of
Dr. Samuel L. Donald
Regional Research Director
Association of Research Directors
1890 Land-Grant Colleges and Universities

Respectfully Submitted To
The House Committee on Appropriations
Agriculture, Rural Development, Food and Drug
Administration and Related Agencies Subcommittee

April 10, 2001

Congressman Bonilla, and other distinguished members of the Committee, I am Samuel L. Donald, Regional Research Director for the Association of Research Directors of the Historically Black 1890 Land-Grant Colleges and Universities, including Tuskegee University (hereafter referred to as the 1890s). Mr. Chairman, I submit, on behalf of the 1890 community, this written testimony in support of the FY 2002 Budget recommendations for the 1890s.

GENERAL INFORMATION

Mr. Chairman, today, the rich legacy of the land-grant tradition remains prominent on the campuses of the 1890s. These institutions are increasingly serving as economic instruments of the state and the nation. They have their extraordinary influence on the lives of all citizens, particularly African Americans and other minority groups. While enduring inequities in state and federal funding, the 1890s serve as exemplary role models; provide educational access to those who may otherwise be denied the opportunity to pursue a college education; and foster an unyielding commitment to academic excellence, social equality and the assurance of a decent future for all students including those from the lowest economic strata of the nation. These universities have been in the forefront of educating youth-at-risk, producing research vital to the quality of life and the environment, and addressing the social and economic needs of urban and rural communities. Teaching, research and extension remain prominent on the campuses of the 1890s.

ACCOMPLISHMENTS AND IMPACTS

Public Historically Black Colleges and Universities (Public HBCUs) constitute some of the largest and most prestigious institutions of higher education in the nation. Among them, two of the largest are 1890 Public HBCUs. Several of the 1890s offer doctoral degrees and/or professional degrees in engineering, food science, toxicology, environmental science, and other areas of national need. Three of the top five Public HBCUs in the nation contributing to the production of African American doctorates are 1890s. Annually, six Public HBCUs produce nearly 20 percent of all African American bachelor degree recipients in engineering and the 1890s graduate over 80 percent of all Black recipients of bachelor degrees in agricultural sciences. Tuskegee University alone has trained more than 80 percent of the nation's Black veterinarians.

The 1890s depend heavily on federal support for sustaining their land-grant academic, research, and extension programs. These institutions' contributions to science and other accomplishments are reasons for maintaining and expanding the federal partnership. For the purposes of improved food quality and food safety, improved and sustained agriculture production, improved quality of life for rural people, etc., some of the more recent accomplishments of the 1890s are:

- Provided small farm clients with management and production techniques that led to new business opportunities.
- Responded to the changing demands in food and agricultural systems by listening and developing new approaches that meet clientele needs.
- Developed new in vitro systems for enhancing root system development of pine and hardwood trees.
- Found that increased production of rapeseed will provide an efficient domestic source of erucic acid oil, help control environmental pollution resulting from use of inorganic pesticides, and assist in the development of sustainable crop production.
- Found that N-methyl aspartate enhanced growth and reduced fat in swine and chickens.
- Encouraged (and assisted) small farmers to take advantage of niche markets to generate additional farm income. .
- Provided educational resources to assist small farmers and limited resource families to acquire jobs and better manage what they earn.
- Determined that lambs and kids produced on cowpeas are lean and low in fat and are preferred by consumers.
- Through research and outreach, assisted small farmers in developing alternative enterprises that are environmentally friendly.
- Developed a new vegetable-legume cropping system for small-scale farmers in the Southeast.
- Provided sound science as the basis for improving food quality.
- Determined that dietary omega-3 polyunsaturated fats have beneficial

properties to change physical and biochemical processes to control blood pressure.

- Developed technology to improve goat meat and fiber production.
- Developed an intensified "Farm Planning Program" for farmers to improve profitability from crops, livestock, and alternative farm enterprises.
- Conducted senior citizens conferences on consumer fraud, security, energy conservation, and modification of dwellings for handicapped use and access.

The above accomplishments had major impacts on improving (a) the quality of lives of people served and (b) the entrepreneurial skills and farming operations of farmers served. The bottom line is, due primarily to federal appropriated dollars to the 1890s, many under-served clientele, customers and stakeholders have a "brighter" tomorrow.

BUDGET RECOMMENDATIONS

The 1890s support the FY 2002 budget recommendations of the National Association of State Universities and Land-Grant Colleges (NASULGC) which emphasizes doubling the investment in agricultural research, extension, and academic programs over the next five years. For FY 2002, the requested increase is $200 million, targeted to five priority areas: An Educated Workforce, The World's Food Supply, Community Opportunities, Environmental Balances and Capacity Building for minority serving institutions. (For budget simplicity, the 1890 accounts are listed under capacity building but program development and implementation will be in all of the other targeted areas.). Mr. Chairman, the 1890s urge the Committee to strongly support the NASULGC recommended $200 million increase which includes $16.578 million for the 1890s. Thus in the FY 2002 NASULGC budget, the following is requested for the 1890s:

Evans-Allen Research Program ($36.197 Million)

The 1890s request a marginal increase ($3.521 million) in base funds for research. These funds will enhance the capacity of these institutions to become more competitive in the private sector and in domestic and international research endeavors designed to undergird the vitality of the nation's agricultural enterprise. This support will enhance the ability of the 1890s to compete for grants and contracts in a wider variety of programs in the U.S. Department of Agriculture, other federal agencies, and the private sector.

Capacity Building Grants Program ($15 Million)

The Capacity Building Grants Program is making a major difference in the quality and

quantity of teaching and research programs in food and agricultural sciences and technology on the campuses of the 1890s. Since the creation of this enormously important program, the 1890 leadership has strongly advocated a substantial and sustained increase in funding at more than $25 million annually. This level of funding would allow these institutions to significantly improve the range and level of academic and research programs offered, enhance the performance and productivity of faculty in the sciences, and increase research opportunities for undergraduate and graduate students. However, consistent with NASULGC's recommendations, the 1890s support the request of $15 million, an increase of $5.5 million.

1890 Facilities Grants Program ($15 Million)

The 1890s unequivocally support the $15 million (an increase of $2.8 million) facilities funding request in the NASULGC budget for renovation, maintenance and overall improvement of the infrastructure on our campuses. The 1890s face nearly insurmountable barriers in attracting public and private support for enhancement of facilities. Although this level of funding will not fully address the critical facility needs of our institutions, it will complement existing efforts to make major improvements.

Extension Program ($33 Million)

The 1890s support a modest increase ($4.757 million) in base funding requested by NASULGC for extension activities. This marginal increase will allow our institutions to sustain program activity at current levels and respond more efficiently to the growing demand for services in severely depressed and under-served communities.

Closing Comments

Mr. Chairman, based on past accomplishments and visionary approach, the 1890s enter the 21st Century with a renewed commitment and capacity to implement their land-grant mission of teaching, research and extension. Full appropriation of the FY 2002 budget recommendations as stated above will facilitate this and is vital to the 1890 Land-Grant Colleges and Universities and the people of this great nation we serve. If there is a need for additional information, you may contact me as indicated below.

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Statement By
National Coalition of Food and Agricultural Research
Before The
House Appropriations Subcommittee on Agriculture, Rural Development, FDA and Related Agencies
House Committee on Appropriations
Washington, DC
April 10, 2001

Introduction

The National Coalition of Food and Agricultural Research (National C-FAR) appreciates very much this opportunity to submit its views regarding the FY 2002 agriculture appropriations bill and respectfully requests that this statement be included as part of the official hearing record.

National C-FAR

National C-FAR, is a newly organized broad-based stakeholder coalition of food, agriculture, nutrition, conservation and natural resource organizations. It is a nonprofit, nonpartisan, stakeholder-driven, and consensus-based coalition focused on food and agricultural research funding and priority setting. It is dedicated to fostering public confidence in food, agricultural, nutritional and natural resource research through public participation in planning and evaluating the process and impact of research activities. Membership is open to those who support the objectives of (1) enhancing federal investments in U.S. food and agricultural research and extension and (2) expanding stakeholder participation in identifying funding needs and opportunities.

The mission of National C-FAR is to **double federal funding of food, nutrition, agriculture, natural resource, and fiber research, extension and education programs during the next five years.** This is to be net additional funding on a continuing basis that will complement, not compete with or displace the existing portfolio of federal programs of research and education.

Overview

There are many challenges facing agriculture both near and long term. These include dealing with continued low commodity prices and reduced farm income, safeguarding our borders against the introduction of the devastating BSE ("mad cow" disease) and foot-and-mouth diseases, addressing concerns over biotechnology, as well as a number of other challenges. While Congress has been very supportive of a number of near term actions, it is equally important to focus on policies and programs needed to promote the long term economic well being and profitability of agriculture for the benefit of producers and consumers alike. To help achieve this objective, we believe, a key component of any long-term strategy should include increased support for food and agricultural research and education.

To paraphrase the old adage, an ounce of prevention is worth a pound of cure. We believe one dollar of funds invested in research now will pay back eight or more dollars of public benefits in the future. Investments in U.S. food and agricultural research and education have already paid huge dividends to the United States and the world, especially in the latter part of the 20th century. Research based technological advances, such as the ability to produce higher yielding crops and animals with improved human nutritional qualities, have allowed for a more abundant, safe, efficient and environmentally friendly food supply, improved human health and well-being, and yes, longer lives and lower health costs. New discoveries are advancing our understanding of the relationship between food and health—another rationale for investment in research. Only research can provide the answers and identify the types of changes that need to be made to effectively provide the food supply with optimal nutrition for the future.

We want to thank the leadership and members of this committee for supporting programs and funding that have helped make these accomplishments possible. Yet, despite the best efforts of this committee and the world-renowned success of U.S. food and agricultural research, federal funding has not kept pace with inflation.

In real terms, we now spend less on food and agricultural research than we did in 1978. We believe this statistic suggests that federal support could be as much as a quarter century behind. Today we spend only $1 of federal food and agricultural research in the USDA for each $500 consumers spend on food and fiber. There is a very real concern this less than optimal investment in food and agricultural research will unintentionally restrict our nation's competitiveness, living standard and general economic growth and development.

While our coalition is initially directing our collective efforts on securing a doubling of federal food and agricultural research funding, our ultimate goal is not budgetary, but the many benefits that will accrue to each American that a doubling of funding will bring about. We believe increased funding of food and agricultural research will result in:

- Safer, more nutritious, convenient and affordable foods
- More efficient and environmentally friendly food, fiber and forest production
- Improved water quality, land conservation and environment
- Less dependence on non-renewable sources of energy
- Expanded global markets and improved balance of trade
- More jobs and sustainable rural economic development

At National C-FAR's inaugural meeting less than two months ago on January 31, 2001, in Washington, DC, 100 leaders in the food, agriculture, natural resource organizations and key federal officials heard a speech by Dr. Norman Borlaug, the Nobel Peace Prize award winner, who started the "Green Revolution." The Green Revolution expanded food and agricultural production and saved one billion people from starvation. Dr. Borlaug noted: "Few industries have been as productive and innovative as agriculture during the 20th century." Yet he cautioned, "Despite the successes of the Green Revolution, the battle to ensure food security for hundreds of millions of miserably poor people is far from won. ... Continuing research breakthroughs will be needed." Borlaug also noted "Agricultural productivity increases, made possible through research and new technology development, spared an area slightly greater than all the land in 25 states east of the Mississippi River for other uses."

Dr. Johanna Dwyer, Director of Frances Stern Nutrition Center and New England Medical Center and Tufts University School of Nutrition Science and Policy, also spoke during the inaugural meeting. Dr. Dwyer emphasized the connections between the entire system of agriculture, food and nutrition for our nation and the importance of food and agricultural research as it contributes to the nation's health by discovering ways to improve the nation's nutritional status. Strong connections were illustrated between nutrition and agricultural yield, efficiency, sustainability and safety and quality. Dr. Dwyer highlighted the need for research that will improve the nation's dietary diversity, nutrition profiles, decrease malnutrition, and ensure sound nutrition over the long term through improved efficiency of plants and animals.

How Should the Additional Funds Be Spent?

While National C-FAR does not have a list of research project recommendations, through our members and their association with other related coalitions, we are well aware of urgent research needs to address and opportunities to explore. Several coalitions, committees and scientific societies, including those listed below, have identified these needs and opportunities:

- Coalition for Research on Plant Systems - CROPS '99
- Food Animal Integrated Research for 2002 --FAIR 2002
- Institute of Food Technologists –Food for Health Research Needs
- Council on Food, Agricultural, and Resource Economics --Economics and Research Priorities for an Efficient and Sustainable Food System
- American Society for Nutritional Sciences
- National Agricultural Research, Extension, Education, and Economics Advisory Board
- American Dietetic Association

Members of our Research Committee have presented to our Board a compilation of these studies. While several emerging needs and opportunities have been identified, we also want to stress the continuing need to build the capacity to do quality research and education, including human resources, infrastructure support, formula funds, and core programs. It is important to maintain a balanced portfolio of federal research and education programs, including competitive grants, formula funds and intramural programs. Agriculture is a biologically based industry and many of the problems are site specific. Hence, we need to maintain a diversified research and education system. Major areas of research that have been commonly identified by most, if not all, of the related coalitions that are in need of additional funding include:

- Food security, safety, fortification, enrichment and allergens
- Nutrition and public health
- Production quantity and quality; nutrient adequacy; global competitiveness; and new market opportunities
- Environmental stewardship and resource conservation and the scientific basis for public policies relating to the environment, plants and animals
- Increasing knowledge, skills, and expertise
- Emergency preparedness for emerging plant and animal diseases and bio-terrorism
- Product pioneering for food, nutrition, biobased materials and biofuels
- Genetic resources, genetic knowledge, and biotechnology

- Jobs and rural community economic vitality
- Education and outreach to producers, processors and consumers including food safety, sound nutrition, conservation, management, and new technology

Our coalition arose from a shared mutual concern about the capacity of our agricultural research system as a whole to meet the future demands and capitalize on emerging opportunities. We will need a research system that simultaneously satisfies needs for food quality and quantity, resource preservation, producer profitability and social acceptability. This coalition will be working on ways to help assure that these needs are met.

Conclusion

For all these reasons, the National Coalition for Food and Agricultural Research recommends that federal investments in food and agricultural research be doubled over the next 5 years. This objective translates into roughly an increase of 15% per year of the research, extension and education in USDA and other federal agencies or about $500 million increase per year for 5 years.

This is a small investment compared to the $1 trillion dollar size of our food and agricultural sector. However, we believe it is a strategic and wise investment that would: 1) benefit producers and consumers of all commodities and all states; 2) improve income opportunities for farmers; 3) contribute to the United States remaining the best fed country with the lowest share of income spent on food; 4) strengthen our competitiveness in the global marketplace, while achieving the proper balance with human and environmental needs; 5) enable producers to produce safer, healthier foods; 6) find new uses for agricultural products; and 7) enhance the protection of our natural resources.

Again, we appreciate the opportunity to share our views. We look forward to working with you and the members of this Subcommittee in support of these important long-term objectives.

National C-FAR Membership (April 10, 2001)

National Organizational Members

American Crop Protection Association
American Dietetic Association
American Farm Bureau Federation
American Feed Industry Association
American Meat Institute Foundation
American Seed Trade Association
American Soybean Association
Assoc. of American Veterinary Medical Colleges
CARET
CoFARM
Ducks Unlimited, Inc.
Forest Landowners Association
Institute of Food Technologists
National Chicken Council
National Corn Growers Association
National Cotton Council
National Council of Farmer Cooperatives
National Grain & Feed Association
National Pork Producers Council
U.S. Rice Producers Association
Wildlife Management Institute

University Members

Auburn University
Cornell University
Iowa State University
Kansas State University
North Carolina State University
North Dakota State University
Ohio State University
Pennsylvania State University
Purdue University
South Dakota State University
Texas A & M University System
University of Arkansas
University of Arizona
University of Georgia
University of Illinois at Urbana-Champaign
University of Kentucky
University of Missouri Columbia
University of Tennessee
Virginia Tech
Washington State University
Washington University in St. Louis

Corporate Members

Gold Kist, Inc.
Monsanto
Ralston Purina Company

Affiliate Members

Barry Sackin (American School Food Service Association)
Becky Doyle (Andrews, Doyle & Associates)
Brian M. Hyps (American Society of Plant Physiologists)
Deborah T. Hanfman (USDA)
Delmar K. Banner (Lietz, Banner & Ford)
Donald Danforth Plant Science Center
Dr. Bernadette Dunham (American Vet. Medical Assoc.)
Dr. Martin A. Massengale (University of Nebraska)
Dr. Stephanie Smith (Institute of Food Technologists)
Dr. Terry Nipp (AESOP Enterprises, Ltd.)
Dr. W. David Shoup (Southern Illinois University)
Farm Foundation
Illinois Corn Marketing Board
Illinois Farm Bureau
Jack Cooper (Food Industry Environmental Network)
John L. Huston
Kellye Eversole (Eversole Associates)
Larry L. Groce (Producers Alliance, Inc.)
North American Millers' Association
Robert Mustell (RAM Associates)
Rod Nilsestuen (Wisconsin Federation of Cooperatives)
Seeley G. Lodwick (Green Bay Farms)
Tamara Wagester (C-FARE)
William Danforth (Washington University West Campus)

Honorary Member

Dr. Norman Borlaug

April 10, 2001

COLUMBIA UNIVERSITY
IN THE CITY OF NEW YORK

Dr. Michael Crow
Executive Vice Provost
Columbia University

International Research Institute for Climate Prediction
Fiscal Year 2002 Agriculture and Rural Development

Mr. Chairman, thank you for this opportunity to submit a statement for the Outside Witness Hearing Record. This statement provides a recommendation to improve and refine one of USDA's primary missions and goals relating to US agriculture, the development of world supply and demand estimates for agricultural production and products.

The supply and demand analysis that USDA conducts requires the most accurate tools and mechanisms available. Columbia University's International Research Institute for Climate Prediction is recognized as the leader in climate modeling and interannual to seasonal forecasting. The IRI's partnership with USDA in would result in improved supply and demand estimates, and therefore be of immense benefit to the US agricultural economy. The details of this proposed linkage are discussed below.

Objectives

(1) $1 million for the involvement of IRI analysis and expertise to utilize improved and available tools and mechanisms for foreign agricultural supply and demand estimates.
(2) $1 million for support of the IRI's Center for Health and Food Security for the development of an independent institution that will focus on Africa and work cooperatively with the Federal Government in the accomplishment of USDA missions and goals.

Background

USDA's World Supply and Demand estimates for agricultural products could utilize, but currently do not, the most sophisticated and accurate analytical tools available. The importance of advanced planning in crop production and reserve stocks in times of fluctuating foreign demand can assist the agricultural economy in maintaining financial stabilization and provide warnings to mitigate foreign famine. Foreign draught and famine, in addition to the tolls of human life and suffering, cause social and political unrest in third world countries, contributing to instability and economic hardships on third world national economies. Improved supply and demand estimates assist domestic producers and the entire agricultural economy, as well as provide the advance planning necessary to avoid or minimize damage in third world economies.

Columbia University's International Research Institute for Climate Prediction has developed the world's most accurate and long-range climate models and forecasting techniques in the areas of temperature and precipitation variability from average conditions. These two factors determine the surplus or deficit in foreign agricultural

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production. USDA does not currently utilize IRI analysis or input. Improvement of the accuracy of USDA's long-range supply and demand estimates could be achieved with the involvement of IRI analysis and expertise in the an effort to obtain the necessary and available tools and mechanisms for foreign agricultural supply and demand estimates.

Africa represents the most vulnerable continent to temperature and precipitation variations caused by climate forcing agents such as El Nino and La Nina.
The IRI is establishing a Center for Health and Food Security that will integrate global interannual to seasonal forecasts with regional climate modeling to provide the most accurate climate forecasting and predictive analysis for private and governmental decision makers. The agricultural component of this effort is crucial to the production of USDA's supply and demand estimates, and also to key planting decisions both within the US and abroad. The IRI's Center for Health and Food Security will focus on Africa and function as an independent institution that will work cooperatively with the Federal Government in the accomplishment of USDA missions and goals.

Thank you for this opportunity to submit this proposed linkage for the Subcommittee's consideration in deliberations on the FY 2002 Agriculture Appropriations Bill.

Columbia University

Michael M. Crow

Research Expenditures for July 1999 - June 2000

Commerce	$ 8,801,820
Defense	$ 7,932,327
Education	$ 20,001
Energy	$ 9,262,518
Health and Human Services	$ 184,340,301
Interior	$ 1,477,785
Justice	$ 274,598
NASA	$ 13,905,050
NEH	$ 2,025
NSF	$ 41,725,556
Agriculture	$ 365,000
Other Federal	$ 6,390,958

Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name: Michael M. Crow		
1. Are you testifying on behalf of a Federal, State, or Local Government entity?	Yes	(No)
2. Are you testifying on behalf of an entity other than a Government entity?	Yes	(No)
3. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1999: See Attached Information on Research Expenditures		
4. Other than yourself, please list what entity or entities you are representing:		
5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your representational capacity with the entities disclosed in question number 4:		
6. If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships whom you are not representing?	Yes	(No)
7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) which were received by the entities listed under question 4 since October 1, 1999, which exceed 10% of the entities revenue in the year received, including the source and amount of each grant or contract to be listed:		
Signature: Michael M. Crow Date: 4/10/01		

MICHAEL M. CROW

Michael M. Crow is currently Executive Vice Provost of the University and Professor of Science Policy at Columbia University in the City of New York. He oversees Columbia=s research enterprise, technology and innovation transfer operations, strategic initiative program, interdisciplinary program development and an assortment of special projects. Prior to moving to Columbia in 1991, Dr. Crow was Institute Professor of Technology Management and Director of the Institute for Physical Research and Technology at Iowa State University. He earned his Ph.D. in Public Policy from the Maxwell School at Syracuse University. He is the author of many articles and author or editor of several books relating to the analysis of research organizations, technology transfer, strategic R&D management, research universities, science and technology policy, and the practice and theory of public policy.

NATIONAL ASSOCIATION OF PROFESSIONAL FORESTRY SCHOOLS AND COLLEGES

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NAPFSC
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Federal Grants Received by the National Association of Professional Forestry Schools and Colleges (NAPFSC)

$20,000 from USDA Forest Service, Award No. 01-DG-1130144-080

$25,000 from USDA CSREES, Award no. 2001-38832-10308

NATIONAL ASSOCIATION OF PROFESSIONAL FORESTRY SCHOOLS AND COLLEGES

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TESTIMONY SUBMITTED TO THE SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FDA, AND RELATED AGENCIES OF THE HOUSE APPROPRIATIONS COMMITTEE

by

DR. PERRY J. BROWN
PRESIDENT, NAPFSC
AND
DEAN, SCHOOL OF FORESTRY
UNIVERSITY OF MONTANA

on behalf of the

NATIONAL ASSOCIATION OF PROFESSIONAL FORESTRY SCHOOLS AND COLLEGES (NAPFSC)

re: FY2002 CSREES BUDGET

The National Association of Professional Forestry Schools and Colleges (NAPFSC) is comprised of the 67 universities that conduct the Nation's research, teaching, and extension programs in forestry and related areas of environmental and natural resource management. NAPFSC strongly supports increased funding for federal forestry research programs, including those operated by the USDA's Cooperative State Research Education and Extension Service (CSREES).

The management of nonfederal forestlands has become a critical economic and environmental issue. Owners and managers of nonfederal forestlands are simply not equipped to deal with the tremendous changes in forest land use and management that have occurred in the last decade nor the pressures of the 21st century. The programs outlined below are key to addressing the stewardship of these lands. These programs are: **the McIntire-Stennis Cooperative Forestry Research Program (McIntire-Stennis), the Renewable Resources Extension Act (RREA), the National Research Initiative (NRI), and the Initiative for Future Agriculture and Food Systems (IFAFS).** The first three of these programs have stimulated the development of vital partnerships involving universities, federal agencies, non-governmental organizations and private industry, and the newest program - IFAFS - a competitive grants program, offers great potential for developing new uses for forest products, improving natural resource management, and building multi-state and multi-university partnerships for research and outreach activities..

April 2001

USDA - CSREES FORESTRY RELATED PROGRAMS

	FY2000 ENACTED	FY2001 ENACTED	FY2002 BUSH BUDGET	FY2002 NAPFSC RECOMMENDATION
MCINTIRE-STENNIS	$21,932,000	$21,932,000	$21,884,000	$30,000,000
RREA	$3,192,000	$3,192,000	$3,185,000	$15,000,000
NRI	$119,300,000	$106,000,000	$105,767,000	$150,000,000
IFAFS	$120,000,000	$113,400,000	$120,000,000	$120,000,000

The Case for Enhanced Forestry Research Funding –
The past, present, and future success of forestry research and extension activities arising from the NAPFSC member institutions results from a unique partnership involving federal, state, and private cooperators. Federal agencies have concentrated on large-scale national issues while state funding has emphasized applied problems and state-specific opportunities. University research in contrast, with the assistance of federal, state and private support, has been able to address a broad array of applied problems related to technology development and fundamental biophysical and socioeconomic issues and problems that cross ownership, state, region, and national boundaries.

The 1998 Farm Bill and various subsequent reports and conference proceedings have identified the need for greater attention on the emerging issues confronting non-federal forest landowners. NAPFSC is pleased to be one of the cofounders of the National Coalition for Sustaining America's Nonfederal Forests. The founding of the Coalition and its subsequent report emerged from a Forestry Summit held in 1999 that brought together key forestry leaders and landowners from across the nation. The outcome of the Summit confirmed the need for increases in forestry research funding focused on non-federal lands and for an increase in collaborative efforts between university-based research and the federal agencies.

The forests and other renewable natural resources of this country are primary contributors to the economic health of the nation; are reservoirs of biodiversity important to the well-being of our citizens; are significant to the maintenance of environmental quality of our atmosphere, water, and soil resources and provide diverse recreational and spiritual renewal opportunities for a growing population. Tremendous strains are being placed upon the nation's private forest lands by the combination of increasing demands for forest products coupled with dramatic changes in timber policies concerning our National Forests. Because of the changes in federal forest policy, private forest lands in the United States are now being harvested at rates not seen since the beginning of the 20th century.

For example, in the East, NIPFs are projected to increase their timber harvests almost 30% from the 1986 levels until 2010. Hardwood timber harvests on NIPF lands in the South are actually projected to increase more than 60% from 1986 to 2010. These spectacular increases will require larger investments and enhanced public educational programs - and hopefully much more regeneration and intensive timber management - at a scale never before realized on NIPF lands in the U.S.

To meet this challenge, research priorities must be adjusted to better address the needs of private landowners, and to specifically enhance the productivity of such lands through economically efficient and environmentally sound means. These challenges can be substantially addressed by the university community through the building of integrated research and extension programs assisted by McIntire-Stennis, RREA, and NRI.

There are currently approximately 10 million private forestland owners in the U.S. These landowners control nearly 60% of all forestland in the country. And it has been to the universities, with strong support from CSREES, that landowners traditionally look for new information about managing their lands. The overwhelming majority of the 10 million private landowners are not currently equipped to practice the sustained forest management that is critical to the health of our environment and economy. The combination of research conducted by the forestry schools, combined with the dissemination of that research through the cooperative extension network, has never been more essential.

McIntire-Stennis Cooperative Forestry Research

The Cooperative Forestry Research Program (McIntire-Stennis Act), is the lead forestry effort administered by the USDA Cooperative State Research, Education, and Extension Service (CSREES). This program is the foundation of forestry research and scientist training efforts at universities. Funding this program provides for cutting-edge research on productivity, technologies for monitoring and extending the resource base, and environmental quality. The program is critically important today since universities provide a large share of the nation's research. Additionally, universities train nearly all of the nation's scientists in forestry. The main categories of need are:

- Significantly enhance sustainability and productivity of nonfederal forests;
- Increase the financial contributions of nonfederal forests to benefit landowners, the rural community, state and national economies, and environmental values; and
- Conserve and sustain the nonfederal forests and other natural resources for future generations.

The Cooperative Forestry Research Program is currently funded at $21.932 million and matched more than three times by universities with state and nonfederal funds. The program is currently funded at little more than one-fifth its authorized level. **We recommended funding McIntire-Stennis at a level of $30,000,000 for FY2002.** The requested additional funding would be targeted at:

- *sustainable and productive forest management* on private lands to address issues of competitiveness and economic growth ($3.0 million);
- *forest inventory, monitoring, and assessment* with emphasis on new technologies ($2.1 million);
- *new products, improved processing technologies, and utilization of small trees* to extend the forest resource and improve environmental quality ($1.1 million); and
- *assessing social values and tradeoffs* to facilitate the understanding of policy options, economic impacts, and informed decisions at all levels of government ($1.9 million).

The NAPFSC schools further recommend that CSREES provide this support to universities with direction to focus on new or existing approved projects for the explicit purpose of near term progress in addressing one or more of these research targets in each school's state or region. It is

recognized that progress will be dependent on a critical mass of scientific effort, and collaboration among schools is thus encouraged. Additionally stakeholder advisory mechanisms should be a part of the funding allocation process. In the process of funding these projects, NAPFSC would also recommend that portions of this funding be used to build research capacity, including a provision calling for training of much needed new forestry scientists.

Renewable Resources Extension Act

The Renewable Resources Extension Act (RREA) is the lead forestry extension effort administered by the USDA Cooperative State Research, Education, and Extension Service (CSREES). This program is the foundation of outreach and extension efforts at universities. Funding for this program addresses critical forestry and related natural resources extension and stewardship needs in states, and would address the critical issues of forest management for productivity and environmental quality on non-federal lands brought about by diminished harvest levels on federal lands.

Audiences for the products of outreach and extension are as diverse as are the stakeholders. Of highest priority are the owners of nonfederal forestlands and those involved in implementing forest management. These groups would be best served by outreach programs that (1) solve immediate problems; (2) transfer research technologies and new knowledge; and (3) increase their awareness of the benefits of active management.

It is vital that Congress increase funding for this important program for distributing the knowledge gained through our research institutions to the private landowners. **NAPFSC recommends funding RREA at a level of $15 million for FY2002. This increase would take RREA to its full authorization level.**

With nearly ten million nonfederal forest landowners, the most compelling priority areas for extension and outreach are:

- *Develop databases of landowner information* to customize educational efforts and their delivery to address owner values and goals ($2.5 million);
- *Increase landowner awareness* through new communication technologies, volunteer leadership, and localized programming ($2.5 million);
- *Identify management alternatives* with readily accessible new information on programs, services, and benefits of management and planning to integrate water, fish, wildlife, timber and other products and services ($3.0 million);
- *Address local issues and needs* within the framework of landowner's objectives using special forums, experts, and case study approaches to sustainable forestry ($2.0 million); and
- Identify and follow up on organizational opportunities including the *establishment of landowner organizations* linked to professional services, price reporting systems, and cooperative marketing ($1.8 million).

The NAPFSC schools further recommend that CSREES provide this support to universities with direction to focus on new or existing approved projects for the explicit purpose of near term progress in addressing one or more of these outreach/extension targets in each school's state, region, or nationally. It is recognized that progress will be dependent on a critical mass of

extension educator effort, and cooperation among schools is thus encouraged. Additionally stakeholder advisory mechanisms should be a part of the funding allocation process. In the process of funding these projects, NAPFSC would also recommend that portions of this funding be used to build outreach/extension capacity, including a provision calling for training of much needed new extension educators and associated technical support staff.

National Research Initiative Competitive Grants

The National Research Initiative Competitive Grants program (NRICGP) is a significant source of funding for basic cutting-edge and applied research in categories important to sustainable forest management. Among these categories are (1) natural resources and the environment, (2) plants, (3) markets, trade and rural development, and (4) processing for value added/new products. This program is administered by the USDA Cooperative State Research, Education, and Extension Service (CSREES).

This program is currently funded at $106 million of which approximately ten percent goes to successful forestry research proposals. Building to address the full set of research needs of nonfederal forests will take several years and steps as described in the Coalition's planning document. However, we urge a significant step in the first part of this new century. **NAPFSC recommends this program be funded at $150 million for FY 2002 with at least $20 million directed to forestry and forest products research priorities in categories (1)-(4) above under existing and/or new research opportunity areas. We further urge the targeting of funding of research on the most compelling needs.**

Initiative for Future Agriculture and Food Systems

The Initiative for future Agriculture and Food Systems (IFAFS) is a new research, extension, and education competitive grants program designed to address a number of critical emerging issues in the broad area of agricultural. These issues encompass future food production, food safety, environmental quality, natural resource management, and farm income. Priority program areas include (1) the agriculture genome; (2) new and alternative uses and production of commodities and products; (3) biotechnology; and (4) and natural resource management, including precision agriculture. Priority for funding is for those proposals that were multi-state, multi-institutional, or multi-disciplinary, or that integrated research, extension, and/or education. This program, administered by CSREES, was funded at $113.4 million in FY 2001. **NAPFSC strongly supports this new competitive grants program and urges your Subcommittee to provide the full $120 million for FY2002.**

Conclusion

The needed investment for these programs is substantial, but the potential returns are enormous and crucial to our society's future. Disciplined and rigorous implementation of research on forestry issues will contribute greatly to attaining our vision for America's nonfederal forests for the future. NAPFSC urges cooperation at federal, state, and University's levels to make this research and the vision it will support a reality.

Name: Perry J. Brown

Current Positions: Dean of School of Forestry, Director of Montana Forest and Conservation Experiment Station, and Professor of Forest Resource Management—since 1994

Education. Ph.D Utah State University 1971—Outdoor Recreation and Social Psychology, M.S. Utah State University 1968—Outdoor Recreation, B.S. Utah State University 1967—Forestry; Foothill College 1962-1963, The University of Michigan 1968 summer and 1969-1970.

Honor Societies: Xi Sigma Pi 1966, Phi Kappa Phi 1967, Fellow in Academy of Leisure Sciences 1985

Previous Academic Positions: Oregon State University—Professor of Forestry and Forest Recreation 1979-1994, Associate Dean of Forestry 1988-1994, Assistant Dean of Forestry 1982-1984, Department Head for Forest Recreation 1979-1988; Colorado State University—Associate Professor of Recreation Resources 1974-1979, Assistant Professor of Recreation resources 1973-1974; Utah State University—Assistant Professor of Forest Science 1971-1973, Lecturer in Forest Science 1968-1971. Also served as Social Science Project Leader, OSU-NPS Cooperative Park Studies Unit 1990-1993 and Interim Director of the Oregon State System of Higher Education Oregon Tourism Institute 1987-1989.

Courses Taught: Forest resource Policy, Natural Resource Policy and Administration, Land Use Planning, Planning Theory (graduate), Integrated resource management, Recreation resource Planning, Population and Resource Perspectives, Recreational Use of Wildlands, Environmental Interpretation, Social Issues in Outdoor recreation (graduate), Recreation Behavior, Recreation Administration (graduate), Recreation Participation and Planning (graduate), Recreation Planning (graduate), Advanced Environmental Interpretation, Recreation management, Wildland Recreation Management (graduate), Concepts of Recreation Planning and Management (graduate)

Graduate Students. Completion of 47 master's and 11 Ph.D. students

Research Activities: 62 individual research projects dealing with recreation behavior, recreation management, recreation planning, resource policy, and social aspects of natural resources Over 120 books, book chapters, articles, papers and reports.

Publications 1993-1998:

Brown, PJ 1993. Evolving and integration between research and management. P 399-406 in AW Ewert, DJ Chevez, and AW Magill, eds. Culture, Conflict and Communication in the Wildland-Urban Interface. Westview Press, Boulder, CO 410p.

Brown, PJ 1993. Ecosystems, Regions, and Benefits: Trends in Outdoor Recreation Planning for the 1990's. p 5-10 in Proceedings of IUFRO Interim Meeting and Excursion in South Korea and China-Taipei. Seoul National University, Seoul, South Korea.

Freimund, WA and PJ Brown 1995. Shifts in Public Land Mangement: Implications of r Education in Wildland Recreation. Trends 32(4)·19-21.

Brown, PJ 1995. Forestry Yesterday and Tomorrow: Institutional Assumptions and Responses. XIX William P. Thompson Memorial Lecture. Northern Arizona University, Flagstaff, AZ 18p.

List, P and PJ Brown 1996. Moving toward and expanded land management ethic. P 457-465 in BL Driver, D Dustin, T Baltic, and G Peterson, eds. Nature and the Human Spirit: Toward and Expanded Land Management Ethic. Venture Publishing, Inc., State College, PA 467p.

Brown, PJ 1997. Forestry and rural development: contributions of the social sciences. COST Action E3—Forestry in the Context of Rural Development. Proceedings from the 7th meeting. Bergen, Norway p18-20.

Yung, L, B Yetter, WA Freimund, and PJ Brown 1998. Wilderness and Civilization: two decades of wilderness higher education at The University of Montana. International Journal of Wilderness 4(2):21-24.

Continuing Education: hosted or taught in workshops and short courses dealing with ecosystem management, land use planning, forest recreation, recreation opportunity spectrum, managing people in parks and forests, wilderness management , and policy, values and economics.

International Activities: professional activities in 35 countries, research and workshops conducted in various countries.

Major Professional Service Activities: Editor Utah Tourism and recreation Review 1972-1973; Associate Editor Journal of Leisure Research 1977-1979; Associate Editor Leisure Sciences 1982-1985; National Academy of Sciences Panel on Environmental Effects of Resource Management 1975-1977; Treasurer and Membership Chair, Human Dimensions in Wildlife Study Group 1982-1992; Society of American Foresters Continuing Education Committee 1990-1992; National Association of Professional Forestry Schools and Colleges (NAPFSC) Western Region Education Chair 1994; NAPFSC Western Region Chair 1995-1996; NAPFSC President 199-2001; International Union of Forest Research Organizations (IUFRO) Section on Forest Recreation, Landscape Management and Nature Conservation—leader 1990-1995; IUFRO Deputy Coordinator of Division 6 (social and economic sciences) 1996-2000; Trustee of the Consortium for International Development (CID) 1996-; external reviewer for forestry/natural resource/recreation programs at the University of Arizona (1980), Kansas State University (1987), University of Idaho (1989), University of Washington (1995), University of Minnesota (chair of SAF accreditation team 1996), University of British Columbia (1996), and University of Wyoming (1988) for CSREES, SAF, and/or the individual universities; member of northwest regional accreditation teams for the University of Washington (1993) and Utah State University (1997); Virginia Polytechnic Institution and State University College of Forestry and Wildlife Advisory Committee 1994-1997.

Major Consulting and Advisory Activities: Numerous recreation, environmental and social assessments for private companies and state and federal agencies including Salt Lake Transportation Company, Development research Associates, Navajo Development Council, Wallace, McHarg, Roberts, and Todd ,Inc, Isbill Associates, Army Corps of Engineers, University of Wyoming, National Park Service, Environmental Protection Agency, USDA Forest Service, Denver regional Council of Governments, USDI Fish and Wildlife Service, University of Idaho, USDI Bureau of Land Management, US Department of Justice and ECO Northwest. Outdoor Recreation Planner (faculty appointment) USDI BLM 1978-1980. Member USDI BLM ROS Planning Task Force 1978-1980, member USDA Forest Service ROS Planning Task Force 1978-1980



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April 10, 2001

The Honorable Henry Bonilla
Chairman
Agriculture, Rural Development, Food and Drug Administration and Related Agencies Subcommittee
House Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Marcy Kaptur
Ranking Minority Member
Agriculture, Rural Development, Food and Drug Administration and Related Agencies Subcommittee
House Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Bonilla and Representative Kaptur:

On behalf of the four million members and supporters of the National Wildlife Federation (NWF), I would like to take this opportunity to encourage you to support USDA conservation programs in the Fiscal Year 2002 Agriculture Appropriations bill. Adequately funding these programs is essential if we desire to have farmers, ranchers and other private landowners continue to undertake environmentally beneficial practices that address many of the nation's pressing environmental and rural development needs.

In order to assist farmers, ranchers and other private landowners implement environmentally beneficial practices, we believe that Congress must increase funding for USDA conservation programs such as the Conservation Reserve Program, the Wetlands Reserve Program, the Wildlife Habitat Incentives Program and the Environmental Quality Incentives Program. Specifically, we urge you to include the following provisions in the FY 2002 Agriculture Appropriations bill:

- Allow the enrollment of an additional 170,000 acres of land in the Wetlands Reserve Program. This program will have reached its current cap by the end of FY 01. Presently there are more than 500,000 acres of unfunded applications for WRP from approximately 2,700 private landowners. None of these landowners will be able to enroll acreage in FY 02 if the cap is not increased.

- Provide $50M for the Wildlife Habitat Incentives Program. This extremely popular cost-share program has provided significant benefits for wildlife and wildlife habitat. More than 8,400 projects covering some 1.4 million acres have been approved under WHIP with the initial $50M authorized for the program.

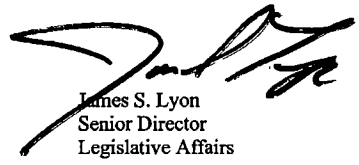
- Provide at least $200M for the Environmental Quality Incentives Program. EQIP encourages farmers to apply one or more land management techniques such as nutrient management, pest management, and grazing land management. The program has provided both water quality and wildlife benefits.

- Provide sufficient funds to allow the Farm Service Agency to enroll additional acres in the Conservation Reserve Program to meet its cap of 36.4 million acres. CRP is extremely popular with farmers. This program has provided a steady source of income to farmers enrolled in the program and dramatically increased the habitat for nesting waterfowl and upland game birds and other wildlife.

Most farmers, ranchers and other private landowners need technical or financial assistance in order to help prevent soil erosion, protect water quality, and help wildlife. However, far too many producers are turned away because of inadequate funding. USDA conservation programs are voluntary and have been very successful in helping to conserve our precious natural resources and promote healthy working agricultural lands while providing a stable source of income to farmers, ranchers and private landowners. The National Wildlife Federation strongly urges you to fund these programs in the FY 2002 Agriculture Appropriations bill.

Once again, thank you for your attention to these programs. We appreciate your consideration and look forward to working with you to support agriculture conservation in the FY 2002 Agriculture Appropriations bill.

Sincerely,



James S. Lyon
Senior Director
Legislative Affairs

NATIONAL CATTLEMEN'S BEEF ASSOCIATION

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10 April 2001

The Honorable Henry Bonilla
Chairman
Subcommittee on Agriculture, Rural Development, Food and
Drug Administration, and Related Agencies
2362 A Rayburn House Office Building
Washington, DC 20515

The Honorable Marcy Kaptur
Ranking Member
Subcommittee on Agriculture, Rural Development, Food and
Drug Administration, and Related Agencies
2366 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Bonilla and Ranking Member Kaptur,

The National Cattlemen's Beef Association appreciates the opportunity to present for your consideration beef industry appropriation priorities for the FY 2002 spending bill.

The two issues that are at the top of the beef industry's list are Bovine Spongiform Encephalopathy (BSE) and Foot and Mouth Disease (FMD). The BSE situation over the past decade and the recent FMD outbreak in Europe demonstrate the necessity of a strong US science-based regulatory structure. This infrastructure protects the US livestock industry from foreign animal disease and maintains consumer health, safety and confidence.

BSE and FMD have been on the minds of beef producers and on the televisions and in the magazines of American consumers. In the middle of this media attention though there are some interesting statistics. A consumer survey conducted on behalf of the beef industry indicates that consumer confidence in beef's safety has actually increased despite the fact that 81% of consumers have heard of BSE since the fourth quarter of 2000. The NCBA believes that consumer confidence in our beef system is no accident. It is the result of industry and government efforts to insist on science-based measures and decisions to keep our industry free from disease and our consumers confident in the wholesomeness of our product.

The US must set the world standard for research, inspection, surveillance and food safety. A strong system instills confidence in our customers, both domestically and abroad. The NCBA calls upon Congress to commit to doubling funding for agricultural research to $2.4 billion annually over the next 5 years. This funding would provide for the construction of a National Animal Disease Center at Ames, Iowa at a cost of $400 million. This facility could provide

essential diagnostic testing, monitoring, and surveillance for diseases that could infect the national livestock herd. The cost of this facility may seem high, but it would provide long-term benefits for agriculture, particularly in light of the zoonotic and Foreign Animal Diseases that exist around the world.

The NCBA understands that there are many priorities and many interests competing for limited resources. We are hopeful that NCBA and current events have demonstrated the need for significant spending on the discretionary side for animal health priorities. We are also optimistic that you can support these programs to the greatest degree possible given the allocation and budget constraints with which you must comply.

To protect our industry from BSE, FMD and other diseases, the NCBA believes that we must commit to providing the resources needed to protect our livestock health. Specifically we request:

• APHIS-Foot and Mouth	$4 million
• APHIS-Animal Health Monitoring and Surveillance	$71 million
• APHIS-National Animal Health Emergency Management	$7.5 million
• APHIS-Brucellosis Eradication	$9 million
• ARS/APHIS-National Animal Disease Center, National Veterinary Services Laboratory, Ames, Iowa	$400 mln/over 3 yrs
• APHIS Facility, Plum Island, NY	$5.2 million
• ARS Facility, Plum Island, NY	$3.8 million
• ARS-Emerging Exotic Diseases and Pests	$22 million
• FDA-Center for Veterinary Medicine	Full Funding

In addition to funding to protect the health of the domestic beef industry, NCBA and our member organizations have established the following priorities:

Food Safety Inspection Service	$716 million
Agricultural Research Service	
• Invasive Species	$4.3 million
• Animal Genome Research	$6.6 million
• Brucellosis in Yellowstone National Park	$400,000
• Rangeland Resources Unit-Cheyenne, Wyoming	$2.3 million
• ARS Facility-Coshocton, Ohio	$100,000 increase
Animal and Plant Health Inspection Service	
• Cattle Ticks	$5.2 million
• Screwworm	$30.4 million
• Imported Fire Ant	$2.1 million
• Tuberculosis	$19 million
• Veterinary Biologics	$10.751 million
• Veterinary Diagnostics	$17.514 million

- Wildlife Services-Operations $54 million
- Wildlife Services-Methods Development $11.025 million
  Of significant importance is the Wildlife Services Program for livestock producers in the West and upper Midwest.

Cooperative State Research, Education, and Extension Service
- Bovine Tuberculosis $325,000
- National Beef Cattle Genetic Evaluation Consortium $1.8 million
- Livestock Marketing Information Center $250,000

Agricultural Marketing Service
- Market News and Price Reporting Implementation $29 million

Economic Research Service
- Retail Price Reporting System $1.2 million

Natural Resource Conservation Service
- Environmental Quality Incentives Program $174 million
- Grazing Lands Conservation Initiative $20 million

Foreign Agriculture Service
- Market Access Program $90 million

Mr. Chairman, thank you for the opportunity to provide you and the Members of your Subcommittee funding priorities for the US beef industry. If we can be of further assistance or answer any questions or concerns, please contact Bryan Dierlam with NCBA's Washington staff at 202-347-0228.

Sincerely,

Lynn Cornwell

Lynn Cornwell
NCBA President

CC: The Honorable Larry Combest, Chairman, House Committee on Agriculture
The Honorable Charlie Stenholm, Ranking Member, House Committee on Agriculture
Members of the House Agriculture Appropriations Subcommittee
Members of the House Agriculture Committee



Creating solutions, changing lives.

Helping people with disabilities gain greater independence

Statement of

EASTER SEALS

regarding the

Status of and Fiscal Year 2002 Appropriation

for the

USDA
COOPERATIVE STATE EDUCATION, RESEARCH & EXTENSION SERVICE
AGRABILITY PROGRAM

(Authorized as the "Education and Assistance Program for Farmers with Disabilities)

to the

SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION AND RELATED AGENCIES

UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS

April 10, 2001

Contact: Jennifer Dexter, Easter Seals
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EASTER SEALS RECOMMENDATIONS FOR USDA AGRABILITY PROGRAM FISCAL YEAR 2002 APPROPRIATIONS

Easter Seals appreciates the opportunity to report on the notable accomplishments of the USDA Cooperative State Research, Education, and Extension Service (CSREES) AgrAbility Program and request that funding for the AgrAbility Program be increased to $4.6 million in fiscal year 2002.

The AgrAbility Program is an essential, unduplicated, hands-on resource for farmers, ranchers, and farmworkers with disabilities and their families. AgrAbility is the only USDA program dedicated exclusively to helping agricultural producers with disabilities. The Secretary of Agriculture hailed the importance of the program at an event held at USDA in July 2000 to celebrate the tenth anniversary of the Americans with Disabilities Act. This event was held to celebrate AgrAbility as USDA's contribution to fulfilling the promise of the Americans with Disabilities Act. It demonstrates the value of public-private partnership by securing donations of funds, talent, and materials to magnify the impact of a modest federal investment. The fiscal year 2001 appropriation of $2.8 million funds 18 state programs.

Disability & Agriculture

Agricultural production is one of the nation's most hazardous occupations. Each year, approximately 200,000 people working in agriculture experience injuries that limit their ability to perform essential farm tasks. Tens of thousands more become disabled as a result of non-farm injuries, illnesses, other health conditions, and the aging process. Approximately 500,000 agricultural workers nationwide have physical disabilities that prevent them from performing one or more essential farm tasks.

The presence of a disability jeopardizes rural and agricultural futures for many of these individuals. Rural isolation, a tradition of self-reliance, and gaps in rural service delivery systems frequently prevent agricultural workers with disabilities from taking advantage of growing expertise in modifying farm operations, adapting equipment, promoting farmstead accessibility, and using assistive technologies to safely accommodate disability in agricultural and rural settings. Yet, with some assistance, the majority of disabled agricultural workers can continue to earn their livelihoods in agriculture and participate fully in rural community life.

AgrAbility's Role and Accomplishments

The AgrAbility Program was established under the 1990 Farm Bill in response to the needs of farmers with disabilities. The Farm Bill authorizes the Secretary of Agriculture to make grants to Extension Services for conducting collaborative education and assistance programs for farmers with disabilities through state demonstration projects and related national training, technical assistance, and information dissemination. Easter Seals is proud to be a partner with the University of Wisconsin Extension Service to provide the national training and technical assistance portion of AgrAbility. Thousands of people in states with and without state AgrAbility projects are aided through this initiative.

AgrAbility combines the know-how of the Extension Service and disability organizations to provide people with disabilities working in agriculture the specialized services that they need to safely accommodate their disabilities in everyday farm operations. AgrAbility received strong bipartisan support during the 1998 reauthorization of the USDA research and education programs, and was extended through fiscal year 2004. The $6 million authorization level for AgrAbility was continued.

Under the statute, state and multi-state AgrAbility projects engage Extension Service agents, disability experts, rural professionals, and volunteers to offer an array of services, including: identifying and referring farmers with disabilities; providing on-the-farm technical assistance for agricultural workers on adapting and using farm equipment, buildings, and tools; restructuring farm operations; providing agriculture-based education to prevent further injury and disability; and, upgrading the skills of Extension Service agents and other rural professionals to better promote success in agricultural production for people with disabilities.

In 2001, USDA received an allocation from Congress of $2.8 million. These funds support eighteen state projects in Colorado, Delaware, Illinois, Indiana, Iowa, Kentucky, Minnesota, Mississippi, Missouri, Nebraska, North Carolina, North Dakota, Pennsylvania, South Dakota, Tennessee, Texas, Utah, and Wisconsin.

AgrAbility provides customized assistance to farmers, ranchers, and farmworkers with disabilities and their families. The nature and degree of assistance depends on the individual's disability, needs and agricultural operation. For example:

- Grover Greer, of Anguilla, Mississippi, has farmed in the Mississippi Delta for 26 years. Thanks to the work of AgrAbility and other state agencies, his son is now doing the same. Born with cerebral palsy, Jonathan, 17, operates a 25-acre turfgrass business. A hoist and hand controls allow Jonathan to independently operate his tractor to irrigate and maintain the grass. While they anticipate the business growing and providing Jonathan with employment, Grover says, "The more important point is that he is happy and self-sufficient." Jonathan is putting to good use his abilities and motivation to be a successful turfgrass farmer.

- Max Rodemeyer from Latimer, Iowa was diagnosed with Multiple Sclerosis in his twenties. Now in his forties, he has difficulty climbing, crouching and walking long distances. With these limitations, he was unsure whether or not he could continue to operate his 900-acre family farm. Through modifications recommended by Iowa AgrAbility, a joint effort between Iowa State University Extension and Easter Seals Iowa, Mr. Rodemeyer has been able to remain gainfully engaged in farming. Mr. Rodemeyer uses a Kawasaki Mule, All Terrain Vehicle to get from building to building and to check his crops. All of his tractors have lower and wider steps to make it easier for him to mount and dismount. Mr. Rodemeyer uses a special seed vacuum to load seeds into his planter, as he is not able to lift 50-pound bags. Through these modifications, and the assistance of Iowa AgrAbility, Max is doing what he always has done and what he wants to continue to do, farm.

- Bluette Duennenburg, a rancher/farmer from outside San Antonio, Texas, was a junior high school science teacher before a traffic accident left him with a spinal cord injury that resulted in quadriplegia. In his own words, "AgrAbility has provided me information on alternative agricultural operations. I have over 100 acres of land. This land has been in my family for years and now I have options for making it productive again. AgrAbility is helping me to design and soon open a garden center, which will allow people to rent garden plots for growing vegetables and fruits. This area will also have an area for me to grow vegetables to sell at the local farmers markets. AgrAbility staff are also helping me to modify my tractor so that I can generated income from baling hay and plant corn. They have helped me to see my options and how to use the land in different way."

Overall, AgrAbility Projects in 24 states along with the national project accomplished the following since 1991:

- provided assistance, including nearly 5,000 on-site visits, to over 8,760 farmers, ranchers and farmworkers or their families affected by disability;
- educated over 137,000 agricultural, rehabilitation, and health professionals on safely accommodating disability in agriculture;
- recruited and trained more that 5,300 volunteers and peer supporters to assist farmers, ranchers and farmworkers with disabilities; and,
- reached 9,500,000 people through more that 6,100 exhibits, displays, and demonstrations to increase awareness of the challenges affecting and resources available to farmers, ranchers and farmworkers with disabilities.

Nationally, the AgrAbility technical assistance and education grant was awarded to Easter Seals national headquarters and the University of Wisconsin Extension Service in 2000. This new partnership is generating innovative and effective activities at the national level that will have a significant impact on the effectiveness of the state AgrAbility projects and the lives of farmers with disabilities. Some of the initiatives underway or planned at the national level include:

- a national needs assessment conducted with state AgrAbility project staff that will identify priorities for designing new tools and training;
- organizing a consensus conference with the Farm Foundation to engage leading agricultural interests in identifying and addressing concerns of farmers with disabilities;
- refining the AgrAbility website, including offering AgrAbility technical information and tools electronically that were previously only available in paper format;
- developing a comprehensive training package on rural case management with the Marshfield Clinic and National Farm Medicine Center; and,
- developing distance education programs for State AgrAbility Project staff to increase access to training.

Impact of Current Funding Levels

A funding floor of $150,000 per state was set in the 1990 Farm Bill to assure that the state programs were appropriately resourced to meet diverse, statewide agricultural accommodation needs. However, because funding has not approached the $6 million authorized level, state projects have only received slightly over $100,000 per state. In the 1998 reauthorization of the USDA research and education programs, the Committee reaffirmed a commitment to that funding floor of $150,000 per state. Easter Seals strongly supports full funding of state programs to

assure that they continue to be effective for farmers with disabilities. The fiscal year 2002 request of $4.6 million would bring all current states up to the $150,000 level and would allow eight currently unserved states to implement AgrAbility programs.

AgrAbility projects are underfunded relative to need and objective. At the current funding level, only a few staff can be hired to provide statewide education and assistance to farmers with disabilities, educate rural professionals, recruit volunteers, and work with rural businesses on disability-related issues. Rising demand for services and the great distances that must be traveled to reach farmers and ranchers severely strains even the most dedicated of AgrAbility's outstanding staff. Easter Seals fears that failure to invest adequately in this worthwhile program will ultimately cause it to falter.

One of the consequences of limited funding is that, in every grant cycle, some states with existing AgrAbility programs and a demonstrated need for services, are not renewed and are forced to discontinue services to farmers with disabilities in that state. These states often have difficulty obtaining the access to the limited public and private funding sources that the federal seed money granted them. More than a dozen states have sought AgrAbility funding without success. Other states, including Louisiana, Michigan, Montana/Idaho, New Hampshire, New Jersey, New York, South Carolina, Ohio, and Vermont, had USDA-funded AgrAbility projects in the past. Each of these states can demonstrate significant unmet needs among farm and ranch families affected by disability that AgrAbility could potentially address. Any loss of programs will greatly affect farmers with disabilities in states for whom AgrAbility is the primary resource through which they seek information and assistance on farming with a disability.

Funding Request

The need for AgrAbility services has never been greater, and its accomplishments to date are remarkable by any standard. Easter Seals is proud to contribute to the ongoing success of the USDA-CSREES AgrAbility Program. Please support the allocation of at least $4.6 million for AgrAbility in fiscal year 2002 to ensure that this valuable public-private partnership continues to serve rural Americans with disabilities and their families. Thank you for this opportunity to share the successes and needs of the USDA AgrAbility Program.

GRANT DISCLOSURE

Easter Seals receives the following federal grants:

Project ACTION, $3.0 million from the U.S. Department of Transportation to help transit providers implement the Americans with Disabilities Act (ADA) and to promote transportation accessibility for people with disabilities;

AgrAbility, $10,700 from the U.S. Department of Agriculture to promote success in agriculture for people with disabilities and their families; and

Delta Project, $600,000 from the U.S. Department of Education to support research and demonstration activities in the Delta regions of Arkansas, Louisiana, and Mississippi that builds local capacity to improve early intervention and early childhood services for children with disabilities through short term service delivery, parent training and support, and the development of education and health personnel.

Eater Seals' state and local affiliated organizations, which are separately incorporated, receive funding from a variety of federal and state agencies to support their local programs. We do not, however, have specific information regarding their funding sources.

EASTER SEALS
HIGHLIGHTS

Mission: Create solutions that change the lives of children and adults with disabilities or other special needs and their families

Founded: In 1919 as the Ohio Society for Crippled Children – the first organization of its kind to help children with disabilities; renamed Easter Seals in 1967

Founder: Edgar Allen, an Elyria, Ohio businessman

Locations: Nationwide affiliate network with more than 400 Easter Seals service sites helps more than one million people annually

Primary Services:

- **Medical Rehabilitation**
  - Early Intervention
  - Physical Therapy
  - Occupational Therapy
  - Speech and Hearing Therapy
- **Job Training & Employment**
- **Inclusive Child Care**
- **Adult Day Services**
- **Camping & Recreation**

Annual Revenue:

- Estimated $550 million in 1999
- Nearly 90 percent of Easter Seals revenue supports services in the areas where funds are raised
- Ranked first for program dollar to direct service ratio by National Health Council for 20 consecutive years

Contact:

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House Committee on Appropriations

Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Testimony by The Humane Society of the United States on the FY 2002 Budget

April 10, 2000

Promoting the protection of all animals
2100 L Street, NW, Washington, DC 20037 ▪ 202-452-1100 ▪ Fax: 202-778-6132 ▪ www.hsus.org

We appreciate the opportunity to provide testimony to the Agriculture and Rural Development Subcommittee on funding items of great importance to the Humane Society of the United States and its 7.7 million supporters nationwide. As the largest animal protection organization in the country, we urge the Committee to provide these priority funding items in the FY 2002 budget:

- $3.8 million increase for Animal Welfare Act Enforcement, broken down as follows:
  -- $2.4 million increase for APHIS/Animal Welfare inspections
  -- $1 million increase for APHIS/Investigative and Enforcement Services
  -- $400,000 increase for ARS/Animal Welfare Information Center

- $325,000 for Iowa's Leopold Center for Sustainable Agriculture to promote use of hoop barns, under the Cooperative State Research, Education, and Extension Service

- $1,988,673 for Wildlife Services Methods Development to conduct 1st year of study evaluating relative effectiveness of non-lethal and lethal predator control management for livestock protection

- $102,000 increase for APHIS enforcement of Horse Protection Act

Animal Welfare Act Enforcement

We are grateful that the Committee has begun to address the severe budget shortfall in the U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS)/Animal Welfare budget, by providing a $1 million increase in FY 2000 and a $2 million increase in FY 2001. Before that, as you know, funding for enforcement of the Animal Welfare Act had been stagnant since 1991. The Animal Care (AC) unit received $12.14 million in FY 2001 to cover, among other things, inspections of approximately 10,000 separate locations at regulated entities -- research facilities; exhibitors such as zoos and circuses; animal dealers and breeders; and animal carriers such as airlines and ground freight handlers.

While the increases of the past two years are making a real difference, more is needed to ensure that regulated facilities and the public can depend upon having a high quality inspection program and consistent enforcement of the Animal Welfare Act's requirements. This is vital to protect the health and safety of millions of animals. It is also important for people, as strong enforcement protects them against 1) the sale of unhealthy pets by commercial breeding facilities commonly referred to as "puppy mills"; 2) laboratory conditions that may impair the scientific integrity of animal-based research; 3) risks of disease transmission from, and dangerous encounters with, wild animals in or during public exhibition; and 4) injuries and deaths of pets on commercial airline flights due to mishandling and exposure to adverse environmental conditions. To help meet these needs, we respectfully request that the Committee provide an additional $3.8 million in FY 2002, allocated to the following three key components. The Humane Society of the United States is pleased to join forces on this request with a broad coalition of organizations representing regulated facilities and animal protection interests.

Animal Welfare Inspections **-- $2.4 million increase**
In 2000, USDA was able to conduct fewer than 9,000 Animal Welfare Act compliance inspections, down from 18,000 in 1992. Thanks to the modest increases of the past two years, the AC division has begun to reverse this decline, and expects to complete just over 10,000 inspections this year. While this is an encouraging sign that attention will be paid to long-neglected facilities, it highlights the need for further progress. At these still-low levels, many facilities continue to escape oversight

for long periods of time, giving rise to situations that threaten both human and animal health and safety. Forty-five percent of the sites that are inspected are found to have apparent violations of the minimum standards under the Act. Facilities with serious deficiencies require between four and eight reinspections per year until compliance is achieved. To ensure that *every* site is visited *at least* once a year and all noncompliant facilities receive the necessary follow-up, AC should conduct a minimum of 17,000 compliance inspections per year. A $2.4 million increase in FY 2002 would bring the Animal Welfare budget to $14.5 million, enabling AC to hire, train, and equip an additional 14 inspectors; conduct approximately 11,600 inspections and improve follow-up inspections to verify correction of violations; increase searches for unlicensed and unregistered operations and other illegal activities; handle animal care complaints more quickly; expand outreach to regulated industries and the public; develop industry-specific training courses; and implement internal audits and inspector quality reviews to ensure consistent quality in inspections.

Investigative and Enforcement Services **-- $1 million increase and Committee Report language**
As AC inspectors improve their identification of problems at facilities, the workload at Investigative and Enforcement Services (IES) grows. However, ten years of static IES budgets have resulted in a substantial reduction in the number of investigators, from 73 in 1992 to 56 in 2000, creating a bottleneck in the overall enforcement system. Only 329 Animal Welfare Act investigations were undertaken in 2000, down from 800 in the early 1990s. In the early 1990s, cases took an average of 60 days to complete; in 2000, it was 140 days. A $1 million increase in FY 2002 directed at enhanced enforcement of the Animal Welfare Act would bring IES' budget to $7.26 million, enabling it to fill a critical vacancy for an enforcement specialist; continue to support four field positions now temporarily funded through the APHIS Administrator; add four new field staff strategically placed in areas with high concentrations of animal welfare licensees and registrants; reduce time to complete investigations; deploy "quick-response" teams to address high-priority violations; and improve tracking of unlicensed operators. We also respectfully request inclusion of the following language in the Committee Report: "The Committee directs that $1 million of additional funds for Investigative and Enforcement Services be used for enhanced enforcement of the Animal Welfare Act."

Animal Welfare Information Center **-- $400,000 increase**
Created by Congress in 1985, the Animal Welfare Information Center (AWIC) serves as a clearinghouse and education resource for all individuals involved in the care and use of animals for experimentation. AWIC provides information on training for laboratory employees, and legal requirements and appropriate care for animals in research, including minimizing pain and distress, preventing duplication of experiments, and reducing or replacing animals in research when possible. It is an invaluable resource for the research community, and users have accessed its website, http://www.nal.usda.gov/awic, nearly half a million times in one year alone. However, the AWIC budget has remained stagnant at $750,000 since its creation more than 15 years ago. A $400,000 increase in FY 2002 would bring AWIC's budget to $1.15 million, enabling it to develop web-based training to enhance compliance with the federal law; expand its website with additional material and update the search engine to improve access to the data available; and sponsor workshops in different regions of the country.

Hoop Barns/Leopold Center for Sustainable Agriculture

The hoop barn is an emerging alternative for livestock production that offers many advantages to the factory farm system of animal housing. A typical hoop barn is shaped like a Quonset hut (a half cylinder lying on its flat side) and contains a deep bedding of straw or corn stalks. No individual cages confine the animals, and open ends, which can be closed if weather

requires, allow access to pasture. Animals in hoop barns enjoy greater freedom of movement and have the opportunity to interact socially.

Because they are not tightly confined in an overcrowded, high-stress environment, animals in hoop barns tend to be healthier than their counterparts in factory farms. That means farmers using hoop barns do not need to rely on antibiotics to prevent disease and promote growth, a common practice on factory farms that is contributing to the development of antibiotic-resistant strains of bacteria that threaten public health. Products from hoop producers are being sought out by meat suppliers and restaurants based on the enhanced flavor and texture characteristics of the meat. In addition, hoop barns are better for the environment, because they use solid manure composting rather than the liquid waste disposal system used by factory farms, which jeopardizes groundwater and produces noxious odors. Furthermore, they offer an affordable alternative for farmers. Hoop barns are approximately one-third the cost of conventional factory farm structures. They are easy to install and versatile (they can be used for different species or for storage of hay or equipment). This flexibility helps family farmers withstand fluctuations in market demand and avoid corporate buyouts.

The Leopold Center for Sustainable Agriculture at Iowa State University has been in the forefront of research and development on hoop barns. We request funding of **$325,000** under the Cooperative State Research, Education, and Extension Service account to enable the Center to make the benefits of hoop barns available on a wider scale. These funds would be used by the Center to:

1. Evaluate several production, marketing, and systems questions where current hoop knowledge is in the early stages, including but not limited to: disease/pest vector control, gestation applications, and social, community, and environmental effects.

2. Develop a "Best Management Practices" manual for raising pigs in hoops. This will provide guidance to farmers on how to install and operate hoops for optimal results in a range of different climates and other factors, so that use of these structures can be effectively and readily adapted to suit individual farming needs. It will include information on animal behavior, animal husbandry and nutrition, health strategies, environmental impacts, marketing strategies, and economic costs and returns for pigs raised in hoop structures.

3. Establish a network of hoop demonstration sites and producers with multiple locations in Iowa and other states, including Florida (a major pork consumption state). This objective would include dissemination of information through field days, tours, producer exchanges, etc.

4. Address potential use of hoop barns for production of other animal species.

5. Work with industry producer groups, processors, retailers, and community groups to promote awareness of use of hoop barns in pork production. This would include factors such as quality of pork, community issues, targeted marketing, and market linkages of producers, processors, retailers, and consumers.

Wildlife Services Non-Lethal Predator Control Demonstration Program

We appreciate the Committee's inclusion of a provision in the FY 2001 Agriculture Appropriation Act for the Wildlife Services Methods Development division to "conduct pilot projects in up to four States representative of wildlife predation of livestock in connection with farming operations for direct assistance in the application of non-lethal predation control methods...," in order to evaluate the effectiveness of non-lethal measures. We believe this

investigation can help advance what has often been a contentious debate in Congress surrounding USDA's use of lethal predator control for livestock protection.

We have worked closely with Wildlife Services personnel during the past few months, as they identified three states (Idaho, California, and West Virginia) to investigate and developed a study protocol designed to produce statistically meaningful results. To accomplish this objective, experts at the National Wildlife Research Center and at USDA headquarters suggest that a four-year study be undertaken involving eight to twelve sheep ranches in each of the three states. Participating ranches would be provided the current regime of assistance (blending lethal and non-lethal techniques) for half of the study period, and would be provided only non-lethal assistance for the other half of the study period. Participants would be divided into two groups, with one group receiving the non-lethal assistance for the first two years and the current regime for the last two years, while the other group would receive help in the reverse order (current regime first, then non-lethal only). Again, according to the Wildlife Services experts, this "switchback" study design will minimize bias and variables that would distort evaluation of the relative effectiveness of lethal vs. non-lethal measures. Participants would be offered compensation for verified livestock losses due to canid predators (except wolves) during the non-lethal only phase of the study, in order to assure their continued participation in the study. Because the lambing season was already underway in two of the three states by the time the protocol was developed, and because the necessary funding was not in hand, we and the sponsors of the original provision, Senators Bob Smith and Barbara Boxer, agreed with Wildlife Services personnel that it would be preferable to defer the first year of the study until FY 2002.

The detailed study protocol should be available from Wildlife Services for the Committee's consideration. Attached is a one-page budget break-out prepared by Wildlife Services that shows projected study needs for each of the four years. Accordingly, we request that the Committee provide **$1,988,673** in FY 2002 to initiate this study, along with report language referencing the objective and key elements of the study.

Horse Protection Act Enforcement

Enacted by Congress in 1970, the Horse Protection Act was passed to end the obvious cruelty of physically soring the feet and legs of horses. In an effort to exaggerate the high-stepping gate of Tennessee Walking Horses, unscrupulous trainers use a variety of methods to inflict pain on sensitive areas of the feet and legs for the effect of the leg-jerk reaction that is popular among many in the show-horse industry. Just as in 1970 the practice of soring was rampant, in 2001 the practice continues unabated by the well-intentioned but seriously underfunded and understaffed APHIS inspection program.

The authorization limit for enforcement of the Act has remained at $500,000 since the enactment of the law 30 years ago, and annual appropriations continue to fall short of even that low funding level. We appreciate that the Committee began to address this shortfall last year, with an increase of $37,000 that brought the funding level up to $398,000 in FY 2001. We respectfully urge that the Committee provide funding at the full authorization level of $500,000 for FY 2002 (a **$102,000 increase**), to improve enforcement of the Horse Protection Act. We also urge the Committee to resist any effort to include report language that might restrict the USDA from enforcing this law to the maximum extent possible.

Again, we appreciate the opportunity to share our views and priorities for the Agriculture and Related Development Appropriation Act of Fiscal Year 2001. We hope the Committee will be able to accommodate these modest funding requests to address some very pressing problems affecting millions of animals in the United States. Thank you for your consideration.

Proposed Costs for Direct Predation Damage Management Assistance by WS to Sheep Producers in a Pilot Study in CA, ID and WV for 2002-2005

Salaries/Benefits *	FY02	FY03	FY04	FY05	Total (FY02-05)
NWRC					
Research Scientists (4@15pp)	$46,472	$48,331	$50,266	$52,277	$197,346
Administration (1@1pp)	$3,500	$3,640	$3,800	$4,000	$14,940
Information Transfer (1@2pp)	$7,000	$7,280	$7,600	$8,000	$29,880
Data Entry Clerk (GS 6)	$27,396	$28,492	$29,631	$30,816	$116,335
Operations **					
WS Specialists (CA,ID,WV) (9@18pp)	$140,140	$145,746	$151,575	$157,639	$595,100
TOTAL SALARIES	**$224,508**	**$233,489**	**$242,872**	**$252,732**	**$953,601**
Supplies/Equipment					
Operations					
22" woven wire fence w/3 bobwire strands $2,470 per mile (40-45 yrs) 6 farms, 5 mi/ea	$74,100		$80,028		$154,128
6 strand electric, 5 miles, 18 farms $1,517 per mile (25-40 yrs)	$136,530		$147,452		$283,982
2 strand electric (portable) (2-4 years) $409 per mile, 10 miles, 18 farms	$73,620		$79,510		$153,130
E-net (portable) (2-4 years) $1,232 per 10 acres, 30 acres, 18 farms	$665,280		$718,502		$1,383,782
24 guard dogs @$500 each	$12,000		$12,480		$24,480
12 guard llamas@ $500 each	$6,000		$6,240		$12,240
Electronic guards (5 unit/farm) $280 each	$5,040		$5,242		$10,282
Scary man (1 unit/farm) $800 each	$14,400		$14,976		$29,376
5 herders @$1,500/mo/each	$90,000	$93,600	$97,344	$101,238	$382,182
LP Cannons (9 units @$275 each)	$2,475		$2,574		$5,049
Pyrotechnics: 18 pistols @$29.50 each	$531		$552		$1,083
1,800 screamers @$37.50/per 100	$675	$702	$730	$759	$2,866
Miscellaneous Expenses (WS Operations)	$5,000	$5,200	$5,408	$5,624	$21,232
Miscellaneous Expenses (NWRC)	$3,000	$3,120	$3,245	$3,375	$12,740
TOTAL Supplies/Equip	$1,088,651	$102,622	$1,174,283	$110,996	$2,476,552
Travel (NWRC personnel)	$12,000	$12,400	$12,816	$13,249	$50,465
Compensation/Insurance ***					
18 test properties@$5,500 each	$99,000	$102,960	$107,078	$111,362	$420,400
72 surrounding properties @$4,000 each	$288,000	$299,520	$311,501	$323,961	$1,222,982
SUB TOTALS	$1,712,159	$750,991	$1,848,550	$812,300	$5,124,000
Agency Overhead @ 16.15%	$276,514	$121,285	$298,541	$131,186	$827,526
TOTALS	**$1,988,673**	**$872,276**	**$2,147,091**	**$943,486**	**$5,951,526**

* 4 percent increase/year

** Include salary, benefits, GSA rental, gasoline, dog/horse hire, etc.

*** Approximate costs

03/27/2001



Society of American Foresters

THE PROPOSED FISCAL YEAR 2002 DEPARTMENT OF AGRICULTURE BUDGET

Testimony by William H Banzhaf, Executive Vice President
Submitted to the

COMMITTEE ON APPROPRIATIONS
Subcommittee on Agriculture, Rural Development, FDA, and Related Agencies
United States House of Representatives
April 10, 2001

The Society of American Foresters (SAF) represents more than 17,000 forestry professionals. SAF's primary objective is to advance the science, technology, education, and practice of professional forestry for the benefit of society SAF's professional foresters are dedicated leaders willing to shoulder a major part of the responsibility for developing and implementing forest resource management. We are providing testimony for the FY 2002 budget for the Department of Agriculture and Related Agencies focused on the Forestry Incentives Program, the Department of Agriculture research programs, and the Renewable Resources Extension Act We wish to thank the subcommittee for its continued support of our priorities

These programs stimulate the development of vital partnerships involving universities, federal and state agencies, non-governmental organizations and private industry They are essential as we strive to achieve the long-term sustainability of our nation's forest resources through the development and implementation of science-based management options

Forestry Incentives Program (FIP)

We believe the Forestry Incentives Program (FIP) should receive $10 million despite the Administration's request. We thank the Congress for continuing support of this program, and recognize that it may need modification during discussions over a new Farm Bill. The Forestry Incentives Program is needed now more than.ever. FIP's focus on reforestation helps keep large tracts of land in continuous forest cover, helping to ensure long-term forest benefits while providing habitat for wildlife, protecting soil productivity, and enhancing water quality. This program helps the Natural Resources Conservation Service (NRCS) meet its objectives of protecting watersheds and soils by keeping lands forested

Forest-related programs funded under the Department of Agriculture impact the nation's 9 7 million nonindustrial private forest landowners, who own 57 percent of the nation's forestlands, which supply 48 percent of the nation's forest products. A recent report by the National Research Council points out that both the private and the public sectors woefully under-serve these owners.

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This is critically important today because, as you are aware, the level of timber harvest from federal lands has dropped significantly in recent years, an important factor resulting in increased harvests on other ownerships.

For example, non-industrial private forests (NIPFs) in the East are projected to increase their timber harvests by almost 30% from 1986 levels to 2010. At the same time, NIPF lands in the South are projected to increase hardwood timber harvests by 60%. These increases will require larger investments and professional management of NIPF lands. Several programs within this appropriations bill are important to ensuring that the shift of timber demand to nonindustrial private lands does not impair their owners' willingness or ability to produce a broad array of forest resources sustainably over the long term

We recommend that a portion of the funding Congress includes for FIP be directed to nursery programs. Seedling demand for reforestation has outpaced production throughout the nation, but particularly in the Southeastern United States. We must direct funding for increased production, and increased research to improve the production and quality of nursery stock

Forestry Research

The Society of American Foresters is interested in two key programs that provide important research dollars benefiting forest management across all ownerships in this country the Cooperative Forestry Research Program and the National Research Initiative SAF believes forestry research is critical to understanding the relationship between societal expectations for diverse needs and values from the forest, and the capability of the forest to meet and sustain those expectations. We advocate continued public and private funding of research activities that address a broad variety of natural resource concerns Such knowledge, based on sound science, is vital for resolving conflicts about forest policy and management, and ensuring the future integrity of forest systems

The Cooperative Forestry (McIntire-Stennis) Research Program supports research on forestry and wood fiber conducted by the nation's public universities University-based research is an important part of the collaborative forestry research effort involving federal, state, and private sector scientists McIntire-Stennis research is critical to the development of new information and technologies that increase not only the efficiency and productivity of forest management on all forest ownerships for a wide range of forest benefits, but also provide information for developing natural resource management policy McIntire-Stennis research funds are granted directly to public colleges and universities on a matching basis leveraging more than three state and university dollars for every federal dollar. The program is currently funded at $21.9 million, which is little more than one-fifth its authorized level. This program has provided funding for research demands that have not been met through other programs or in the private sector. We would like to see the program funded at $30 million.

The second research program is the National Research Initiative (NRI). This competitive grant program provides funding for research on problems of national and regional importance in biological and environmental sciences. The NRI awards grants on a matching basis to university

researchers in biological, environmental, and engineering sciences to address critical problems in agriculture and forestry. The SAF strongly supports this program and believes some of the funding should be specifically directed toward renewable natural resources research.

Renewable Resources Extension Act Program (RREA)

SAF strongly supports increased funding for the Renewable Resources Extension Act program (RREA) for FY 2002 We would like to see the program funded at $5 million. RREA addresses critical forestry and related natural resources extension and stewardship needs in states, and also the critical issues of forest management for productivity and environmental quality on non-federal lands The SAF supports this program, which we believe helps in communicating ecologically sound technical advice to landowners, foresters, and loggers This advice improves the productivity, management and long-term sustainability of nonindustrial private forests. The program funds extension efforts that are a model of partnership between the USDA and State Universities and Land Grant Colleges. We know there are substantial unmet needs of non-industrial private forest landowners. The President's budget proposes funding the program at $3.185 million Though we are asking for a modest increase over the request, we believe there is great potential for success with the RREA program

ABOUT THE SOCIETY

The Society of American Foresters, with about 17,500 members, is the national organization that represents all segments of the forestry profession in the United States. It includes public and private practitioners, researchers, administrators, educators, and forestry students The Society was established in 1900 by Gifford Pinchot and six other pioneer foresters.

The mission of the Society of American Foresters is to advance the science, education, technology, and practice of forestry; to enhance the competency of its members; to establish professional excellence, and to use the knowledge, skills, and conservation ethic of the profession to ensure the continued health and use of forest ecosystems and the present and future availability of forest resources to benefit society

The Society is the accreditation authority for professional forestry education in the United States The Society publishes the Journal of Forestry; the quarterlies, Forest Science, Southern Journal of Applied Forestry, Northern Journal of Applied Forestry, and Western Journal of Applied Forestry. The Forestry Source; and the annual Proceedings of the Society of American Foresters national convention

ASCE
American Society of Civil Engineers

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Testimony of the
AMERICAN SOCIETY OF CIVIL ENGINEERS
On the
Proposed Budgets for Fiscal Year 2002
For the
Natural Resources Conservation Service
Before the
Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies

of the

Committee on Appropriations
U.S. House of Representatives
April 11, 2001

Chairman Bonilla and Members of the Subcommittee:

The American Society of Civil Engineers (ASCE) is pleased to offer this testimony on the President's proposed budget for the Natural Resources Conservation Service (NRCS) for Fiscal Year 2002.

ASCE was founded in 1852 and is the country's oldest national civil engineering organization. It represents more than 125,000 civil engineers in private practice, government, industry and academia who are dedicated to the advancement of the science and profession of civil engineering. ASCE is a 501(c)(3) non-profit educational and professional society.

ASCE is concerned that no funds have been requested in the President's budget to fund the Small Watershed Dam Rehabilitation Program that was authorized on November 9, 2000, in PL-106-472, Section 313. We hope the outcome of the FY 2002 appropriations process will enable this vital work to begin and expand as we seek to preserve, protect and better manage our nation's water and land resources. Every state in the United States has benefited from the Small Watershed Program.

Of the 75,000 dams in the United States, 95 percent are regulated by the states. Approximately 10,400 of these dams are small watershed structures built under the

United States Department of Agriculture programs authorized by Congress beginning in the 1940s (primarily the Flood Control Act of 1944, PL-534 and the Watershed Protection and Flood Control Act of 1953, PL-566). By the year 2020, more than 85 percent of all dams in the United States will be more than 50 years old, the typical useful life span.

THE URGENT NEED FOR FEDERAL ACTION

The benefits from the 10,400 improved watershed dams are enormous. The dams provide downstream flood protection, water quality, irrigation, local water supplies and needed recreation. Yet these benefits to lives and property are threatened. The small watershed dams are approaching the end of their useful lives as critical components deteriorate. The reservoirs become completely filled with sediment, downstream development increases the potential hazards and significantly changes the design standards, and many dams do not meet state dam safety standards.

Although these dams were constructed with technical and financial assistance from the Department of Agriculture, local sponsors were then responsible for operation and maintenance of the structures. Now these dams are approaching the end of their useful lives, yet the resource need is still great. The flood control benefits, the irrigation needs, the water supply, the recreation and the conservation demands do not end. In fact, they are more necessary than ever as downstream development has dramatically increased the number of people, properties and infrastructure that are protected by the flood control functions of these dams. The Federal government has a critical leadership role in assuring that these dams continue to provide critical safety and resource needs.

The NRCS in the Department of Agriculture has estimated the cost of rehabilitating the small watershed dams at $542 million. While the average rehabilitation cost per dam is approximately $242,000, the local sponsors typically do not have sufficient financial resources to complete these necessary repairs to assure the safety and critical functions of these dams. The Federal government must recognize the urgent need to provide assistance to maintain these dams. Congress should reinforce its earlier commitment to the goals of the Flood Control Acts of 1944 and 1953.

EXTENT OF THE PROBLEM

ASCE views funding of dam safety repairs as a critical need. **In the recently released Report Card for America's Infrastructure dams received a grade of D.** Nearly 2,000 unsafe dams have been identified in this country and many of the owners do not have sufficient funding sources. Last year Congress proposed funding $60 million a year for 10 years, but the legislation enacted only authorizes $90 million spread over five years. However, this is an important first step in recognizing and resolving the enormous problem with deteriorating and aging dams. Many of these

urgent repairs and modifications are needed because of the following: downstream development within the dam failure flood zone, replacement of critical dam components, inadequate spillway capacity due to significant watershed development and increased design criteria due to downstream development.

Many of the small watershed dams do not meet minimum state dam safety standards and many that are being counted on for flood protection can no longer provide flood protection due to excessive sedimentation and significant increases in runoff from development within the watershed. The dams suffer from cracked concrete spillways, failing spillways, inoperable lake drains and other problems that require major repairs that are beyond the capability of the local sponsors.

THE COST OF NO ACTION

These small watershed dams have been a silent and beneficial part of the landscape; but failure to make the necessary upgrades, repairs and modifications will increase the likelihood of dam failures. Continued neglect of these structures may easily result in reduced flood control capacity causing increased downstream flooding. Failure of a dam providing water supply would result in a lack of drinking water or important irrigation water.

The floods in Georgia in 1993 and in the Midwest in 1994 are recent reminders of natural events that can cause enormous disasters, including dam failures. The failure to act quickly will clearly result in continued deterioration and a greater number of unsafe dams until a dam failure disaster occurs. The failure of a 38-foot tall dam in New Hampshire in 1996, which caused $5.5 million in damage and one death, should be a constant reminder that dam failures happen and can have tragic consequences.

Completion of the needed repairs will result in safer dams, as well as continued benefits. Failure to establish a mechanism to reinvest in these structures will greatly increase the chances of dam failures and loss of benefits, both having significant economic and human consequences. Costs resulting from flood damage and dam failure damage are high and unnecessarily tap the Federal government through disaster relief funds or the National Flood Insurance Program.

RECOMMENDATION

ASCE urges the committee to approve full funding at the authorized level of $10 million, and an additional $5 million to make up for funding not received in FY 2001 for the Small Watershed Dams Rehabilitation Program (PL-106-472, Section 313). Additionally, we would like to see these rehabilitation funds be a separate line item in the NRCS budget in an effort to better track the rehabilitation funding approved by Congress. While, this is well short of the demonstrated need of $60 million a year for 10 years, it would be a step in the right direction.

The condition of our nation's dams, and the need for watershed structure rehabilitation, should be a national priority before we have to clean up after dam failures that we know are likely to happen if nothing is done.

ASCE also supports a research and development (R&D) program as we get the structural rehabilitation process underway. In the USDA, the Agricultural Research Service (ARS) undertakes that work. We respectfully request that $1.5 million be included in the ARS budget for small watershed research. These funds would be used for evaluation of upstream and downstream changes to the stream channel systems in cases of decommissioning, evaluation of the water quality impact of stored sediment releases, and the evaluation of impacts of the loss of flood protection, among other things.

HOUSE COMMITTEE ON APPROPRIATIONS
Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies
Witness Disclosure by the American Society of Civil Engineers
April 11, 2001

Pursuant to House Rule IX, clause 2(g)(4), the American Society of Civil Engineers (ASCE) declares that it has received the following grants from the federal agencies indicated since October 1, 1999:

Agency	Amount	Purpose
EPA	$200,000	American Lifelines Alliance Project
NSF	$ 25,000	Sponsorship of Workshop on Women in Engineering
NSF	$ 39,000	Support for conference in Australia
NSF	$ 50,000	EXCEED Teaching Workshop
DOI	$ 10,000	Watershed Management Conference (Bureau of Reclamation)
HUD	$ 24,000	IBHS workshop support
USGS	$ 25,000	IBHS workshop support
TOTAL	$373,000[1]	

[1] Total ASCE revenues from all sources for the fiscal year ending September 30, 2001, currently are estimated at $40 million.

TESTIMONY OF BERNARD H. BERNE, M.D., PH.D.
FOR
SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT,
FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES
PUBLIC HEARING ON 2002 APPROPRIATIONS FOR FOOD AND DRUG ADMINISTRATION (FDA), MARCH-APRIL, 2001

SUBJECT: OPPOSITION TO BUDGET REQUEST FOR FUNDS RELATED TO THE OCCUPANCY OF NEW FDA FACILITIES AT WHITE OAK, MARYLAND

I am a resident of Arlington, Virginia. I serve the Food and Drug Administration (FDA) as a Medical Officer and as a reviewer medical device approval applications. I am testifying as a private individual.

I ask your Subcommittee to **deny** the Administration's request to provide $6,000,000 for costs related to occupancy of new FDA facilities at White Oak, Maryland. This request appears in the President's Budget for Fiscal Year 2002 on p. 435 under the heading "Department of Health and Human Services", "Food and Drug Administration", "Salaries and Expenses". The Budget states on p. 436 that these funds would support the first phase of FDA's consolidation into the White Oak, Maryland, site.

The General Services Administration (GSA) is now starting to design and construct this facility. **These would be the first funds that Congress would appropriate to the Department of Health and Human Services (HHS) and FDA to support the White Oak project.** Please deny these funds for the following reasons:

Economic Considerations:

FDA will need to pay rent to GSA if it occupies this facility. **FDA's future budgets, which your Subcommittee would fund, would pay these rents.** The rents would likely be higher than rents that GSA and FDA pay to private property owners, since GSA would not need to enter into competitive bidding processes.

Congressional authorizing committees need to evaluate the current costs of the consolidation and compare them to the costs of maintaining FDA's current facilities. No Congressional committee has done this during the past ten years.

All or nearly all of FDA's offices are presently located in satisfactory leased facilities. Some, such as my own, are in excellent buildings. There is no urgent need or economic reason to relocate these offices to White Oak.

Despite this, the requested $6,000,000 would support the relocation of the Office of Compliance of FDA's Center for Drug Evaluation and Research (CDER) to White Oak. There is no clear

need for this relocation, since it would put 20 miles between this office and all other CDER offices. **The relocation would clearly decrease FDA's efficiency by decreasing interactions between this office and related ones.**

GSA has recently encountered delays in its design and construction efforts. It appears that FDA will not be able to utilize any of the appropriated funds in Fiscal Year 2002. FDA apparently can not occupy the facility until Fiscal Year 2003.

The Budget request is therefore premature. There is no need need to provide the requested $6,000,000 at this time.

Location:

White Oak is an unsatisfactory location for FDA's headquarters consolidation. The project would promote urban sprawl.

FDA's White Oak facility would occupy 125 acres next to a golf course in a suburban residential neighborhood in Montgomery County, Maryland. The FDA site is outside of the Capital Beltway on a largely forested 750-acre property surrounded by heavily congested roads and highways. The site is three miles from the nearest Metro station, and has only infrequent bus service.

An FDA consolidation at White Oak would bring 6000 FDA employees to this Washington area suburb. Most would need to commute for much longer times and distances than they presently do. White Oak is more than 20 miles from most present FDA facilities.

I and thousands of other FDA employees presently commute to work by Metro, as our workplaces are near Metro stations. This will be impossible at White Oak.

FDA employees driving to White Oak will add traffic congestion and air pollution to the Washington Metropolitan Area. This is especially unfortunate because the Washington Metropolitan Area already has the second worst traffic congestion of all urban areas in the United States.

FDA employee surveys have revealed widespread opposition to this relocation. Last July, a survey of those employees who would relocate first to White Oak showed that 70% opposed the move. Many stated that the relocation would impair FDA's ability to regulate drugs and medical devices.

A number of the employees noted that the first White Oak building will have few window offices. Many of the employees who would relocate to White Oak in the first phase presently have windows in their offices. The design of this building and the location of the facility will have long-lasting adverse effects on FDA's ability to recruit and retain qualified employees.

The Washington Metropolitan area has a number of better sites at which FDA can consolidate. Among these is the Southeast Federal Center in downtown Washington, D.C. This underutilized 50-acre federally-owned property is adjacent to the Navy Yard Metro Station. It is only one mile from the U.S. Capitol and the headquarters of the U.S. Department of Health and Human Services.

Legal Issues:

On February 23, 2001, I and a number of other FDA employees joined the Sierra Club and the Forest Conservation Council in a law suit that is intended to stop the White Oak project. For a number of reasons, FDA's occupancy of any buildings at White Oak would be illegal. The federal district court for the District of Columbia is presently considering this suit.

The White Oak facility would house the Office of the Commissioner of Food and Drugs, as well as most other FDA headquarters offices. This would violate 4 U.S.C § 72, which states:

"All offices attached to the seat of government shall be exercised in the District of Columbia, and not elsewhere, except as otherwise expressly provided in law."

4 U.S.C.§ 72 is derived from the 1790 Act that established the District of Columbia as the Nation's capital. The first Congress enacted this law, which President George Washington signed.

There is no law that expressly provides that FDA's headquarters offices shall be exercised outside of the District of Columbia.

The FDA Revitalization Act (P.L. 101-635; 21 U.S.C. § 369b), authorizes the Secretary of HHS to award contracts to acquire property and to construct an operate a consolidated FDA headquarters facility. This Act does not provide the location of the consolidated facility.

I ask Congress not to appropriate funds to support an illegal activity. The 1790 Act had the worthy purpose of ensuring that all central offices of the federal government would consolidate in the federal capital District, and not elsewhere. The consolidated FDA facility would be one such office that is "attached to the seat of government".

Article 1, Section 8, of the Constitution gives Congress exclusive jurisdiction over the District of Columbia. Your Committee should take no action to support the location of FDA's headquarters at a location that is outside of the District. Any such action would tend to vitiate this section of the Constitution, which 4 U.S.C. § 72 is intended to support.

Executive Order 12072, Aug. 16, 1978, states in Section 1-1, Subsection 101:

"Federal facilities and Federal use of space in urban areas shall serve to strengthen the nation's cities and to make them attractive places to live and work. Such Federal space shall conserve existing urban resources and encourage the development and redevelopment of cities."

White Oak is not in or near any city. An FDA consolidation at White Oak (which is in an "urban area", the Washington Metropolitan Area) would not strengthen any cities. The FDA facility would not encourage the development or redevelopment of any cities.

Executive Order 12072, Section 1-1, Subsection 101, contains the word "shall" in several locations. FDA therefore can not legally locate its headquarters in suburban White Oak.

Executive Order 12072 and several federal statutes require that heads of federal agencies consult with local city officials to obtain their recommendations for and objections to all proposed new federal facilities. Neither GSA nor FDA officials ever consulted with officials of the District of Columbia or of the City of Rockville in Montgomery County, Maryland, concerning the White Oak facility.

This lack of consultation violated Executive Order 12072 and several laws. It prevented District and Rockville officials from recommending alternative sites for the consolidated facility within their own jurisdictions and from objecting to the selection of the White Oak site.

The Public Buildings Act of 1959 requires that the Committee on Transportation and Infrastructure of the House of Representatives approve prospectuses that describe the location and maximum costs of any large buildings that GSA may wish to construct before Congress can appropriate funds to design and construct such buildings. That Committee has never approved a prospectus that describes FDA's White Oak facility.

The Treasury and General Government Appropriations Act, 2000 (P.L. 101-58) appropriated funds to GSA that could support the first phase of FDA's consolidation in Montgomery County, Maryland. However, P.L. 101-58 contains a provision at 113 Stat. 451 that states:

"Provided further, That funds available to the General Services Administration shall not be available for expenses in connection with any construction, repair, alteration, or acquisition project for which a prospectus, if required by the Public Buildings Act

of 1959, as amended, has not been approved, except that necessary funds may be expended for each project for required expenses in connection with the development of a proposed prospectus."

The Public Buildings Act of 1959 requires a prospectus that describes FDA's White Oak facility. No prospectus that described this facility had been approved before P.L. 101-58 was enacted into law. Therefore, GSA may only legally use the funds appropriated in this act for "required expenses in connection with the development of a proposed prospectus". GSA cannot legally use the funds to design and construct any buildings.

Despite this prohibition, GSA is presently designing and starting to construct the first phase of the consolidation without an approved prospectus. This is illegal.

The Budget asks Congress to appropriate funds in the Agriculture, Rural Development, Food and Drug Administration Appropriations Act, 2002, that would enable FDA to occupy new facilities at White Oak that GSA would construct illegally. Your Committee should not initiate the appropriation of any such funds.

The prospectus approval process is designed to assure that Congress evaluates the need, location, and maximum cost for all GSA building projects. Congress has never done this for the facilities that FDA would occupy at White Oak.

The National Environmental Policy Act (NEPA) of 1969 requires that federal agencies compare in an Environmental Impact Statement (EIS) alternative locations for any large new federal facility. However, the EIS for the White Oak FDA facility did not make any such comparisons.

The EIS only compared the environmental impacts of an FDA consolidation at White Oak with the "no action" alternative. Following this legally inadequate comparison, GSA and FDA officials selected White Oak as the location for the facility.

GSA and FDA officials therefore violated NEPA when they selected the White Oak site. Congress should not appropriate funds to support this illegal selection.

A federal court may prevent FDA from consolidating its facilities at White Oak for one or more of the above reasons. Congress should not provide funds for FDA to occupy the White Oak facility until the federal courts decide whether the project can proceed.

I therefore ask that your Committee not provide the requested $6,000,000 to FDA in this legislation. Thank you.

Bernard H. Berne

STATE OF COLORADO

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DEPARTMENT OF
NATURAL
RESOURCES

Bill Owens
Governor

Greg E. Walcher
Executive Director

April 9, 2001

The Honorable Henry Bonilla
Chairman
Subcommittee on Agriculture
House Appropriations Committee
Washington, D.C. 20515-6016

The Honorable Marcy Kaptur
Ranking Member
Subcommittee on Agriculture
House Appropriations Committee
Washington, D.C. 20515-6016

Dear Representatives Bonilla and Kaptur:

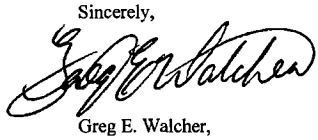
The State of Colorado would like to submit for the record this position statement and information, and urge the Subcommittee to include $8,515,000 in the Natural Resources Conservation Service's Conservations Operations Account (CO-01) and Snow Survey and Water Supply Forecasting Subaccount (CO-45) in the Agriculture appropriations bill. The past base budget amount of $5,990,000 is not adequate to operate and maintain the existing system, which without an additional $2,525,000 will fall into disrepair, threatening the loss of vital water supply information.

The funding is needed to promote vital state interests in the protection, management and development of western water resources. In the West, water is one of our most precious natural resources and much of it flows from mountain snows. This year we are faced simultaneously with drought, wildfires, and an energy crisis in part due to reduced hydropower generation. To effectively manage our water resources, it is essential to have accurate water supply data.

The Natural Resources Conservation Service's National Water and Climate Center (NWCC) administers a system in thirteen western states of 656 SNOTEL (SNOw-TELemetry) sites and 1,110 snow courses measured manually. This information is vital to project spring and summer streamflows and water supplies. It is used by various government agencies and other public and private entities and individuals to make decisions regarding water use for agriculture, municipal and industrial purposes, hydropower production, recreation, endangered species, and fish and wildlife management needs. It is also used to predict and manage floods and drought. Non-federal cooperators contribute money and in-kind services in support of the system.

Over the past five years, level federal appropriations in the face of increasing costs has left the Snow Survey and Water Supply Forecasting program in serious circumstances. Given past and present funding requests from the Executive Branch, and the subsequent erosion in program resources, the NWCC has prepared a protocol for discontinuing 10 to 15 percent of the SNOTEL sites. In order to protect the nation's $30 million investment in this vital network, a $2,525,000 increase is needed. Thank you for the opportunity to bring this critical need to your attention.

Sincerely,



Greg E. Walcher,
Executive Director

Written Testimony of USA Rice Federation
U.S. House Appropriations Committee
Subcommittee on Agriculture, Rural Development,
Food and Drug Administration and Related Agencies
FY2002 Appropriations Priorities
April 10, 2001

USA Rice is a federation of U.S. rice producers, millers and allied businesses working together to address common challenges, advocate collective interests, and create opportunities to strengthen the long-term economic viability of the U.S. rice industry. USA Rice members are active in all major rice-producing states: Arkansas, California, Florida, Louisiana, Mississippi, Missouri, and Texas. The U.S. Rice Producers' Group, USA Rice Council and the Rice Millers' Association are charter members of the USA Rice Federation.

Summary

USA Rice supports agriculture appropriations falling into three major categories: international trade promotion, food aid and domestic programs. A total of $96 million is needed for International Trade Promotion, $1.507 billion for Food Aid and $3.825 million for Domestic Programs. In addition, the Foreign Agricultural Service should be funded to the fullest degree possible to ensure adequate support for trade policy initiatives and oversight of export programs like the Foreign Market Development program and the Market Access Program. All of these programs are critical for the economic health of the U.S. rice industry.

International Trade Promotion

Exports are critical to the U.S. rice industry. Historically, 40-60 percent of annual U.S. rice production has been shipped overseas. U.S. rice that is not shipped overseas stays in the domestic marketplace, driving down already low prices for rice even further. Thus, building healthy export demand for U.S. rice should be a high priority.

In addition, exports mean U.S. jobs. According to USDA data, in FY1999, U.S. rice exports of $1 billion supported an estimated 15,200 direct jobs. Indirect jobs are estimated at more than 45,000 (unofficial USDA estimates).

1) Foreign Market Development

The Foreign Market Development program allows USA Rice to focus on importer, food service, and other non-retail promotion and other activities around the world. For FY2002, FMD should be fully funded at $33.5 million. As the Office of Management and Budget is expected to apportion not more than $27.5 million from Commodity Credit Corporation resources for this program for FY2002, an additional $6 million needs to be appropriated to reach the full funding level. If only the expected $27.5 million apportionment is realized, this will result in a 20 percent cut in the program from recent levels.

The Foreign Market Development program allows USA Rice to focus on trade servicing activities around the world. Without a fully funded FMD program, USA Rice will have to drastically reduce and/or cancel several of its worldwide activities

targeted at markets that represent major growth opportunities for future U.S. rice exports. For example, USA Rice will forgo activities in Syria and Jordan where opportunities are expected for U.S. rice as state trading continues to give way to private sector rice trading, in Eastern Europe where increasing personal disposable income should lead to increased ability to purchase U.S. rice, and in Taiwan where opportunities are expected for U.S. rice once Taiwan joins the World trade Organization.

2) Market Access Program

The Market Access Program allows USA Rice to focus on consumer promotion and other activities around the world. For example, USA Rice's MAP-funded efforts to increase U.S. milled rice sales to Japan have led to a tripling (from 500 to 1,800 metric tons from FY1998 to FY1999) of U.S. milled rice being sold in identified, unblended form to the Japanese consumer. Another example is that as a result of USA Rice's MAP-funded in-store promotions in Guatemala this year, not only did sales of U.S. rice jump 25 percent during the promotion, but a Guatemalan company is now importing U.S. rough rice, processing it, and labeling as "U.S. rice" on its consumer retail packaging. For FY2002, MAP should be fully funded at $90 million, the level currently authorized. Ideally, the program should be funded at $200 million as called for in legislation such as H.R. 98 and S.366.

3) USDA/FAS

Equally important to these programs is an adequately staffed and funded Foreign Agricultural Service in Washington, D.C. and in our embassies overseas. USA Rice and other agricultural groups rely on the significant expertise these agricultural experts bring to the table, and we rely upon them to help us gain, grow, and maintain market access worldwide. FAS should be funded to the fullest degree possible to ensure adequate support for trade policy initiatives and oversight of export programs like the Foreign Market Development program and the Market Access Program.

Food Aid

Food aid continues to be vital to the health of the rice industry and local economies as an instrument to remove excess rice stocks from the U.S. market, generate business, stabilize prices, and create market development by allowing entry into foreign markets not otherwise accessible to the United States. Nearly half of all U.S. grown rice is exported. Over twenty percent of this amount is reliant on food aid programming. In fiscal 2000, this accounted for nearly 9 million hundredweight (400,000 metric tons) of rice that otherwise would have remained on the U.S. market, severely impacting the welfare of farmers, millers, and allied industries by driving down prices, eliminating jobs, and undermining the infrastructure of the industry and local economies.

Rice farmers as well as millers are dependent on food aid in order to remain financially solvent. Without adequate food aid funding levels, milling capacity is underutilized. Delays in the release of food aid funding in fiscal 2001 by OMB have meant fewer tenders, forcing some millers in the South to temporarily shut down operations, creating economic hardship for these businesses and for local workers. Such continued hardship would force these operations to close permanently. Rice farmers are equally dependent

upon the stabilizing effect of food aid movements as a price support mechanism. With production costs nearing the $12.00 per cwt. mark, where they are approximately double the current market price, the reduction of ending stocks from the U.S. market is crucial to help increase prices, and avoid further emergency assistance.

Last year the movement of rice food aid accounted for 1,200 jobs, and created an influx of millions of dollars to local economies in terms of labor hours, utilization of equipment and services, and investment in the rice industry infrastructure. This level of economic activity was dependent on the use of value-added rice in food aid programs. For every one million hundredweight of U.S. food aid sent as rough rice rather than value-added, the total effect on the U.S. rice industry would be a loss of $23 million and nearly 136 jobs in the six rice-producing states. The rice producer as well as the rice miller directly benefits from value-added product. In years of larger supply, the margin of premium gained by the producer from value-added rice increases dramatically. For instance, in the 1999 crop year, one grower cooperative returned an average of 60 cents per bushel on milled rice over rough rice returns. Farmer-owned cooperatives account for about 40 percent of the rice milled in the United States.

Last year, 9 million hundredweight of rice was exported as food aid. The economic gain generated by further processing was retained within the United States, as with any commodity. Furthermore, taxpayer dollars, including those of U.S. rice producers and millers, fund food aid programs. The U.S. government should maximize the use of taxpayer dollars by exporting the highest value product possible, not use U.S. taxpayer dollars to subsidize the development of foreign processing facilities. For these reasons, the appropriations bill language should indicate that only the use of value-added products are to be used in food aid.

1. P.L. 480 title I

Maintain $180 million in funding, with retention of at least $160 million dedicated to commodity loans, and any additional funding being allocated to freight and financing expense. Congress has recently criticized high funding carry-over levels in this program; funding carry-over has been diminished due to use in funding title I Food for Progress sales to Russia in fiscal 2000. Therefore, retention of base level funding is necessary. Through work with FAS and foreign governments, USA Rice helps maintain a high percentage rate of successful agreement fulfillments, avoiding carry-over of unused funds. P.L. 480 sales into developing countries such as the Philippines have provided a critical link to local trade. Under title I, 104,000 metric tons of U.S. rice reached the trade and consumers in the Philippines under title I last year that otherwise would not have been competitive with Asian suppliers. Just as importantly, the movement of this rice enabled the U.S. rice industry to access local trade, who are now allowed to transact limited private imports as the Philippines slowly transitions from monopoly control of sales under a state trading entities to a more liberalized market. By cultivating relationships with local trade through the P.L. 480 title I program, a private commercial sale of thousands of metric tons of premium quality U.S. rice was made to the Philippines this year. This is a critical step in developing long-term prospects for a high quality niche market for U.S. rice in the Philippines,

2. **P.L. 480 title II**

Maintain $837 million funding level. As P.L. 480 title I funding levels have declined by $580 million since 1990, other food aid programs are now crucial to maintain movement of rice stocks. Title II projects involving private voluntary organizations (PVO's) that monetize rice to fund other development projects are the most far-reaching vehicle to introduce U.S. rice into markets where the United States has limited or no commercial access. For instance, in Ghana, since the 1980's, as a result of P.L. 480 program penetration, U.S. rice has become the benchmark of quality in rice for Ghanaian consumers and remains the product against which all other imported rice is gauged. U.S. rice sales have grown steadily over the last five years, and in 1999 sales of almost 77,000 metric tons represent an 18 percent increase over 1997, and account for about 33 percent of the total market.

3. **Food for Progress**

Maintain $94 million funding level. The Food for Progress program is particularly effective for market development because rice moves into the foreign market at local market prices. USA Rice works closely with PVO's in this program to develop trade connections. Increased movement of rice through this program is needed to most effectively target new markets, and to enable the United States to maintain market share when U.S. rice would otherwise be unable to compete commercially. This was the case in Cote D'Ivoire in the late 90's, when the effects of currency devaluations in both Cote D'Ivoire and Thailand, a leading rice competitor of the United States, led to a period where U.S. rice could not compete commercially. Some market share was maintained through Food for Progress programs, which enabled quick recovery when conditions improved. This enabled retention of a market that had originally grown from a niche market to a large importer due to P.L. 480 sales. Imports of U.S. rice, including both commercial and government assistance programs, rebounded from around 1,000 metric tons in 1998 to over 25,0000 metric tons in 1999 and 2000.

4. **Global Food for Education Initiative**

The Global Food for Education Initiative should be funded for FY2002 at $300 million for preschool and school feeding programs and $50 million for maternal and infant health and feeding programs, per draft legislation of "George McGovern-Robert Dole Global Food for Education and Infant Feeding Act of 2001." This program is designed to most efficiently deliver food to its targeted group. It will provide much need alternative access for distribution of rice to offset losses in other programs.

Domestic Programs

1. **Rice Research**

The Dale Bumpers National Rice Research Center should be funded for FY2002 at a minimum of $3.675 million, the same level as FY2001.

The mission of the Dale Bumpers National Rice Research Center is to conduct research to help keep the U.S. rice industry competitive in the global market place, by assuring high yields, superior grain quality, pest resistance, and stress tolerance.

The DB NRRC is an $11.2 million, state-of-the-art laboratory. The 46,000 square foot DB NRRC contains offices, research laboratories, seed storage, and greenhouse space. The DB NRRC has USDA-ARS scientists in eight research categories: genetics, germplasm evaluation and enhancement, biology and control of weeds, cereal chemistry, molecular genetics, cytogenetics, molecular plant pathology and molecular biology. Shared laboratory space also is provided for the University of Arkansas rice research groups, as well as visiting scientists.

2. Wildlife Services

The Louisiana blackbird control project should be funded for FY2002 at $100,000 and the blackbird control research at $50,000. This is the same level of funding as FY2001.

This program has been critical in reducing the damage this pest does to rice fields. If not controlled, blackbirds can significantly reduce rice yields, resulting in substantial loss of income to the producer.

Joslin Diabetes Center

**SUBCOMMITTEE ON THE DEPARTMENT OF AGRICULTURE,
FDA, AND RURAL DEVELOPMENT
COMMITTEE ON APPROPRIATIONS
US HOUSE OF REPRESENTATIVES**

**DR. RICHARD A. JACKSON, MD
JOSLIN DIABETES CENTER
BOSTON, MASSACHUSETTS**
April 10, 2001

INTRODUCTION

Mr. Chairman, thank you for this opportunity to submit a statement for the public witness hearing record. The subject of this short statement is the continued funding in FY 2002 for the Diabetes Project in the Extension Service of CREES. We have developed a plan for FY 2002 that will require continued funding at the current year's level of $926,000. This includes costs of Federal Administration, participation expenses of the states of Washington, New Mexico and Hawaii, and the personnel, equipment and associated costs of Joslin Diabetes Center within the total cost of the program.

FISCAL YEAR 2001 BACKGROUND

I would like to express Joslin Diabetes Center's sincere appreciation to Representative Nethercutt and the Subcommittee for actions in the FY 2001 process in providing $926,000 for the third year of the Diabetes Project. We know you faced difficult decisions concerning funding priorities. We feel that the allocation of these funds indicates support for the growing community role and organizational flexibility of the Extension Service.

Recently Joslin, Washington State, Hawaii, and Federal Extension personnel attended an all day planning session for the current year and reviewed accomplishments to date on this project. A summary of each of these segments will be forwarded to the committee staff when available.

Through FY 2001 funding retinal imaging equipment will be installed in all three states, with image acquisition and training, and image reading procedure in place. At a rate of 30 patients per day per site, the three units will have the capacity to screen 18000 patients annually. This actually involves the

examination of 36,000 eyes, because a patient can develop diabetes retinopathy in only one eye.

All participants remain committed to goals and objectives of the original project and are planning cooperatively for this and the coming fiscal year.

FISCAL YEAR 2002 PLAN

For FY 2002, the mission and objectives for the three state pilot programs will be implemented on two levels:

--Continuation of distribution of educational materials for diabetes awareness and dieting/health guidelines;

--Retinal screening for diabetes mellitus in all three states.

--Assessment of progress and revision of materials and internal processes within each state will be conducted for refinement for each state's target population.

Mr. Chairman, this concludes my brief statement. We are submitting a detailed budget for the FY 2002 funds of $926,000 to the Committee for continuation of this project with the Extension Service. If you or the Committee staff have any questions we may answer concerning this project, we would be pleased to meet and discuss the details in more detail.

The Extension Service and Joslin Diabetes Center appreciate your confidence in our capabilities and your focus on the improvement of quality of life in rural America. We respectfully request continued funding of $926,000 in FY 2002 to fully demonstrate the benefits and potential national returns that can be derived from this pilot effort.

APR. 9.2001 4:19PM JOSLIN DIABETES CENTER APPROPRIATIONS NO.847 P.2/2

Committee on _____

Witness Disclosure Requirement - "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name: DR. RICHARD A. JACKSON, MD		
1. Are you testifying on behalf of a Federal, State, or Local Government entity?	Yes	No
2. Are you testifying on behalf of an entity other than a Government entity?	(Yes)	No
3. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1999: Please see attached		
4. Other than yourself, please list what entity or entities you are representing: Joslin Diabetes Center		
5. If your answer to question number 2 is yes, please list any offices or elected positions held or briefly describe your representational capacity with the entities disclosed in question number 4: Physician and senior investigator		
6. If your answer to question number 2 is yes, do any of the entities disclosed in question number 4 have parent organizations, subsidiaries, or partnerships whom you are not representing?	Yes	(No)
7. If the answer to question number 2 is yes, please list any federal grants or contracts (including subgrants or subcontracts) which were received by the entities listed under question 4 since October 1, 1999, which exceed 10% of the entities revenue in the year received, including the source and amount of each grant or contract to be listed: None		

Signature: Richard Jackson Date: 4/9/2001

JOSLIN DIABETES CENTER
SUMMARY OF CURRENT FEDERAL SUPPORT
FISCAL YEAR 2001

Printed: 2/22/01

Principal Investigator	Title	Agency	Sponsor #	Start Date	End Date	FY 01	TOTAL
Aiello, L.P.	Vascular Endothelial Growth Factor and Retinal Disease	NIH/NEI	5 R29 EY10827-05	9/1/95	8/31/00	0	350,000
Aiello, L.P.	Systemic VEGF and Diabetic Retinopathy: Clinical Trials	NIH/NEI	1 R01 EY12603-02	9/30/98	9/29/01	137,743	440,993
Aiello, L.P.	Computer Core	NIH/DERC	5 P30 DK36836-14	12/1/96	11/30/01	0	129,207
Anderson, B.	Optimizing Adherence and Glycemia I Youth with New IDDM	NIH/NIDDK	DK 46887-06	9/1/97	2/28/02	164,132	950,647
Benoist, C.	Costimulatory Mechanisms of Autoimmunity (Hafler); subproject: Regulation of diabetes by ICOS and other co-stimulators (Benoist)	NIH/NIAID	2P01 AI39671-05	9/1/00	8/31/05	249,343	1,285,215
Bjorbaek, C.	Role of PIAS proteins in leptin signaling and in leptin resistance (Pilot and Feasibility Study)	NIH/DERC		12/1/98	11/30/00	25,000	50,000
Bonner-Weir, S.	Microscopy Core	NIH/DERC	5 P30 DK36836-13	12/1/96	11/30/01		160,339
Cheatham, R.B.	Defining the Molecular Components of GLUT4 Translocation	NIH/NIDDK	1 RO1 DK51688-04	4/1/97	3/31/02	85,000	425,000
Doria, A.	Functional complementation of insulin-resistance genes	NIH		12/1/99	11/30/01	25,000	40,000
Doria, A.	Genetics Core	NIH/DERC	5 P30 DK36836-15	12/1/96	11/30/01	52,892	262,477
Doria, A.	Search for Insulin -resistance genes in early onset NIDDM	NIH/NIDDK	1 R01 DK55523-03	7/1/98	6/30/03	100,000	527,500
Du, K.	Induction of CREB-Mediated Gene Expression by cAMP	NIH	1F32GB19858-01	2/1/99	1/31/01	12,233	68,420
Feener, E.P.	Media Core	NIH/DERC	5 P30 DK36836-15	12/1/96	11/30/01	80,567	341,095
Goldfine, A.B.	Vanadium Salts in the Treatment of Insulin Resistance	NIH/NIDDK	5 R01 DK47462-05	9/30/93	6/30/00		581,033
Goldfine, A.B.	The Role of Complement in the Complications of Diabetes	NIH/NIDDK	DK52855-02	9/30/98	8/31/01		22,064
Goldfine, A.B.	Arterial Dysfunction: Basic and Clinical Mechanisms	NIH	P01	9/1/99	8/31/04	25,504	130,479
Goldfine, A.B.	Physiologic and Molecular Determinants of Diabetes	NIH/NIDDK	K23 DK02795-01	5/1/00	4/30/05	115,075	575,375
Goodyear, L.J.	Exercise and Skeletal Muscle Signaling Mechanisms	NIH/NIAMS	5 R01 AR42238-08	9/1/97	8/31/02	155,622	890,655

JOSLIN DIABETES CENTER

Principal Investigator	Title	Agency	Sponsor #	Start Date	End Date	FY 01	TOTAL
Goodyear, L.J.	Exercise Regulation of Glucose Uptake in Skeletal Muscle	NIH/NIAMS	1 R01 AR45670-03	9/30/98	8/31/03	145,466	734,064
Hattori, M.	Animal Facility Core	NIH/DERC	5 P30 DK36836-15	12/1/96	11/30/01	60,287	345,483
Hattori, M.	Type 1 diabetogenic genes centromomic to Lmp2 in NOD mice	NIH/NIDDK	DK56744-01A1	9/1/00	8/31/03	250,000	750,000
Horton, E.S.	NIDDM Primary Prevention Trial (DPT-2) (Diabetes Prevention Program)	NIH/NIDDK	5 U01 DK48437-06	8/20/94	6/30/01	321,356	3,739,313
Horton, E.S.	Clinical Research Core	NIH/DERC	5 P30 DK36836-14	12/1/96	11/30/01		256,356
Horton, E.S.	Mechanisms of Action in DPP Intervention: A Multicenter Study	NIH/NIDDK	R01 DK53061-01A1	9/15/98	6/30/02	5,689	22,934
Horton, E.S.	GCRC	NIH/NCRR	MO1-RR01032-26	9/28/99	11/30/04	427,456	524,144
Horton, E.S.	SHOW (Study of Health Outcomes of Weight Loss) Project	NIH/NIDDK	1 U01 DK57154-01	9/30/99	6/30/08		0
Jackson, R.A.	Antibodies to Recombinant Autoantigens: Prediction/Immunogenetics	NIH/NIDDK/ NIAID	1 R01 AI/DK39213-05	5/1/96	4/30/00		96,792
Jackson, R.A.	Immune Monitoring of Antigen Specific Therapy in IDDM	NIH/NIDDK/ NIAID	1 R01 AI/DK52127	6/1/98	5/31/00	27,861	193,772
Jackson, R.A.	Diabetes Prevention Trial-IDDM (DPT-1)	NIH/NIDDK	5 U01 DK/AI46801-06	9/30/93	8/31/01	1,540,609	13,528,226
Jacobson, A.M.	Epidemiology of Diabetes Interventions..(EDIC/CCC)	NIH/NIDDK	NOI-DK-6-2203 EDIC	3/1/96	8/30/01		161,061
Kahn, C.R.	Training grant in diabetes and metabolism	NIH/NIDDK	DK 07260-24	7/1/97	6/30/02	216,130	1,075,706
Kahn, C.R.	Insulin Receptor Phosphorylation and Insulin Action	NIH/NIDDK	5 R01 DK33201-17	12/1/83	6/30/03	358,752	3,000,561
Kahn, C.R.	Gene expression in diabetes by subtraction cloning	NIH/NIDDK	DK45935-08	12/1/99	11/30/03	411,672	2,041,714
Kahn, C.R.	Role of PI 3-Kinase Isoforms in Insulin Action	NIH/NIDDK	1 R01 DK55545-02	6/1/99	4/30/04	266,346	1,370,367
Kahn, C.R.	Insulin Receptor Structure and Turnover	NIH/NIDDK	5 R01 DK31036-19	4/1/82	3/31/05	149,923	1,397,650
King, G L.	Study of the Selective Insulin Resistance in Vascular Cells	NIH/NIDDK	1 R01 DK53105-04	9/1/97	8/31/01	139,353	587,524
King, G.L.	Endothelin Effects on Retinal Cells and Blood Flow	NIH/NEI	2 R01 EY09178-10	1/1/92	12/31/01	164,125	796,710

JOSLIN DIABETES CENTER

Principal Investigator	Title	Agency	Sponsor #	Start Date	End Date	FY 01	TOTAL
King, G.L.	Cell Biology Approach to Diabetic Retinopathy	NIH/NEI	2 R01 EY05110-17	8/1/97	7/31/02	160,447	908,895
King, G.L.	Protein Kinase C Activation and Diabetic Cardiomyopathy	NIH/NIDDK	1RO1 DK59725-01	9/30/00	8/31/05	270,833	1,250,000
Krolewski, A.S.	Identification of Susceptibility Genes for NIDDM	NIH/NIDDK	1 R01 DK47475-05	2/27/96	6/30/01	151,556	1,004,455
Krolewski, A.S.	Mapping Genes for Nephropathy in IDDM	NIH/NIDDK	1 R01 DK53534-03	2/1/98	1/31/02	411,133	1,618,639
Krolewski, A.S.	Natural History of Microalbuminuria in Type I Diabetes	NIH/NIDDK	5 R01 DK41526-11	7/1/99	6/30/03	234,939	965,664
Krolewski, A.S.	NIDDM gene search on chromosome 20q in Polish families	NIH/NIDDM		9/1/00	8/31/03	32,000	96,000
Kulkarni, R.	Insulin- and glucose-signaling pathways in islet beta cells	NIH/NIDDK	KO8 DK02885-01	9/1/00	8/31/05	92,268	481,242
Laffel, L.M.B.	SCOR: Molecular genetics of Hypertension	NIH/NIHLBI	HL55000-05	2/1/96	1/31/01	8,959	149,041
Levine, B.	Training Grant through Children's Hospital	NIH	T32 HS00063	7/1/00	6/30/01	49,731	54,252
Lipes, M.A.	MHC Linked Susceptibility to Autoimmunity--Structure	NIH/NIAID	5 P01 AI39619-04	9/30/96	8/31/00	157,600	597,625
Lipes, M.A	Transgenic Core	NIH/DERC	5 P30 DK36836-15	12/1/96	11/30/01	53,515	229,671
Lipes, M.A.	Bioengineering Artifical Beta Cells for the Treatment of Diabetes	NIH/NIDDK	1 RO1 DK53281-04	1/1/98	12/31/02	132,905	667,949
Loeken, M.R.	Molecular regulation of embryogenesis by metabolic stress	NIH/NIDDK	DK58300-01	9/1/00	8/31/04	150,000	600,000
Maratos-Flier, E.	Enrichment Core	NIH/DERC	5 P30 DK36836-14	12/1/96	11/30/01		57,741
Maratos-Flier, E.	Anatomic and Physiologic Characterization of MCH Action	NIH/NIDDK	1 R01 DK53978-03	7/1/98	5/31/03	201,357	999,488
Maratos-Flier, E.	Gene Targeting Approaches to MCH and Energy Balance	NIH/NIDDK	1 RO1 DK56113-01	9/1/98	8/31/04	77,984	400,865
Mathis,D.	Arthritogenic Igs: What are they? Why are they made?	NIH/NIAMS	1 RO1 AR/AI45680-01	3/1/00	2/28/05	228,428	1,184,836
Michael, L.F.	Signal Discrimination by CBP	NIH/NIGM	1 F32 GM19680-01	2/23/99	2/22/01	8,935	47,616
Michael, M.D.	Effect of tissue-specific IR gene disruption in adipose	NIH/NIDDK	F32 DK09817-03	8/1/98	7/31/01	31,973	101,244
Myers, M.	Molecular determinants of leptin receptor/Jak2 signaling	NIH/NIDDK	DK56731-02	3/15/99	12/31/03	91,666	449,998

JOSLIN DIABETES CENTER

Principal Investigator	Title	Agency	Sponsor #	Start Date	End Date	FY 01	TOTAL
Myers, M.	Role of Leptin Receptor Studying Pathways in Mammalian Physiology	NIH		6/1/00	5/31/05	225,000	1,125,000
Orban, T.	Autoantigen vaccination in human type 1 diabetes mellitus	NIH		12/1/99	11/30/01	25,000	40,000
Patti, M.E.	BIDMC/Joslin NIDDK Biotechnology Center	NIH/NIDDK	DK58739-01	9/30/00	9/30/01	50,000	50,000
Patti, M.E.	Bifunctional Modulation of Insulin action by amino acids	NIH/NIDDK	1 KO8 DK 02526-04	9/1/97	8/31/02	114,848	490,377
Rogus, J.	HSPH (Laird) Complex Diseases	NIH		6/1/00	5/31/02	16,458	31,543
Shoelson, S.E.	Receptor/Substrate Complexes in Transmembrane Signaling	NIH/NIDDK	DK51728-02	9/1/96	8/31/00		104,083
Shoelson, S.E.	Receptor/Substrate Complexes in Transmembrane Signaling	NIH/NIDDK	DK51729-03	9/1/96	8/31/00		34,256
Shoelson, S.E.	Biochemistry Core	NIH/DERC	5 P30 DK36836-13	12/1/96	11/30/01		188,514
Shoelson, S.E.	Mapping the Insulin-Receptor Interface	NIH/NIDDK	5 R01 DK43123-08	4/1/88	3/31/03	174,040	892,953
Shoelson, S.E.	Receptor/Substrate Complexes in Transmembrane Signaling	NIH/NIDDK	1 R01 DK51729-05	9/1/96	8/31/05	250,000	1,676,886
Smith, R.J.	GRB10 as an insulin receptor adaptor protein	NIH/NIDDK	5 R01 DK43038-07	2/1/92	3/31/03	128,968	640,323
Smith, R.J.	Nutrition, Cytokines, and Anabolic Signaling Mechanisms	NIH/NIDDK	DK50411-05A1	6/1/00	3/31/05	172,000	860,000
Stanton, R.	Glucose 6-P Dehydrogenase in Diabetic Complications	NIH/NIDDK	DK54380-01	2/1/00	1/31/04	142,700	713,500
Turley, S.	Dana Farber Cancer Institute Training Grant Fellowship program	NIH/NCI	CA70083-04	7/1/00	6/30/01	23,457	31,276
Wagner, B.	Cross-talk between cAMP and retinoid signaling pathways	NIH/NIDDK	F32 DK09806-01	8/1/98	7/31/01	26,243	87,828
Weinger, K.	Cognitive Therapy in IDDM- A randomized Clinical trial	NIH/NIDDK	5 R01 DK42315-08	6/1/91	11/30/00	21,799	782,666
Weir, G.C.	Islet Function and Diabetes	NIH/NIDDK	2 R01 DK35449-16	9/1/84	8/31/00		1,403,685
Weir, G.C.	Diabetes and Endocrinology Research Center (DERC)	NIH/DERC	2 P30 DK36836-15	12/1/96	11/30/01		3,626,992
Weir, G.C.	Administrative Core	NIH/DERC	5 P30 DK36836-15	12/1/96	11/30/01	0	249,945
Weir, G C.	Islet Xenotransplantation: Genetic Approaches to the Problem	NIH/NIDDK	1 P01 DK53087-03	2/15/98	11/30/02	620,666	3,103,331

JOSLIN DIABETES CENTER

Principal Investigator	Title	Agency	Sponsor #	Start Date	End Date	FY 01	TOTAL
Werner, E.	Glut 4 Trafficking: A Potential Target for Treating Insulin Resistance and Diabetes	NIH/NIDDK	1F32DK09908-02	4/8/99	4/7/02	37,534	106,786
White, M.F.	Downstream Elements in IRS-1 Signaling: P55PIK	NIH/NIDDK	5 R01 DK47308-05	2/1/96	1/31/01	46,412	656,946
White, M.F.	Interaction Between Insulin Receptors and Cell Proteins	NIH/NIDDK	2 R01 DK38712-11	7/1/96	6/30/01		1,124,762
White, M.F.	Regulation and Function of IRS-Proteins	NIH/NIDDK	DK43808-10	4/1/00	3/31/05	225,000	1,125,000
White, M.F.	IRS-2 function in beta cell physiology	NIH/NIDDK	DK55326-01A2	9/1/00	8/31/05	150,000	750,000
Zanella, C.	Interaction of IRS1 PH domain with acidic peptide motifs	NIH		9/16/99	9/15/02	38,437	115,104
Zrebiec, J.	Severe Hypoglycemia--Risks and Prevention	NIH/NIDDK	R01 DK28288	11/1/98	6/30/00		5,975

Coalition for Sustaining America's Nonfederal Forests:
The Role of Research, Education and Extension/Outreach

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Testimony Submitted to the
House/Senate Agriculture Appropriations Subcommittee
On the USDA CSREES FY 2002 Budget
by the
National Coalition for Sustaining America's Nonfederal Forests

by

C.P.P. (Pat) Reid, Chairman

The National Coalition on Sustaining America's Nonfederal Forests represents more than twenty stakeholder organizations and groups who have come together to develop a national direction and strategy for advancing the sound stewardship and management of nonfederal forestlands. Focusing on research, education and extension programs, the Coalition has worked over the eighteen months to develop a National Initiative as a roadmap for action to conserve and sustain these forests. This action plan is presented in our report *"A National Investment in Sustainable Forestry: Addressing the Stewardship of Nonfederal Forestlands through Research, Education, and Extension/Outreach"*.

Our testimony addresses the USDA forestry research and extension programs administered by the USDA Cooperative State Research, Education and Extension Service including the McIntire-Stennis Cooperative Forestry Research Act, the Renewable Resource Extension Act (RREA), and the National Research Initiative Competitive Grants Program.

The Coalition's report found that America's nonfederal forests are economically, environmentally, and socially important to the nation and to the world. Nearly one-half of the nation's forests are owned by nearly 10 million landowners. These lands furnish sixty-five percent of the nation's wood supply and form the core of a forest industry that accounts for 8% of the nation's manufacturing economy. An outdoor recreation industry of over $100 billion per year also depends upon these lands' ability to provide wildlife and fish habitat and spiritual renewal.

Today, these forests are threatened by a myriad of factors, yet a growing number of private forest landowners are ill equipped to make informed decisions about their forests. We simply don't know enough about the unique problems and challenges associated with sustaining the benefits

from nonfederal forests. A primary challenge is to ensure that these forestlands are sustained for their individual owners' benefit, and for the benefit of millions of other Americans. To meet this challenge, it is essential that we act now to provide a foundation of research, education, and extension/outreach for nonfederal forest landowners and managers

The Department of Agriculture, working through land grant and other state colleges and universities, is a primary source of support for research, education and extension/outreach. Collectively this federal/state partnership must:

- Establish a foundation of research-based knowledge that empowers nonfederal forestland owners to make informed stewardship decisions;
- develop a specialized cadre of forest resource professionals to address the stewardship information needs of nonfederal forestland owners and managers; and
- implement an effective extension and outreach infrastructure that provides timely delivery of research-based knowledge and products to those making management decisions about nonfederal forests.

The Department of Agriculture's research, education, and extension/outreach financial commitment to the nation's nonfederal forests has been exceedingly small. Expressed on the basis of 10 million private forest landowners, the Department's fiscal commitment to forest resources through the Cooperative State Research, Education and Extension Service (CSREES) is $3.50 per owner per year, or $0.07 per acre per year (all nonfederal forestland). This compares to the Department's commitment to agriculture research, education, and extension/outreach through CSREES of $148 per farm, per year, or $0.32 per acre per year. The latter investment has made this nation the world's leader in safe, wholesome, and inexpensive food. A like investment in our forest resources is necessary if the nation is to fully realize the economic and environmental potentials of nonfederal forests.

Urbanization, fragmentation, forest health problems, and increased harvesting pressures are rapidly altering the nation's nonfederal forests. Population growth is placing increasing pressure on private forestlands. Nonfederal lands are becoming increasingly vulnerable to urban development, with resulting loss of wildlife habitat, reduced protection of watersheds, and reduced economic viability for various forest products. A growing number of new landowners inexperienced in forest stewardship practices increases the challenge. Rapid changes in societal values; harvesting restrictions on public forests; a profusion of local, state and federal laws and regulations concerning threatened and endangered species, water quality, air quality, and aesthetic values; and, an explosive encroachment of noxious and invasive plants, animals and other organisms combine to complicate and confuse stewardship paths for owners.

Universities are uniquely equipped in regional settings to expand the knowledge base and extend the basis for sustainability of nonfederal forests. The following framework

describes a set of interdependent actions in research, education, and extension/outreach designed to result in:

- Improved institutional and governmental coordination that achieves a public climate that enhances stewardship of nonfederal forests;
- Coordinated continuing education programs for resource professionals who advise diverse forest landowners and managers;
- Improved capacity to establish and maintain long-term databases to support decision-making about nonfederal forests
- Greater use of scientific-based criteria to assess the impacts of fragmentation, urbanization, and land conversion of nonfederal forests;
- Greater capacity for implementation of incentive-based programs to support sustainable management of nonfederal forests;
- Improved capability to address tax incentives and disincentives related to the sustainable management of nonfederal forests; and,
- Development of a cadre of highly trained professionals capable of leading and conducting programs for nonfederal forest landowners.

An increased annual investment must be begun immediately to ensure the future of our nonfederal forestlands. Ample authorization already exists through McIntire-Stennis Cooperative Forestry Research Act, Renewable Resource Extension Act (RREA), and National Research Initiative Competitive Grants Program. Additional funds can provide a base level of support and the strategic presence through our land grant public universities. *The additional resources needed under these authorities for focused research and education on nonfederal forestlands is $145 million per year.*

To effectively transfer new knowledge and innovations in management and policy into practice, a strengthened national infrastructure is needed to reach the forest landowners that are not currently being served. *Building capacity for forest resources education at the community level will require an additional $170 million per year.* This will enable an effective way to reach forest landowners and address emerging concerns about the impacts of fragmentation and changing ownership demographics on watersheds and the sustainability of ecosystems, landscapes, economies, and communities. Cooperation on this scale is critical to the sustainability of ecosystems and to minimizing downstream impacts. To insure accountability for this investment, the establishment of a national center is proposed to oversee implementation of this national initiative. A national center will guide priorities in education, research, and extension/outreach, and will ensure efficiencies through collaboration among federal departments and agencies, state and local institutions, universities, professional associations, and other stakeholder organizations.

The needed investment is substantial, but the potential returns are great. The focus on research, education, and extension/outreach will require coordination with and be complemented by other assistance programs of federal, state and local governments that are committed to conserving our nonfederal forests and serving our nation. Disciplined and rigorous implementation of these priority programs in research, education and extension/outreach will contribute to attaining our vision for the future by:

- Increased scientific understanding, dissemination of knowledge and information, and improved management methods that make it possible to sustainably use nonfederal forests to meet landowner objectives and public expectations;

- A broadly educated professional forestry cadre, recruited from diverse cultural backgrounds, having the skills and knowledge needed for sustainable management of private forestlands; and,

- An American public that understands the benefits they receive from private forestland and thereby actively support sustainable forest management.

Mr. Chairman, the Coalition appreciates the opportunity to submit this testimony. Attached to these comments is a copy of the Coalition report.

C.P. Patrick Reid, Director and Professor
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Degrees: Ph.D. Forest Ecology, Duke University 1968
M.F. Forest Ecology, Duke University 1966
B.S.F. Forestry, Univeraity of Missouri 1961

Academic/Professional Employment:
University of Arizona, Director, School of Renewable Natural Resources, August, 1992 - present
University of Florida, Interim Director, School of Forest Resources and Conservation, July, 1991-July, 1992
University of Florida, Chairman and Professor, Department of Forestry, 1986-July, 1992
Colorado State University, Department of Forest and Wood Sciences, 1969-1986; Professor -1977-1986; Associate Professor - 1973-1977; Assistant Professor 1969-1973
Colorado State University, Chairman, Ecology Program, 1982-1984
IUFRO-Special Program Developing Countries, Vienna, Austria, July -Dec 1998
University of Innsbruck, Senior Fulbright Scholar, 1985-1986
Division of Soils, CSIRO, Sabbatical Leave, 1976-1977
Sheffield University, U.K., Department of Botany, Special Leave, 1973
U.S. Army, Research Plant Physiologist (NAS-NRC Post-doctorate), 1967-1969, Plant Sciences Laboratory, Frederick, MD

Current Assignment: Director and Professor

As Director of the School of Renewable Natural Resources, I provide leadership and administration of the planning, development and implementation of programs of the School in instruction, research and extension. Specific programs are Landscape Studies, Wildlife and Fisheries Resources, Rangeland & Forest Resources, and Watershed Resources. Responsible for the development and implementation of the undergraduate and graduate degree programs of the School. Administrative responsibilities include budgetary and personnel management; liaison with cooperative units within the School, the College of Agriculture, the university, renewable natural resource industry, and state and federal agencies; development of instructional, research and extension programs; and faculty recruitment and development. Provide guidance and assistance in research related to ecological physiology factors of root/microbe interactions and mycorrhizas.

Research Expertise

Research has focused on the relationships between soil microorganisms, roots and soil in the ecological function of plant systems. Particular emphasis has been placed on the function of mycorrhizas as related to photosynthesis and water relations of both woody and herbaceous plants. Considerable research has examined the importance of microbial siderophores in the iron nutrition of plants under calcareous (high pH) conditions.

Teaching Experience

Colorado State University, 1969 to 1986, taught upper-level undergraduate courses in tree physiology and forest ecology; taught graduate course in ecophysiology of forest trees and special topic graduate student seminars. Universitat Innsbruck, Institut fur Mikrobiologia, Senior Fulbright Lecturer, 1985, and GastProfessor lecturer in November, 1998. Taught upper-level semester course in physiology and ecology of mycorrhizas, and directed graduate student seminar course on functions of mycorrhizas.

Honors and Memberships

Xi Sigma Pi; Gamma Sigma Delta; Alpha Zeta; Phi Kappa Phi, Society of Sigma Xi; National Academy of Sciences - National Research Council Postdoctoral Fellowship 1967-69; Who's Who in the West, Who's Who in the South, American Men and Women of Science, Who's Who in American Education; President, Colorado State University Chapter of the Society of Sigma Xi 1982; Senior Fulbright Scholar, University of Innsbruck, 1985-86

Membership in Professional Organizations

Member of Society of American Foresters, Ecological Society of America, Am. Assoc. Advan Sci., Society of Range Management

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Professional Service (selected)

STATE

Co-Chair, Arizona Council for Enhancement of Recreation and Tourism, 1996-97
Member, State Technical Committee, USDA Natural Resource Conservation Service, 1996 - present
Member, Board of Directors, Minority, Outreach, Recruitment, Education/Employment Consortium(AZ,NM,CO)

NATIONAL

Chair, National Coalition for Sustaining America's Nonfederal Forests, 1999 - present
President-Elect, National Association of Professional Forestry Schools and Colleges (NAPFSC), 2000-2001
Member, Executive Committee, Board for Natural Resources, National Association of State Universities and Land Grant Colleges (NASULGC), 1999-present
Member, Executive Committee, Section on Ecology, NASULGC, 1999-present
Chair, Policy Committee, and Executive Committee of NAPFSC, 1996-97, 1998-99
Member, Executive Committee and Western Region Chair of National Association of Professional Forestry Schools and Colleges(NAPFSC), 1994-95
Chair, Program Committee, 1996 SAF National Convention
CSRS On-Site Review Committee of Forest Sciences Program at Oregon State University, 1992
Member, USDA Higher Educ. Panel, Instit. Grants for Graduate Study in National Needs Areas, 1991.
Member, National USDA FS Task Force on Urban and Community Forestry Training and Continuing Education, 1991
Member, Review Panel, USDA Competitive Grants Programs in Forest Biology 1986, 1987
Member, NSF On-site Review Team, LTER at Coweeta, NC, Univ Ga.- USFS, March, 1989
Invited Panelist, "Reinventing Government in Technology Training",National meeting of ASPRS/ACSM, Baltimore, MD, April, 1996
Invited Speaker, National Business Meeting of USDA NRCS, Oct 1996, "Enhancing Partnerships".
Invited Participant, NSF Workshop on "Integrating the Life Sciences: Meeting the Needs of the 21st Century", Jan 1997

INTERNATIONAL

Member, Board of Editors, Mycorrhiza, an international refereed scientific journal published by Springer-Verlag, 1990-2000.
Chairman, IUFRO Working Party on Root Physiology and Symbioses, 1984-87
Member, International Scientific Committee, International Symposium on Forest Tree Physiology, INRA, Nancy, France, September,1988
Forestry Training for Indian Faculty, 1986-90, PI, Winrock International (U.S.-India Cooperative Training Program)
Invited Speaker, 5th Intl. Symposium on Iron Nutrition of Plants, Jerusalem, ISRAEL, June 1989
Visited University Centre, Dschang, Cameroon, at invitation of university and French-supported Department of Forestry, November 1989
Invited Speaker, 3rd International Mycological Congress, Rothenberg, West Germany, September 1990
Visiting Scientist at IUFRO -Special Program for Developing Countries, Vienna, Austria, July -Dec 1998 (sabbatical leave)

Selected Funded Research Projects

Systems Controls in the Belowground Ecosystem, 1975-78, Co-PI, NSF
Photosynthesis in Mycorrhizal Trees, 1977-79, PI,NSF
Siderophore Production by Mycorrhizal Fungi, 1977-82, Co-PI, NSF
Microbial Interactions in Belowground Ecosystem, 1978-83, Co-PI, NSF
Microbial Mineralization Across Ecosystems, 1983-85, Co-PI, NSF
Plant Adaptation in Use of Siderophores, 1985-87, PI,NSF
Carbon Assimilation and Allocation as Affected by Mycorrhizas, 1986-88, PI, USDA Comp. Grant
Plant Utilization of Microbial Siderophores, 1988-90, PI, USDA BARD
Continuing Education for Professionals in Urban Forestry, 1989-90, PI, USDA Forest Service, State & Private Forestry, Region 8
Extension Education in Forest Stewardship, 1990-91, PI, USDA Forest Service, State & Private Forestry, Region 8 (via Florida Division of Forestry)
Below-ground Mitigation of Upland Erosion Processes: A Watershed Perspective, 2000-2002, USDA Forest Service, RMES (with Dr. Mary O'Dea)

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Publications (career)

Books: Authored 1 ; Edited 1 ; Chapters 9 ; **Refereed articles:** 68; **Miscellaneous:** 7

Selected Publications (from past 10 years)

Reid, C.P.P. 2000. Handbook for Preparing and Writing Research Proposals. IUFRO-SPDC, Vienna, Austria, 160 pp.
Reid, C.P.P. 1996 Reinventing the university/government partnership for technology training. 1996 ASPRS/ACSM Proc. Pp131-132, Abst
Reid, C.P.P. and G Lehman. 1997. Delivering forestry technology training· partnering of university/industry/government. XI World Forestry Congress,Antalya,Turkey, 1997 Proc.
Rousseau, J.V.D. and **C.P.P. Reid**. 1991. Effects of phosphorus fertilization and mycorrhizal development on phosphorus nutrition and carbon balance of loblolly pine. New Phytologist 117:319-326
Crowley, D.E , Y.C. Wang, **C.P.P. Reid** and P.J Szaniszlo. 1991. Mechanisms of iron acquisition from siderophores by microorganisms and plants, pp. 213-232. In Chen,Y. and Y. Hadar (eds.), Iron Nutrition and Interactions in Plants. Kluwer Academic Publishers, Netherlands.
Reid, C.P.P. 1990. Mycorrhizas, pp. 281-315. In J.M. Lynch (ed.), The Rhizosphere. John Wiley & Sons, Inc.

(April 2001)

Federal Grant Support:

USDA Forest Service $20,000 for fiscal years 2001 and 2002. Project Name: Coalition for Sustaining America's Nonfederal Forests

USDA Cooperative State Research, Education and Extension Service $25,000 for fiscal years 2001 and 2002. Project Name: Coalition for Sustaining America's Nonfederal Forests

Staff Contact: Ms. Terri Bates, 703,538-1134
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Testimony of Jeffrey A. Stein
Mississippi River Regional Representative
American Rivers

Submitted to the Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies Of the House Appropriations Committee

April 10, 2001

American Rivers is joined by over 500 local, regional and national conservation organizations[1] from all 50 states in calling for $325 million in funding for the Environmental Quality Incentives Program and in supporting an expansion of the Conservation Reserve Program acreage limits to 40 million acres in Fiscal Year 2002.

The Environmental Quality Incentives Program (EQIP) is a voluntary program that helps farmers and ranchers facing threats to soil, water, and other natural resources develop and implement successful conservation practices. The Conservation Reserve Program is a voluntary program that partners the U.S. Department of Agriculture (USDA) with farmers and ranchers, helps protect millions of acres of the nation's agricultural lands from erosion while increasing wildlife habitat and protecting ground and surface waters.

Overview of the Environmental Quality Incentives Program

The health of America's agricultural lands is fundamental to the nation's well-being. These lands support an industry of great value, provide important habitat for a large portion of the nation's birds, fish, and wildlife, and significantly affect river health. The Environmental Quality Incentives Program (EQIP) is voluntary program that helps farmers and ranchers facing threats to soil, water, and other natural resources develop and implement successful conservation practices.

EQIP focuses largely on lands that face significant natural resource problems or are particularly environmentally sensitive. As these priority areas are identified locally, conservation districts convene working groups of key federal, state, and local agency representatives to propose conservation plans for these areas. Communities play a significant role in the planning process, ensuring that the plans fully reflect local needs and priorities. Once Natural Resource Conservation Service (NRCS) representatives select conservation plans, EQIP staff provide technical, educational, and financial assistance to farmers or ranchers to help them implement management plans for nutrients, manure, pests, irrigation, water, and wildlife habitat practices. Farmers may also apply for 5- to 10-year EQIP contracts that provide financial incentives and cost-sharing assistance to implement conservation practices outlined in the conservation plan required for use of most agricultural lands.

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[1] These groups have endorsed "The River Budget 2002", a report of national funding priorities for local river conservation. A list of groups endorsing the River Budget can be viewed at www.americanrivers.org.

Overview of the Conservation Reserve Program

With the dust bowl of the 1930's, the United States learned the hard way about the destructiveness of agricultural erosion. In the years since, the nation has also come to recognize the damage caused by runoff that carries pollutants into river, lakes, and other bodies of water.

One of the federal government's largest and most effective environmental improvement programs grew out of concern about the impacts of agricultural soil erosion and polluted runoff. The Conservation Reserve Program (CRP), a voluntary program that partners the USDA with farmers and ranchers, helps protect millions of acres of the nation's agricultural lands from erosion while increasing wildlife habitat and protecting ground and surface waters. The program provides incentives for farmers and ranchers to voluntarily implement long-term conservation practices on erodible and environmentally sensitive lands in return for annual rental payments and cost-share assistance.

The benefits of CRP are clear. The total acreage of new wildlife habitat created by the program is twice that of the National Wildlife Refuge System and all state-owned wildlife areas in the contiguous 48 states combined. According to NRCS, each acre enrolled in CRP reduced topsoil erosion by an average of 19 tons per year, improving water quality in lakes, rivers and other water bodies. USDA estimates show that, over the life of the initial 36.4 million-acre enrollment, CRP will have resulted in a $2.1 - $6.3 bilion increase in net farm income, $3.3 billion in future timber resources, and up to $4.2 billion in surface water quality improvements. The Fish and Wildlife Service estimates that the wildlife benefits will total $1.4 billion for water fowl hunting and $4.1 billion for non-consumptive wildlife benefits such as photography and wildlife watching.

Farm Conservation Programs: Protecting America's Water Quality

Water quality is an issue that touches many lives. Each year, sediment and nutrients are inadvertently washed off the landscape, into feeder streams, and ultimately into our nation's rivers - reducing farm income, increasing channel maintenance costs, threatening drinking water supplies and filling side channels used by river wildlife. The costs associated with sediment and nutrient loss are enormous. On the Mississippi River, for example, farmers annually lose more than $300 million in applied nitrogen, dredging costs annually top $100 million, and habitat preservation efforts on the Upper Mississippi River will soon reach $33 million a year.

Fertilizers, animal waste, and inadequately treated human waste have contributed to high levels of nutrients - nitrogen and phosphorus. Once they are released into the Mississippi, these nutrients ignite a chemical chain reaction that reduces the amount of oxygen dissolved in the water, limiting the types of river species that can survive. They also contribute to a "dead zone" in the Gulf of Mexico - a 7,000 square-mile zone where dissolved oxygen is simply too low to support marine life. In rare cases, nutrients like nitrogen and bacteria from human and animal waste can contaminate well-water and other drinking water supplies, affecting human health.

Like nitrogen and phosphorous, sediment continues to enter the Upper Mississippi River at unsustainable levels - that is, sediment enters the Mississippi a rate that exceeds the river's ability to move sediment downstream. In addition to filling side channels, burying mussel beds and blocking the sunlight needed by aquatic plants, this imbalance increases the cost of removing sediment from the navigation channel -- a federal responsibility which now costs more than $100 million annually.

Much of this sediment is the result of historic farm practices that have left large sediment deposits in small feeder streams. While great strides have been made in improving agriculture practices to reduce erosion and run-off, limited resources for these efforts limits the scope and effectiveness of conservation efforts by farmers.

Although many landowners – both in the Upper Mississippi River basin and across the country – are anxious to enroll their land into easement programs, create buffers of trees and grasses along streams, or adopt soil-conserving tillage practices, demand for federal technical assistance far exceeds supply. Funding for conservation programs, outreach and education, and research and monitoring must be increased to meet the demand for programs like EQIP and CRP.

American Rivers is strongly supportive of these successful programs and the tremendous efforts of the American farmer to protect water quality. We strongly urge you to appropriate $325 million to the U.S. Department of Agriculture for the Environmental Quality Incentives Program and to provide sufficient funding to supporting an expansion of the Conservation Reserve Program acreage limits to 40 million acres in Fiscal Year 2002.

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UNITED STATES
HOUSE OF REPRESENTATIVES
ROSA L. DeLAURO
3D DISTRICT, CONNECTICUT

ASSISTANT TO THE MINORITY LEADER

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEES
LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES

April 18, 2001

The Honorable Henry Bonilla
Chairman of the House Appropriations Subcommittee on Agriculture
2362 Rayburn House Office Building
Washington, DC 20515

Dear Mr. Chairman:

Attached is written testimony from my constituent, Danielle Mauri, a Future Farmers of America (FFA) participant and a student at Lyman Hall High School in West Haven. Ms Mauri's testimony was the winning essay from the DeLauro-Future Farmers of America Essay Contest. Contest participants were asked to submit essays addressing the topic "Agriculture is More than Just Farming." I would greatly appreciate the addition of this essay to the Subcommittee written testimony.

Sincerely,

Rosa L. DeLauro

Rosa L. DeLauro
Member of Congress

PRINTED ON RECYCLED PAPER

Vo-Ag is More Than Farming

When I decided to attend Lyman Hall High School, it was because I wanted to become a veterinarian. I looked into the Vo-Ag department and was thrilled to have found something that was exactly what I wanted. I couldn't wait to get the preparation I needed to become a vet. I must admit that as an incoming freshman I really thought the class would be more fun than work, more of a "playtime" with the animals. I was wrong. The class was fun, but there was definitely work along with it.

There are five classes in the department you can choose from, small animal technology, animal production, natural resources, plant science, and agricultural mechanics. As a freshman you go through a variety of these classes. The purpose of this is so the people who don't know what they want to do can get an idea. By being in each class the first year, you get a small dose of what you'll be doing if you continue with that class. I thought this helped me a lot. I had already figured out I wanted to be a veterinarian so I planned on taking more of the small animal technology classes but I knew there were others I could choose from that interested me. Yes, we did have to learn to drive a tractor, and yes we thought it was going to be stupid and "farmer like" but it was actually one of the most fun classes we had to take. We did things from plumbing to cats and dogs.

As a sophomore you basically stay in the same class, with the occasional rotation for a different unit. In this year you have units such as computers, animal behavior and handling, lab animals and school to career. This year you have more of a hands on learning experience in each unit. I found that the lab animals unit was the most interesting to me. It really helped me to get an idea of what it would be like to become a veterinarian. Being in the unit made me rethink my decision to make sure that it was what I wanted. Without this unit I wouldn't have as much of an understanding of what exactly veterinarians do. Another unit I found very helpful was the school to career unit. In this unit we were taught how to use the parliamentary procedure, find a job and identify our strengths and weaknesses. This has helped me a lot in finding and getting jobs that I want.

As a junior you can choose your own classes by units. With this system, you can get a larger variety of classes that you want. For example, I am interested in veterinarian medicine so I take small animal technology classes, but I also love horses so I took equitation and feeds and forages. I think this gives you the opportunity to learn what you need to know about your future career and also have a little fun with the things you like but aren't planning on pursuing. Another great unit you take as a junior is career preparation. This course was one of the best and most helpful courses I took. We were taught how to fill out a job application, write a cover letter, a resume, prepare for the questions we would be asked in an interview and an interview in general. By actually interviewing each of us in class, it

put us in a real life situation as we figured out what to do "on the spot".

As you can see, there is hardly any farming in most of the units that are offered to us. The units are based on teaching us the skills we need to pursue our careers. Most of the students in the Vo-Ag department are not farmers and have no intentions of becoming farmers. In fact, there are only two or three true farmers in Vo-Ag all together. So for you to address us all as The Future Farmers of America (FFA) is an unfair and untrue statement. The Vo-Ag department has been a wonderful learning experience for me and will continue to be one throughout my junior and senior years. So as you can see, Vo-Ag is definitely not just for farmers, but yet a group of teenagers who want to get the best education and learning experience out of their high school years so they can get a head start on their college years and future careers.

Wildlife Management Institute

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RICHARD E McCABE
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RECEIVED
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April 10, 2001

Henry Bonilla
Chair, Agricultural, Rural Development, Food and Drug Administration and Related Agencies
2362A Rayburn House Office Building
Independence Avenue and S. Capitol Street, SW
Washington, DC 20515

Dear Mr. Chairman:

I am Ronald R. Helinski, Conservation Policy Specialist for the Wildlife Management Institute. Established in 1911, the Institute is staffed by professional wildlife scientist and managers. It's purpose is to promote the restoration and improvement of wildlife in North America. I am submitting testimony for the House Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies concerning appropriations for:

Natural Resources Conservation Service

With such a short timetable I will hit the highlights of each line item/program and offer observations on impacts of this proposed FY 2002 budget on conservation, particularly this nation's fish and wildlife resources.

Conservation Technical Assistance: The proposed increase of $59 million dollars is woefully inadequate to meet the needs of farmers, ranchers and private landowners who have or plan to participate in the current Farm Bill programs. Technical assistance is an expected service. It is provided by natural resource professionals to assist farmers, ranchers and private landowners in the planning, implementation and evaluation of said programs. It has often been argued that private landowner participation hinges on what kind of support the constituent obtains from those professionals. Given a 5:1 demand for EQIP, 5.1 for WRP, and 3:1 demand for WHIP,

landowners EXPECT those services and guidance.

Admittedly, there is a need for more personnel in NRCS to provide this on- the- ground service. Consideration to alternative providers is one way to help address this endemic problem. WMI suggests that through the leveraging of NRCS monies, state fish and wildlife agencies and conservation NGO's are in a position to help fill this void. Currently, this type of infrastructure is in place in many states including Missouri, Kentucky, Georgia, Arkansas and in your state of Texas. Reimbursement from NRCS to state agency personnel would go a long way to help resolve this problem. The state fish and wildlife agencies bring professional expertise to the table and are experienced in developing conservation plans to assist with the current overwhelming demand of Farm Bill applications.

Specific Farm Bill Programs: WHIP and WRP programs without a doubt are two of the most successful programs to ever come down the road for private landowners. As mentioned above, the current demand for the programs speak volumes to there popularity This popularity equals additional monetary assistance to landowners in this time of economic decline The conservation bonus has helped resolve many natural resource problems while acting as a long term investment for providing quality of life improvements for this nations citizens.

WRP- Increase the cap on WRP to 3.5 million acres or the annual enrollment cap to 250,000 acres. With a 3:1 ratio of applications to approved projects, the demand exists. Projects should be designed more carefully to help achieve wildlife restoration goals. Currently there is no additional acres for enrollment in 2002, this needs to be corrected.

WHIP- Provide $100 million annually. WHIP projects have reached non-traditional farm bill constituents where they have been able to address many endangered species scenarios while keeping regulations to a minimum. This program was embraced by landowners and formed many partnerships between USDA (NRCS) and non-federal organizations, resulting in tremendous leveraging of non-federal dollars.

Section 211 (b) of the Agricultural Risk Protection Act provided an additional $40 million for soil and water conservation assistance The 2001 Consolidated Appropriations Act gave the Secretary the authority to reallocate these funds to WHIP and FPP, $8 million in additional funds was provided for FPP and $12 million was allocated to WHIP. The original allocation was $20 million allocated to WHIP. It goes without saying that the recognition of the utility and need for this program comes up year after year. It's time to allocate the necessary monies to make this a true national program. The allocations to the Northeast and far Western states are inadequate to meet these regional needs. In fact, WHIP is of the same stature as CRP to these regions

Forestry Incentive Program- WMI recommends creating one non-industrial private landowner cost-share assistance program by combining the existing Forestry Incentives Program (FIP) with the Stewardship Incentives Program (SIP) and fund it at $100 million dollars. A financial incentives program is needed to encourage private land owners to adopt management practices that respond to national needs for healthy sustainable forests.

Farmland Protection Program- Provide $200 million for the Farmland Protection Program. Require conservation easements under the program to consider wildlife habitat, in addition to soil and water conservation.

Forest Legacy Program- Increase to $200 million annually. The Forest Legacy Program has a proven track record of protecting productive forestlands from development and fragmentation Weather through conservation easements or fee purchase, Legacy focuses on state assessments of need to set program priorities. Public benefits amass from both environmental and economic values.

Forest Stewardship- Provide $50 million per year to increase planning assistance to private forest landowners. Non-industrial private forestland owners provide great benefits to wildlife through their forest management Forest Stewardship plans ensure that non-commodity forest resources such as soil, water and fish and wildlife recreation and aesthetics are considered and balanced with commodity outputs.

Farm Service Agency

With an environment that includes low commodity prices and shrinking overseas markets, producing more commodities will not solve the problem. Given that there is no foreseeable change in this equation, giving private landowners options for other monetary sources would be a good thing. As I review the submitted budget for FY 2002 I see a number of popular Farm Bill programs being zeroed out CRP has been a mainstay on this countries landscape. CRP has enabled private landowners to retire land to assist this country with soil, water and wildlife habitat enhancement. Alternative opportunities are presented for farmers and ranchers to secure additional monies for helping to improve the quality of life for all our citizens Why stop now when the job is far from being completed.

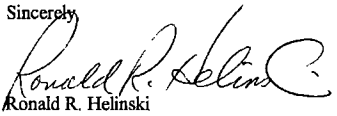
CRP-On page 102 of the Budget for Fiscal Year 2002 it shows a zero allocation for obligations and technical assistance (CCC funds). What a mistake this would be. CRP is USDA's largest conservation/environmental program. It also includes the Buffer Initiative and Conservation Reserve Enhancement Program (CREP)programs. WMI recommends raising the cap on CRP to 63.9 million acres (with a minimum of 45 million acres). A sensible approach to reduce excess production capacity through long-term idling of surplus cropland exists in this very popular program. The demand by landowners is tremendous. The program has enhanced more wildlife populations than any action ever taken in this nation. CRP has helped raise commodity prices, too. The value of the CRP's improvements to wildlife viewing and to pheasant hunting has been estimated at $704 million/year (Claassen et al., 2001). Specific improvements to CRP include state flexibility in addressing rental rates and seed mixtures, along with natural regeneration on riparian buffers and marginal pastures.

Technical Assistance: In fiscal year 2001, $26 million was obligated for technical assistance services (see page 108 The Budget for Fiscal Year 2002). It is zeroed out for FY 2002 If we minimally increase the cap to 45 million acres we will need an increase in technical assistance

between $60 to 80 million dollars. If you refer to the section above entitled "technical assistance" under the NRCS section you will find that there is an alternative to this request.

Thank you for the opportunity to submit recommendations, comments and suggestions.

Sincerely,



Ronald R. Helinski
Conservation Policy Specialist

Testimony of Robert A. Rapoza
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Before the
Appropriations Subcommittee on Agriculture
of the United States House of Representatives

Washington, DC

Testimony for United States Department of Agriculture
Rural Development

April 25, 2001

(submitted as written testimony only)

Testimony of Robert A. Rapoza
for the National Rural Housing Coalition
Before the
Appropriations Subcommittee on Agriculture
of the United States House of Representatives
Washington, DC
Testimony for United States Department of Agriculture
Rural Development

April 25, 2001

Mr. Chairman and members of the House Subcommittee on Agriculture, my name is Robert Rapoza and I wish to testify on behalf of the National Rural Housing Coalition.

I wish thank you for the Subcommittee's support of the Rural Development programs of the United States Department of Agriculture and to urge you to support an increase in its budget for fiscal year 2002.

As you may know, the National Rural Housing Coalition (the Coalition) has been a national voice for rural low-income housing and community development programs since 1969. Through direct advocacy and policy research, the Coalition has worked with Congress and the Department of Agriculture to design new programs and improve existing programs serving the rural poor. The Coalition also promotes a non-profit delivery system for these programs, encouraging support for rural community assistance programs, farm labor housing grants, self-help housing grants, and rural capacity building funding.

The Coalition is comprised of approximately 300 members nationwide. We hope to work with you to assure that the voices of rural America are heard and its needs met. Our concerns are focused on rural housing and rural water and sewer systems.

THE NEED FOR AFFORDABLE RURAL HOUSING

A disproportionate amount of the nation's substandard housing is in rural areas. Rural households are poorer than urban households, pay more of their income for housing that their urban counterparts, and are less likely to receive government-assisted mortgages. They also have limited access to mortgage credit and the secondary mortgage market, making them prime targets for predatory lending. Rural America needs programs which focus on the issues facing it. The Rural Housing Service of Rural Development provides many of these needed programs.

Homeownership is the principal form of housing in rural America. However, there are a number of obstacles to improving homeownership in rural areas including high rates of poverty and poor quality of housing. According to a 1999 Economic Research Service report, the poverty rate in rural America was 15.9 percent, compared to 13.2 percent in urban areas. Minorities in rural areas have much higher rates of poverty with an average of 34.1 percent compared to urban minorities at 28.1 percent. More than 1.6 million low-income rural households live in moderately to severely inadequate housing. These are units without hot or cold piped water, and/or have leaking roofs, walls, rodent problems, inadequate heating systems, and peeling paint, often lead-based.

Rural residents also have limited access to mortgage credit. The consolidation of the banking industry that accelerated throughout the 1990s has had a significant impact on rural communities. Mergers among lending institutions have replaced local community lenders with large centralized institutions located in urban areas. Aside from shifting the locus of loan-making, this has resulted in the diminishment of a competitive

environment which, in the past, encouraged rural lenders to offer terms and conditions that were attractive to borrowers.

Because of the gap left by traditional lenders, rural households are often prime targets for predatory lenders. Predatory lending practices include excessive fees, prepayment penalties, and loan flipping into high cost subprime loans. Participants told about their borrowers' being convinced to convert their mortgages to high cost subprime loans, unaware of the higher interest rates. Even RHS borrowers paying a one percent interest rate were approached and convinced to switch.

Renters in rural areas also live in difficult situations. Thirty-three percent of rural renters are cost-burdened, paying more than 30 percent of their income for housing costs. Almost one million rural renter households suffer from multiple housing problems, 60 percent of whom pay more than 70 percent of their income for housing.

USDA's RURAL HOUSING SERVICE

USDA's Section 502 single family direct loan program and Section 515 rural rental housing program address many of these issues.

Section 502 single family direct loan program
To qualify for the direct loan program, borrowers must have very low or low incomes but be able to afford mortgage payments. Also, applicants must be unable to obtain credit elsewhere, yet have reasonable credit histories. The average income of households assisted under Section 502 is $18,500. About nine percent of households have annual incomes of less than $10,000. Since its inception, Section 502 has provided loans to almost two million families.

Section 515 rental housing program
To qualify for the rental housing program, tenants must have low or very low incomes.
Over more than 30 years, Section 515 has helped to produce over 500,000 homes. Under Section 515, USDA makes direct loans to non-profit and for-profit developers to build rural rental housing. The average tenant income is just over $7,500, approximately 26 percent of median, and more than half of tenants are elderly, disabled, or handicapped.

Despite these conditions, federal rural housing has received severe cuts in recent years. The USDA's Section 502 single family direct loan program, which funded 132,000 units in 1976, has dropped its production by 89 percent to fewer than 15,600 units. Spending for Section 515 rental subsidized housing has been cut by 73 percent since 1994. And rural rental housing unit production by the federal government has been reduced by 88 percent since 1990.

With these dramatic reductions and new opportunities presented by a good economy for building higher end housing, the private sector delivery system is no longer dominant as it was when funding levels were higher, and in many rural communities does not exist. In some rural areas, non-profits have picked up the slack and pursued a multiple funding strategy. Skilled local organizations meld federal, state, local and private resources together to provide affordable financing packages to low-income families. But there is not a dedicated source of federal support to promote a non-profit delivery system for rural housing.

As one way to improve its programs, USDA has expanded its cooperation with non-profit housing and community development organizations. Two successful programs are Mutual and Self-Help Housing and the Rural Home Loan Partnership.

Under *Mutual and Self-Help Housing*, with the assistance of local housing agencies, groups of families eligible for Section 502 loans perform approximately 65 percent of the construction labor on each other's homes under

qualified supervision. This program, which has received growing support because of its proven model, has existed since 1961. The average number of homes built each year over the past 3 years has been approximately 1,500.

The *Rural Home Loan Partnership* is a leveraged loan program. USDA provides a set-aside of Section 502 funds which are distributed to local partnerships of organizations. The Rural Home Loan Partnership has partnered with 177 non-profits and developed and financed close to 1,350 homes.

Section 514 loan and Section 516 grant farm labor housing programs
Two additional rental housing programs address the needs of farm laborers. Migrant and seasonal farmworkers are some of the nation's most poorly housed populations. The last documented national study indicated a shortage of some 800,000 units of affordable housing for farmworkers.

Farmworker households are also some of the least assisted households in the nation. Some 52% of farmworker households' incomes are below the poverty threshold, four times the national household poverty rate, and 75% of migrant farmworkers have incomes below the poverty line. Yet little more than 20% of farmworker households receive public assistance; most commonly food stamps, rarely public or subsidized housing.

There are only two federal housing programs that specifically target farmworkers and their housing needs: Sections 514 and 516 of the Housing Act of 1949 (as amended). Borrowers and grantees under Rural Housing Service Sections 514 and 516 receive financing to develop housing for farmworkers. Section 514 authorizes the Rural Housing Service to make loans with terms of up to 33 years and interest rates as low as one percent. Section 516 authorizes RHS to provide grant funding when the applicant will provide at least 10 percent of the total development cost from its own resources or through a 514 loan.

Non-profit housing organizations and public bodies use the loan and grant funds, along with RHS rural rental assistance, to provide units affordable to eligible farmworkers. These funds are used to plan and develop housing and related facilities for migrant and seasonal farmworkers. Current funding for Sections 514/516 totals $34 million in program authority. This amount provides about 700 units of housing. The waiting list of applications for Section 514/516 is two to three times the appropriated level. USDA limits applications as there is little prospect of funding all the demand for assistance.

THE NEED FOR RURAL WATER AND SEWER SYSTEMS

Hundreds of rural communities nationwide do not have access to clean drinking water and safe waste disposal systems. A 1995 USDA needs assessment of rural areas showed that more than one million households had no indoor plumbing, and 2.4 million households had critical drinking water needs. In its 1997 Drinking Water Infrastructure Needs Survey, the Environmental Protection Agency estimated that over the next 20 years, water systems serving communities of less than 10,000 people will require $37.2 billion in funding for water systems improvements and upgrades. And regarding wastewater, a 1996 EPA Survey demonstrated that small communities with up to 10,000 residents will need 21,000 wastewater treatment facilities by 2016 at a cost of approximately $14 billion. According to EPA's numbers, approximately $51.2 billion will be needed to address the basic water and wastewater needs of small communities.

Many projects that RUS funds are under consent order from the state EPA office for immediate action. The problems that the agency deals with range from communities and systems that are out of compliance with health and pollution standards, to communities without sewer systems where raw sewage runs in ditches after a heavy rainfall. Because so much time and money are spent on critical needs, the state offices spend less time on prevention. The programs and communities do not have enough resources to address issues before they become larger problems.

The issue of affordability moves to the forefront with waste disposal systems, which are generally more expensive than water systems. Waste systems naturally succeed water systems – with central water comes indoor plumbing, washing machines, dishwashers, etc., all of which eventually require an efficient wastewater disposal system. Low-income communities often already pay as much as they can afford for water service alone and are unable to manage the combined user fees for water and waste. In some extreme situations, some households are being forced out of homeownership because they cannot afford rising user costs.

As I mentioned earlier, rural communities have limited access to much-needed debt and equity capital, and small water and wastewater systems lack the economies of scale needed to reduce costs on their own. In order for communities to cut back on project costs and have affordable rates, operation and maintenance are typically underestimated in the budgets for many new systems. This often results in limited or no capital improvement accounts for future upgrades and expansions needed for community development including stabilization of local small business, affordable housing development, and other needed industrial development.

USDA's RURAL UTILITIES SERVICE

USDA's Rural Utilities Service (RUS) is the primary federal force in rural water and waste development, providing loans and grants to low-income communities in rural areas. The agency assists low-income rural communities that would not otherwise be able to afford such services. Approximately one-fifth of the communities served live below the national poverty line.

In providing these important services, the program also protects public health and promotes community stabilization and development. Aging municipal sewage systems alone are responsible for 40,000 overflows of raw sewage each year. The overflows cause health hazards including gastrointestinal problems and nausea, as well as long-term damage to the environment. Businesses and industries are unable or reluctant to locate in areas without functioning water and sewer systems. But with the assistance of RUS, communities are able to have the services they need so that their health and economies may benefit.

Although the need for RUS services continues, the level of available funds has decreased annually due to decreasing appropriations and increasing interest rates. In FY 1995, $1.35 billion was obligated by the federal program to the states. Since that time, due to decreasing appropriations and increasing interest rates, the obligations have decreased. FY 2000 funding, at $1.24 billion – a decrease of over $100 million – was only 92 percent of its FY 1995 level.

Through federal and state initiatives, RUS is working to confront the challenges faced by rural communities. With increasingly restricted time and money, state offices are using other resources such as leveraged funds and technical assistance from the *Rural Community Assistance Program* (RCAP). Funds are being leveraged through HUD's Community Development Block Grant program and the EPA's State Revolving Loan Funds, as well as some private lenders. Through the RCAP technical assistance program, more than 4,000 communities in 49 states have received assistance to identify solutions to water problems, improve and protect water quality, and construct and operate facilities.

Mr. Chairman and members of the Committee, we look to you for continued support of the efforts of Rural Development. These programs are vital to the survival of our small communities nationwide. They address the most basic needs of affordable housing and clean water that still exist all over the country. Because of the overwhelming need, we wish to submit the following proposals for increases to Rural Development funding:

Rural Housing and Community Development Appropriations
Fiscal Year 2001 Final and Fiscal 2002 Proposed

($ in millions)

Program	FY 01 Final	FY 02 Proposed
USDA Programs		
502 direct	$1,100	$1,700
502 guarantee	3,700	3,700
504 grants	30	50
504 loans	32.39	50
514 loans	32	100
516 grants	15	50
515 loans	114.3	250
521 rental assistance	680	800♦
523 self-help grants	34	50
538 multi guarantee	100	
Farm Labor Program	($47)•	(100)•
Water sewer loans	1,032	1,050
Water sewer grants	588	700
Community facilities	250	250
Community facilities grants	23	50
RCDI	6	25

• Non-add includes funding for Sections 514 and 516
♦ Includes $50 million for new construction or preservation

Thank you for your time and attention.

ROBERT A. RAPOZA
2248 - 49th Street, NW
Washington, DC 20007
[redacted] (h); [redacted] (w)

Executive Secretary
National Rural Housing Coalition
Washington, D.C.
May 1982 - Present

Responsible for planning, developing and implementing the Coalition's legislative agenda primarily aimed at improving programs and policies for low income rural housing and community development. Duties include: preparing legislation on federal housing and community development programs, working with members of Congress, the administration and others; preparing reports and regular information on rural housing and development issues; testifying before Congress; working with other interest groups concerned with rural development issues.

President
Robert A. Rapoza Associates
Washington, D.C.
May 1985 - Present

Legislative Director/Consultant for public and private nonprofit corporations involved in housing, community development, economic development and finance. Duties include: analyzing federal budget and legislative proposals; preparing a legislative program and campaign; extensive liaison with members of Congress and key committees such as Agriculture, Appropriations, Banking, Budget, Education, Labor and Human Resources; testifying before Congress; negotiating with federal officials, collaborating and consulting with local development organizations; preparing policy reports on rural development, economic diversification and rural community facility needs for private foundations.

Legislative Director and Acting Executive Director
Rural Coalition
Washington, D.C.
October 1980 - May 1982

Responsible for developing and directing the Coalition's fundraising, administration and legislative program. Duties included: developing analysis of federal budget, housing and community development, energy conservation and assistance and economic development legislation; working with members of Congress and their staffs on rural issues; speaking before regional meetings; preparing articles for the Coalition Newsletter.

Consultant on Housing, Community Development, Energy and Manpower Policy
Washington, D.C.
June 1979 - October 1980

Consultant to a variety of organizations and interest groups. Major activities included: analyzing regional housing and energy assistance needs for the Coalition of Northeastern Governors; representing the Governor of New Jersey on the 1980 Housing Bill Conference; representing Farmers Home Administration on the fiscal 1991 budget; assisting the Department of Labor in developing an interagency program for housing migrant and seasonal farmworkers.

Regional Director and Housing Specialist
Rural America/Rural Housing Alliance
Washington D.C.
September 1975 - May 1979

Responsible for planning, directing and managing an $8.5 million grant program which consisted of over 50 local public housing authorities and nonprofit housing development corporations. Duties included: supervising and directing 10 technical and one clerical staff; developing management and budget systems for grant programs; administering revolving loan fund; formulating housing legislative program; testifying before Congressional committees; lobbying on housing and community development issues.

Housing Specialist
Massachusetts Department of Community Affairs
Boston, Massachusetts
June 1974 - September 1975

Responsible for liaison with public housing authorities on program planning and tenant services; program development for management of Section 8 and state funded, leased and administered housing program; developing state housing policy and rural housing report; preparing testimony for Governor on community and economic development issues; analyzing CDBG program and its linkage to state housing programs.

RECENT PUBLICATIONS

Opening Doors to Rural Homeownership: Outcomes from the National Rural Housing Coalition Rural Homeownership Symposium, 2000.

A Literature Review of Rural America, 1999.

Creative Alternatives for Rural Rental Housing, 1998.

The Great Water Hookup: Coordinating Federal Regulatory and Financing Policy for Small Drinking Water Systems, 1995.

EDUCATION

Master of Public Administration, University of Massachusetts, Amherst, Massachusetts - 1975

Bachelor of Science, Economics, Boston College, Chestnut Hill, Massachusetts - 1972

HONORS AND OTHER ACTIVITIES

Senior State House Fellow, University of Massachusetts - 1972-1974

References available upon request.

STATEMENT OF THE AD HOC COALITION IN SUPPORT OF SUSTAINED FUNDING FOR THE TITLE I PROGRAM OF PUBLIC LAW 480, FOOD FOR PEACE

Submitted for the Hearing Record
of the
Subcommittee on Agriculture, Rural Development, FDA,
and Related Agencies
Committee on Appropriations
U.S. House of Representatives
April 10, 2001

Mr. Chairman, Members of the Subcommittee, this statement is respectfully submitted for the hearing record on behalf of the ad hoc coalition[1] composed of the organizations listed below. The coalition supports sustained funding for Title I of Public Law 480 at a baseline program level which is not less than last year's level and which will preserve the program as a long-term food aid and market development initiative for American agriculture.

The principal focus of this testimony is to request that Title I funding for FY 2002 be restored to a sustainable level for needed humanitarian assistance abroad and market development for American agricultural products. For FY 2001, the program level was $159.7 million. Unfortunately, the President's budget for FY 2002 requests an appropriation which would support a program level of only $139 million. At the very least, Congress should sustain the program level established for FY 2001, and should further evaluate carefully the need to increase the Title I program level in each succeeding year.

Although the coalition favors a higher Title I program level than the Administration proposes, the coalition does support the Administration's request for $835,159,000 for Title II donations. Under the Food for Progress program, the Administration estimates that $94 million in Commodity Credit Corporation (CCC) funds will be used to support Food for Progress donations in FY 2002, including $64 million for the purchase of approximately 229,000 metric tons of commodities and $30 million for transportation and other non-commodity costs. The coalition welcomes this continued commitment of CCC funding for Food for Progress. The Administration, moreover, pledges to maintain significant levels of shipments under the regular Section 416(b) program when CCC inventory stocks are available. Commodities will be shipped over the next year to complete the Section 416(b) programming approved during 2000 and to provide for new programming, including programming for the President's Global Food for Education Initiative, which currently consists of 632,533 metric tons of commodities to 38 countries valued at more than $130 million, as discussed more fully below. The coalition strongly applauds this initiative, and believes that it will become a pillar of U.S. humanitarian assistance for many years to come.

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[1] The ad hoc coalition is composed of USA Rice Federation, National Association of Wheat Growers, Wheat Export Trade Education Committee, US Wheat Associates, National Council of Farmer Cooperatives, American Soybean Association, American Maritime Congress, Maritime Institute for Research and Industrial Development, Transportation Institute, TECO Transport Corporation, and Liberty Maritime Corporation.

An Overview of U.S. Food Assistance Programs

Mr. Chairman, the scope and magnitude of U.S. food aid in recent years has been remarkable. As shown in the attached charts prepared by Foreign Agricultural Service (FAS), the FY 2000 food aid program reached a total of 95 countries, more than half the countries in all the world. The destinations for U.S. food aid last year included 45 countries in Africa, 17 in Asia and the Middle East, seven in Europe, 14 in Latin America and the Caribbean, two in the Near East, and 10 in the Newly Independent States of the former Soviet Union. (*See* Attachment I.) These 95 recipient countries received donations or concessional sales of 35 different commodities. (*See* Attachment II.) In FY 2000, USDA-administered programs were responsible for 4.6 million metric tons of shipments, and US AID administered Title II shipments totaled 2.1 million metric tons, for a combined food assistance program of 6.7 million metric tons, valued at more than $1.4 billion.

The President's Global Food for Education Initiative, on a pilot program basis this year, is expected to provide up to 9 million needy children with nutritious school lunches. Ultimately, this innovative program is expected to provide food donations worth $300 million per year. Other major initiatives in recent years have included the Russia Food Aid Package and the Ethiopia/Horn of Africa program. The latter distributed about 800,000 metric tons of food in Ethiopia to avert famine in 2000.

While our bounty continues to meet many emergency food assistance requirements around the globe, Congress should keep in mind that long-term market development for American agriculture is an important goal. That goal is one of the purposes of Title I.

The Title I Program Promotes Long-Term Market Development

Mr. Chairman, the 1996 Farm Bill directs the Secretary of Agriculture to give priority in negotiating agreements under Title I to developing countries that have the demonstrated potential to become commercial markets for competitively priced U.S. agricultural commodities. The concessional sales market of today will become the commercial market of tomorrow. In an intensely competitive world agricultural marketplace, the United States must use its concessional sales program to gain access, establish a foothold and build relationships upon which future commercial trade in agricultural commodities can depend.

Under the Public Law 480 Title I program, the United States has made concessional sales of commodities with a total value of about $31.2 billion since 1955. Along with other export enhancement programs, Title I has proved to be a catalyst for strong, long-term growth in U.S. agricultural exports. With the benefit of sustained market-development initiatives, the value of U.S. farm exports rose to an all-time high of nearly $60 billion in 1996. After declining to $49 billion in 1999, the value of total U.S. farm exports has recently regained some ground, reaching a level of $53 billion in 2000.

The United States must intensify its efforts to develop new overseas markets for U.S. farm commodities. With deeply depressed farm prices and strong competition from a host of producing

countries, the need for enhanced market development funding has seldom been greater. Congress should increase its market development program and certainly should not cut the program level for Title I as recommended by the Administration. Title I has proved its worth over decades of experience.

The Sharp Decline in Title I Funding

Throughout the 1980s, Congress maintained high funding levels for the Title I program. Unfortunately, Title I program levels experienced a sharp drop at the beginning of the last decade – from $725.3 million in 1990 to $395.3 million in 1991. The value of commodities shipped dropped below $200 million in 1995, and (except for extraordinary CCC-funded Russian shipments) has remained near this historical low since then. For FY 2000, concessional sales and donations of about 1.2 million metric tons of commodities valued at $233 million were programmed to 12 countries under Title I and the Food for Progress program using Title I funds, including carryover funds from prior years.

Mr. Chairman, the carryover in the Title I program account at the beginning of FY 2000 had been significantly higher than the historical average, and Congress cut back the level of new budget authority for that fiscal year in order to permit the FAS to draw down on the unobligated reserves in the program account. This has been done. At the beginning of FY 2000, the carryover was approximately $170 million; at the beginning of FY 2001, this had been reduced to about $50 million, an amount which is considered a prudent reserve level by program managers. Unfortunately, the Title I program level requested by the administration for FY 2002 represents a $20 million reduction from the FY 2001 program and is a little more than 10.7 percent of the peak 1965 Title I program level, ($1.3 billion in commodity value). In inflation-adjusted dollars, the Title I program has lost about 97 percent of its value to American farmers since the record-setting year of 1965. The coalition believes that it is important now to stabilize funding, stop the persistent downward trend, and begin to increase resources devoted to this critical and proven program.

A Renewed Commitment to Market Development for American Agriculture

Mr. Chairman, Congress has maintained since World War II a strong bipartisan commitment to market development for U.S. agricultural commodities. Until the mid-1960s, Title I shipments accounted for about 20 percent of the annual value of all U.S. agricultural exports. The concessional sales program was a principal catalyst for market development through the 1970s, when the total value of U.S. agricultural exports increased nearly six-fold – from about $7 billion in 1970 to $40.5 billion in 1980. The program was funded at high levels during periods of war and peace, even during periods of large federal budget deficits.

The time has come, Mr. Chairman, to reemphasize the importance of concessional sales and to revitalize the program. The time has come for a renewed commitment to this historic initiative, a program that has blazed a trail for billions of dollars in commercial shipments of American agricultural products. However, in making this renewed commitment, both Congress and the

Administration should seek to improve the program's effectiveness in the economy of the twenty-first century.

Under current criteria, a developing country is considered eligible for Public Law 480 Title I if it has a shortage of foreign exchange earnings and has difficulty meeting all of its food needs through commercial channels. The program managers at FAS should review country eligibility standards, ensuring that all eligible countries are actively considered. There must surely be a substantial market for Title I concessional sales – during 1999 and 2000, donations of food under USDA-administered programs totaled 12.3 million metric tons. Many countries currently receiving Section 416(b) and Food for Progress donations can be expected to graduate to Title I concessional sales arrangements. The shift from Section 416(b) donations to Title I participation could be rapid, and both FAS and Congress should prepare for this eventuality.

There has been legitimate concern that many eligible countries are reluctant to sign agreements following allocations at the beginning of a fiscal year. Perhaps FAS should establish a reasonable deadline for participation under concessional sales terms. The allocations for countries choosing not to participate could be shifted to other countries, well in advance of the close of the fiscal year. This reform could reduce the occasionally excessive carryover of unobligated balances, and help to ensure that program benefits are extended to all eligible countries. As Congress turns to new farm legislation this year, the need for more program flexibility should be addressed. The current cap of 500,000 metric tons of shipments under Food for Progress seems to make little sense. If this cap were lifted, Title I funding in greater amounts could be allocated to Food for Progress. This and other reforms could strengthen the concessional sales program, along with its companion program, Food for Progress.

Conclusion

Mr. Chairman, the United States has shipped food assistance in record amounts over the past two and one-half years and large shipments are expected to continue throughout the remainder of this year. Congress and the Administration deserve great credit for this humanitarian effort. But extraordinary food aid shipments will not last forever. American farmers require strong commercial markets to maintain their share of world trade in agricultural commodities.

In 1996, U.S. agricultural exports accounted for nearly 23 percent of total world agricultural trade by commodity value. As noted above, the value of U.S. agricultural exports has declined by nearly 12 percent since the record was set in 1996. Farm prices are depressed. Overseas competitors have enjoyed record crops. Traditional markets have been destabilized by economic upheavals. The response must include a renewed commitment to proven market development strategies, such as Title I of Public Law 480, by restoring the program to at least the FY 2001 level.

Attachments as Stated.

Attachment I

PLANNED U.S. FOOD AID FOR FY 2000
REGION BY COUNTRY SUMMARY
Metric Tons

REGION/COUNTRY	PUBLIC LAW 480				SECTION 416(b)		FOOD FOR PROGRESS			COUNTRY TOTALS
	Title I	Title II	Title II/WFP	Title III	Regular	WFP	Title I	Section 416(b)	CCC Purchases	
	000 MT	000 MT	000 MT	000 MT	000 MT	000 MT	000 MT	000 MT	000 MT	000 MT
AFRICA										
Angola	24.74	38.41	53.12	--	35.00	40.00	--	--	--	191.27
Benin	--	5.84	0.28	--	--	--	--	--	--	6.12
Burkina Faso	--	25.36	0.85	--	--	--	--	--	--	26.21
Burundi	--	--	0.70	--	--	10.00	--	--	--	10.70
Cameroon	--	--	0.23	--	--	--	--	--	--	0.23
Cape Verde Islands	--	20.65	--	--	--	--	--	--	--	20.65
Central African Rep.	--	--	0.11	--	--	--	--	--	--	0.11
Chad	--	2.50	3.82	--	--	--	--	--	--	6.32
Congo, Democratic Rep.	--	--	--	--	--	10.72	--	--	--	10.72
Congo	--	--	4.15	--	10.00	7.40	--	--	--	21.55
Cote D'Ivoire	--	--	--	--	--	--	--	--	--	--
Djibouti	--	--	2.77	--	--	5.00	--	--	--	7.77
Equatorial Guinea	--	--	--	--	--	--	--	--	--	--
Eritrea	--	--	5.03	--	29.50	78.50	--	--	--	113.03
Ethiopia	--	257.61	63.50	--	90.00	390.00	--	--	--	801.11
Gambia	--	3.78	1.34	--	--	--	--	--	--	5.12
Ghana	--	69.18	0.62	--	--	--	--	--	10.00	79.80
Guinea	--	3.50	7.40	--	3.20	--	--	--	--	14.10
Guinea-Bissau	--	--	--	--	--	--	--	--	--	--
Kenya	--	16.07	47.26	--	--	93.00	--	--	--	156.33
Lesotho	--	--	--	--	--	--	--	--	--	--
Liberia	--	2.97	2.80	--	--	1.50	--	--	--	7.27
Madagascar	--	15.24	2.26	--	--	--	--	--	--	17.50
Mali	--	17.20	--	--	--	--	--	--	--	17.20
Malawi	--	12.78	--	--	--	--	--	--	--	12.78
Mauritania	--	1.79	1.77	--	--	--	--	--	--	3.56
Mozambique	--	80.46	8.03	--	--	--	--	--	--	88.49
Namibia	--	--	0.72	--	--	--	--	--	--	0.72
Niger	--	4.00	--	--	--	--	--	--	--	4.00
Nigeria	--	--	--	--	--	--	--	--	1.30	1.30
Rwanda	--	5.00	24.32	--	--	12.50	--	--	--	41.82
Sahel Region	--	--	--	--	--	--	--	--	--	--
Senegal	--	--	0.55	--	--	20.00	--	--	12.70	33.25
Sierra Leone	--	24.53	18.95	--	--	--	--	--	--	43.48
Somalia	--	18.00	--	--	--	--	--	--	--	18.00
South Africa	--	--	--	--	--	--	--	--	--	--
Sudan	--	17.43	10.54	--	--	61.40	--	--	--	89.37
Swaziland	--	--	--	--	--	--	--	--	--	--
Tanzania	--	--	2.46	--	--	12.00	--	--	--	14.46
Togo	--	--	--	--	--	--	--	--	--	--

PLANNED U.S. FOOD AID FOR FY 2000
REGION BY COUNTRY SUMMARY
Metric Tons

REGION/COUNTRY	PUBLIC LAW 480				SECTION 416(b)		FOOD FOR PROGRESS			COUNTRY TOTALS
	Title I	Title II	Title II/WFP	Title III	Regular	WFP	Title I	Section 416(b)	CCC Purchases	
	000 MT	000 MT	000 MT	000 MT	000 MT	000 MT	000 MT	000 MT	000 MT	000 MT
Uganda	--	19.97	14.92	--	--	--	--	--	--	34.89
West Africa Region	--	--	--	--	--	--	--	--	--	--
Zaire	--	--	--	--	--	--	--	--	--	--
Zambia	--	--	0.95	--	--	--	--	--	--	0.95
Zimbabwe	--	--	--	--	--	--	--	--	--	--
Totals	24.74	662.27	279.43	--	167.70	742.02	--	--	24.00	1,900.17
ASIA AND THE MIDDLE EAST										
Afghanistan	--	6.87	20.00	--	--	135.00	--	--	--	161.87
Bangladesh	--	67.07	29.12	--	--	--	--	--	--	96.19
Cambodia	--	--	13.92	--	--	--	--	--	--	13.92
China	--	--	--	--	--	--	--	--	--	--
East Timor	--	--	10.05	--	--	--	--	--	--	10.05
Gaza Strip	--	--	--	--	--	--	--	--	--	--
India	--	224.65	42.27	--	--	--	--	--	--	266.92
Indonesia	--	29.65	5.90	--	370.00	80.00	--	--	--	385.55
Korea, North	--	30.00	170.00	--	--	65.00	--	--	--	265.00
Lebanon	--	--	--	--	73.00	--	--	--	--	73.00
Mongolia	--	--	--	--	40.00	--	--	--	--	40.00
Morocco	92.46	--	--	--	130.00	--	--	--	--	222.46
Pakistan	--	--	0.61	--	--	--	--	--	--	0.61
Philippines	151.83	--	--	--	--	--	--	--	--	151.83
Sri Lanka	39.07	--	--	--	--	--	--	--	--	39.07
Vietnam	--	--	--	--	25.00	--	--	--	--	25.00
Yemen	--	--	6.15	--	177.00	--	--	--	--	183.15
Totals	283.35	358.24	298.02	--	815.00	280.00	--	--	--	2,034.61
EUROPE										
Albania	--	10.93	--	--	--	--	--	--	--	10.93
Bosnia-Herzegovina	--	--	--	--	56.00	--	5.30	--	16.00	77.30
Bulgaria	--	--	--	--	15.00	--	--	--	--	15.00
FYROM (Macedonia)	--	5.31	--	--	--	--	--	--	--	5.31
Montenegro	--	--	--	--	35.00	--	--	--	--	35.00
Serbia	--	61.26	19.89	--	--	--	--	--	--	81.15
S. Balkans/Kosovo	--	--	--	--	--	35.00	--	--	--	35.00
Totals	--	77.50	19.89	--	106.00	35.00	5.30	--	16.00	259.69

PLANNED U.S. FOOD AID FOR FY 2000
REGION BY COUNTRY SUMMARY
Metric Tons

REGION/COUNTRY	PUBLIC LAW 480				SECTION 416(b)		FOOD FOR PROGRESS			COUNTRY TOTALS
	Title I	Title II	Title II/WFP	Title III	Regular	WFP	Title I	Section 416(b)	CCC Purchases	
	000 MT	000 MT	000 MT	000 MT	000 MT	000 MT	000 MT	000 MT	000 MT	000 MT
LATIN AMERICA AND CARIBBEAN										
Bolivia	--	44.92	--	--	--	--	--	--	--	44.92
Central American Regional	--	--	--	--	--	--	--	--	--	--
Colombia	--	--	10.00	--	--	--	--	--	--	10.00
Dominican Republic	--	--	0.31	--	--	--	--	--	--	0.31
Ecuador	--	--	--	--	85.00	--	30.00	--	3.50	118.50
El Salvador	--	--	--	--	--	--	--	--	--	--
Guatemala	--	75.94	0.28	--	--	--	--	--	10.00	86.22
Guyana	--	--	--	--	--	--	27.00	--	--	27.00
Haiti	--	79.33	10.09	--	12.28	--	--	--	--	101.70
Honduras	--	33.43	0.44	--	--	--	26.80	--	2.50	63.17
Jamaica	13.50	--	--	--	--	--	--	--	--	13.50
Nicaragua	--	19.74	3.22	--	--	--	--	--	--	22.96
Peru	33.00	84.62	--	--	--	--	--	--	--	117.62
Suriname	--	--	--	--	--	--	--	--	--	--
Totals ...	46.50	337.98	24.34	--	97.28	--	83.80	--	16.00	605.90
NEAR EAST										
Egypt	--	--	0.99	--	--	--	--	--	--	0.99
Jordan	--	--	--	--	380.00	2.00	--	--	--	382.00
Totals ...	--	--	0.99	--	380.00	2.00	--	--	--	382.99
NIS COUNTRIES										
Armenia	--	--	2.30	--	60.00	--	--	--	7.50	69.80
Azerbaijan	--	--	4.40	--	3.00	--	--	--	5.90	13.30
Caucasus Region	--	--	4.30	--	--	--	--	--	--	4.30
Georgia	--	--	2.00	--	35.00	--	--	--	8.08	45.08
Kyrgyzstan	--	--	--	--	60.00	--	--	--	--	60.00
Moldova	--	--	--	--	20.00	--	--	--	--	20.00
Russia	635.81	--	--	--	300.00	--	178.46	--	55.22	1,169.49
Tajikistan	--	--	2.30	--	35.09	--	--	--	12.75	50.14
Turkmenistan	--	--	--	--	7.00	--	--	--	--	7.00
Uzbekistan	38.20	--	--	--	--	--	--	--	--	38.20
Totals ...	674.00	--	15.30	--	520.09	--	178.46	--	89.45	1,477.30

PLANNED U.S. FOOD AID FOR FY 2000
REGION BY COUNTRY SUMMARY
Metric Tons

REGION/COUNTRY	PUBLIC LAW 480				SECTION 416(b)		FOOD FOR PROGRESS			COUNTRY TOTALS
	Title I	Title II	Title II/WFP	Title III	Regular	WFP	Title I	Section 416(b)	CCC Purchases	
	000 MT	000 MT	000 MT	000 MT	000 MT	000 MT	000 MT	000 MT	000 MT	000 MT
Total Planned ...	1,028.60	1,435.99	637.97	--	2,086.07	1,059.02	267.56	--	145.45	6,660.65
UNSPECIFIED										
Unspecified	--	44.21	--	--	--	--	--	--	--	44.21
Allocated Commodities	1,028.60	1,480.20	637.97	--	2,086.07	1,059.02	267.56	--	145.45	6,704.86
Reserve	--	--	--	--	--	--	--	--	--	
Program Totals	1,028.60	1,480.20	637.97	--	2,086.07	1,059.02	267.56	--	145.45	6,704.86

Sources:
-- P.L. 480 Title I - Based on Program Summary as of October 12, 2000 it also includes carryover from the amended 1999 Russia program. The total does not reflect ocean freight financing of $29.7 million
-- P.L. 480, Title II Straight Title II - Based on Approved Program Summary Country/Sponsor/Commodity Profile as of October 2, 2000
Title II/WFP - Based on Approved Program Summary Country/Sponsor/Commodity Profile as of October 2, 2000
For Title II and Title II/WFP the total does not reflect ocean freight costs of $442.7 million .
-- P.L. 480, Title III: Based on Approved Program Summary Country/Sponsor/Commodity Profile as of October 4, 1999 The total does not reflect freight cost.
-- Section 416 (b): Regular 416 - Based on 416(b) Status Report as of October 17, 2000
World Food Program - Based on 416(b) Status Report as of October 17, 2000 The totals do not reflect freight costs
-- Food for Progress: Title I - Based on P.L. 480, Title I Program Summary as of October 12, 2000 The total does not reflect ocean freight grants of $35.3 million
Section 416 (b) - Based on 416(b) Status Report as of October 17, 2000
CCC Purchases - Based on Bxtel Database as of October 17, 2000 The total does not reflect freight costs

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Attachment II



American Farmland Trust

Fiscal Year 2002 Agriculture
Appropriations Testimony

Last summer, the U.S. Department of Agriculture hosted five listening sessions around the country on "Maintaining Farm and Forest Land in Rapidly Growing Areas." Hundreds of producers, community members and elected officials testified on how rapid growth in traditionally agricultural areas impacts their operation and their community. Although this was the first forum on urban edge agriculture held by USDA, the same concerns and calls for assistance are being heard at conferences hosted by the National Governor's Association and the U.S. Conference of Mayors. During a recent NGA conference on "Private Lands, Public Benefits," U.S. Environmental Protection Agency Administrator Whitman highlighted the needs of farmers faced with sprawling development and the need to build programs that address them.

Why are farmers and ranchers in urban edge areas gaining so much attention? Because they have become an integral part of the U.S. farm economy and their numbers are growing. According to the USDA Economic Research Service, there are now over 1800 counties where agriculture is threatened by rapid growth. Within those 1800 counties, agriculture in the nation's Metropolitan Statistical Area (or MSA) counties accounts for over a third of total agriculture production and land value. That is equivalent to the farm economy of Ohio, Indiana, Illinois, Iowa, Missouri, Kansas, Nebraska and the Dakotas combined. Or, to look at it another way, it's equivalent to the total value of all agricultural exports.

Throw in Texas, Mississippi and the rest of the South and the total output still would not equal the production of a larger group of urban edge agriculture that includes those counties adjacent to MSAs that are the next targets of sprawl. Today, more than half the nation's agricultural production occurs within commuting distance of our rapidly expanding cities.

Agriculture in these counties faces the same price and supply challenges of traditional agriculture, but farmers and ranchers in these areas also must contend with nuisance suits, trespassing and escalating land values. With ninety-percent of the U.S. population living downstream from urban edge farms, they also have the greatest impact on our environment and quality of life. Farm and ranchlands in urban areas reduce runoff, provide wildlife habitat and scenic landscapes. Once the land is paved over, it becomes much more difficult to improve environmental quality. Yet, these producers receive little to no federal assistance from USDA. We cannot afford to let this growing sector of U.S. agriculture continue to struggle without federal assistance.

We urge you to use the Fiscal Year 2002 agriculture appropriations bill to recognize the

value and needs of urban edge farmers and ranchers by funding key programs that protect the land by giving producers an alternative to development, build public support for agriculture by improving environmental stewardship and make urban edge agriculture profitable long term.

Protect the Land and Create An Alternative to Development

Urban edge farms are disappearing. The 1997 National Resources Inventory (NRI) showed a loss of 1.2 million acres of cropland, pasture and rangeland a year -- a rate 50 percent higher than in 1992. The amount of topsoil we are paving over each year is roughly equivalent to what we are saving with all federal soil conservation programs, CRP included. And what the NRI doesn't show is that the land is also being fragmented, broken up like a checkerboard. For every acre paved, an AFT study estimated an additional 2 to 3 acres become harder to farm because of conflicts with neighbors over noise, odors, dust and chemical drift. The USDA Economic Research Service estimates 164 million acres of farmland are now threatened by sprawling development. Selling conservation easements under the Farmland Protection Programs locks in a land base for agriculture and gives farmers and ranchers a way retain their way of life instead of selling to developers. Protecting this land through the Farmland Protection Program requires a much stronger commitment from Congress. If we want to ensure agriculture remains viable in the 1800 counties faced with rapid growth, Congress needs to ramp up the Farmland Protection Program significantly. In the next ten years, at least $1 billion a year is needed to slow the loss of farmland to development. States and local governments are doing their part, committing over $200 million a year to purchase development rights. We must acknowledge that the benefits generated by protecting well-managed farmland flow to the entire nation, and we must make the federal government a full partner in achieving them. **In Fiscal Year 2002, we urge Congress to allocate $200 million to the Farmland Protection Program.**

The demand is there from farmers and ranchers and the infrastructure is there to use it effectively. This January, when USDA announced the availability of $30 million in FPP funds, applications to protect over 780 farms and ranches were submitted. Unfortunately, recent cuts to the program will allow USDA to help less than 10 percent of those landowners. Around the country, there are another 4,000 farmers and ranchers waiting to sell their development rights if funding were available. With more states and counties starting their own farmland protection programs, the expertise and manpower to carry out an expanded federal program is ready to go. By partnering with state and local programs, federal dollars were leveraged six times.

Build Public Support for Agriculture By Improving Environmental Stewardship

Eighty percent of all Americans, more than 190 million people, live in urban areas, yet less than one-tenth of one percent of the budget for forestry and conservation programs is dedicated to these areas. Continued support for large agriculture programs will require increasing the connection between voters and agriculture. Demonstrating the public benefits - improved water quality, wildlife habitat and open space - agriculture produces will build this connection to urban and suburban residents. Essentially, we have to recognize that farmers and ranchers produce more than food and fiber. They are our nation's most important environmental managers as well. We can help stabilize the farm economy by assigning value to the

environmental commodities produced by farmers and ranchers and start paying for them. We already have most of the programs in place to do this; we just have not funded them adequately. It was very disappointing to see the Administration's budget request cut key conservations programs. These cuts send the entirely wrong message to farmers and ranchers who have been oversubscribing to these programs by a 5 to 1 margin.

The Wetlands Reserve Program, Environmental Quality Incentives Program and the Wildlife Habitat Incentives Program all return benefits to the public that we know voters are demanding. A recent Gallup poll ranked water quality and open space as top concern of voters. Last year, voters approved more then $7 billion to protect open space. Unfortunately, Congress has not met that demand. Instead, we continue to spend billions of dollars on income support for a small segment of farmers and ranchers. In Fiscal Year 2002, we need to put conservation programs on equal footing with commodity programs. **Funding for WRP needs to be increased to allow USDA to enroll 170,000 acres next year. To reduce the backlog of farmers waiting to enroll in EQIP, we urge you to increase its funding to $350 million. Finally, to make up for the recent cut to WHIP funding and to meet the critical habitat improvements needed along our nation's river and streams, we urge you to increase WHIP to $70 million in Fiscal Year 2002.** Only at these levels, can USDA serve the current needs of farmers and ranchers and look at new ways to expand them in urban edge areas.

Make Farming Profitable Long Term

Since selling development rights or adopting conservation practices is an economic as well as environmental choice, we need to address economic viability of farming and ranching in urban edge areas. Farmers can survive, even thrive, in urban edge areas if they are given technical and financial assistance to adapt their operation to the consumers and markets around them. In the last ten years, farmers markets have exploded into our cities and suburbs. These consumers are looking for fresh, locally-grown food and farm products. **In Fiscal Year 2002, Congress should increase funding for Resource, Conservation and Development to at least $45 million** to hire on the ground experts to help urban edge producers take advantage of their local markets by diversifying their production, developing new products and implementing direct marketing. At the same time, **Congress should increase funding for the Sustainable Agriculture, Research and Extension to $30 million** this year to help communities improve their agriculture infrastructure, develop new marketing programs and apply new research results to help producers reduce their operating costs.

For farming to prosper in rapidly growing areas, we need to protect the land base; we need farmers making profits; and, we need to have a general public that wants agriculture to be a visible part of their community. USDA has the tools and programs to make all of these steps happen, but without adequate funding not enough resources will reach farmers and ranchers in the urban edge. It is time to recognize the importance of this sector of U.S. agriculture to our farm economy and our farm communities. Voters are demanding these changes and state and local governments have started listening. We hope the Fiscal Year 2002 agriculture appropriations bill will launch the federal commitment to urban edge agriculture.

BUDGET RECOMMENDATIONS - FY 2002
INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES
April 16, 2001

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE (CSREES) U.S. DEPARTMENT OF AGRICULTURE

The Association recognizes that the research and educational programs of the CSREES and its Land Grant Partners effect relevant, positive changes in attitudes and implementation of new technologies by private landowners, communities, decision-makers, and the public. This results in significant benefits to the Nation through building and sustaining a productive natural resource base in concert with agriculture. Since over two-thirds of our land is privately owned, it is appropriate that the CSREES-Land Grant System, with its grass roots credibility and delivery system, be adequately funded to transfer knowledge that helps private landowners move towards sustainability. However, in the FY 2002 budget proposal, we see virtually no emphasis on natural resources research and education directed toward these clientele. In fact, the total number of farmers based on recent statistics is just slightly over one million – only $1/10^{th}$ of all private landowners – yet, the majority of CSREES' budget is devoted to production agriculture. Only $3.185 million is budgeted (out of a total of $8.7 million) for the Renewable Resources Extension Act which assists the over ten million private landowners who own and manage most of the nation's natural resources. The Association is seriously concerned that this amount is so small as to be ineffective and we encourage Congressional reconsideration of this amount to better reflect the need to reach a higher percentage of all landowners.

IAFWA strongly recommends that the Renewable Resources Extension Act be funded at a minimum of $15 million in FY 2002. The RREA funds, which are apportioned to State Extension Services, effectively leverage cooperative partnerships at an average of four to one, with a focus on development and dissemination of information needed by private landowners (rural and urban). The increase to $15 million would enable the Extension System to accomplish the goals and objectives outlined in the 1991-1995 Report to Congress. The need for RREA educational programs is greater than ever today because of fragmentation of ownerships, the diversity of landowners needing assistance, and increasing societal concerns about land use and its effect on soil, water, wildlife and other environmental factors. It is important to note that RREA has been reauthorized through 2002 and was originally authorized at $15 million annually; however, even though it has been proven to be effective in leveraging cooperative state and local funding, it has never been fully funded. An increase to $15 million would enable the Extension Service to expand capability to assist more private landowners to improve management of additional land while increasing farm revenue.

The Association strongly encourages that McIntire-Stennis Forestry Research funds be increased from the $21.884 million in the FY 2002 budget to a level of $25 million. These funds are essential to the future of resource management on non-industrial

private forestlands. The rapid reduction in timber harvests from public lands bring expanded opportunities for small private forest owners to play an increasingly important role in the Nation's timber supply. In some places, these added opportunities are creating pressures and situations where timber harvest on private ownerships exceeds timber growth.

The Association is pleased to see $12.97 million in the budget for water quality integrated activities although we wonder if that is enough considering the growing public concern over water quality, particularly on agricultural landscapes. And, we are concerned that there is no line item budget for water quality specific to educational programs under Smith-Lever in Extension activities. The Association recommends a minimum of $3.5 million in Extension programs to focus on water quality education targeted at agricultural producers and other private landowners and managers. We believe that such program efforts are urgently needed now to help these landowners learn how to address water quality degradation, which seriously affects drinking water, human health and fish and wildlife habitat.

BUDGET RECOMMENDATIONS – FY 2002
INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES
April 16, 2001

NATURAL RESOURCES CONSERVATION SERVICE (NRCS)

The Natural Resources Conservation Service has immense responsibilities for implementing the conservation provisions of the 1985 Food Security Act (FSA), the 1990 Food, Agriculture, Conservation and Trade (FACT) Act, and the Federal Agricultural Improvement and Reform (FAIR) Act of 1996.

WRP, WHIP, FPP and EQIP - The Wetlands Reserve Program (WRP), Wildlife Habitat Incentives Program (WHIP) and Farmland Protection Program (FPP) have reached their authorized acreage or appropriation caps and USDA characterizes them as "completed". This is particularly perplexing since these are all voluntary, incentive-based programs that are currently well over-subscribed. These programs not only provide income support for agricultural landowners, but they also help landowners meet their natural resources conservation objectives in ways that are alternative to regulatory controls.

Wetland conversions continue and wetland resources cannot be sustained without a proactive program like WRP that compensates landowners for voluntary restoration of wetlands. WRP is currently over-subscribed by a factor of 5, with many eligible landowners already qualified but unable to enter the program since it has bumped up against its statutory acreage enrollment cap.

Similarly, many wildlife species reside on agricultural landscapes and have nowhere else to go – they must survive on those landscapes if they are to survive at all. WHIP has helped many landowners make meaningful contributions to conservation of imperiled species of wildlife and landowner interest in this program has far exceeded available funding.

In a like manner, the FPP has been important in places where urban encroachment diminishes the long-term viability of the local farming economy and interest in the program far exceeds acreage availability.

While the program caps for WRP, WHIP and FPP have been reached, these caps are arbitrary in the sense of natural resource sustainability and should not be viewed as reasons for ending the programs. To the contrary, none of these programs (WRP, WHIP or FPP) have outlived their critical and key role in conservation.

In addition, funding for the Environmental Quality Incentives Program (EQIP) has been insufficient to meet landowner interest and needs. The EQIP program can help agricultural landowners achieve remediation of non-point source runoff via a voluntary,

incentives-based program, as opposed to the strict imposition of regulatory controls on a farm-by-farm basis.

All four of these programs have all been tremendously popular and successful. Due to the overwhelming success, customer acceptance and public benefits of these programs, the Association strongly encourages Congress to reauthorize and fund WHIP at $100 million, FPP at $65 million, EQIP at $300 million and WRP at $286 million, which will support an increase in the enrollment cap for WRP by 250,000 acres in FY 2002.

Technical Assistance -- The NRCS Strategic Plan for 2000-2005 establishes natural resource priorities in support of agriculture and identifies staffing levels needed to achieve success. The Strategic Plan projects a steadily increasing need for technical assistance through 2005. Adequate technical assistance will be essential to ensure private landowners can deliver the conservation of natural resources while also providing affordable food for our citizens. However, despite increased workloads and increased societal demands on land and natural resources, NRCS staffing levels have been flat in recent years and the FY 2002 budget proposal actually reflects a decrease of 301 staff years. The rationale for the 301 staff year reduction is tied to loss of emergency funding to support the Emergency Watershed Protection Program and, thereby, reduces the ability of NRCS to respond to emergencies. This reduction is inconsistent within the overall USDA budget proposal in that the FSA budget proposal reflects an increase of $120 million for increased staffing to better respond to agricultural emergencies even though emergency funding has been eliminated there as well.

It seems prudent for both NRCS and FSA to be adequately staffed to ensure quick response to emergency situations. In addition, the Conservation Reserve Program (CRP), WRP, WHIP and EQIP all reflect long-term contracts that necessitate continuous technical support to participants, whether or not there is new sign-up. Notably, $44 million of the $58.4 million CTA increase shown in the FY 2002 budget proposal is actually a budgetary shift from CCC funds (for CRP technical assistance) that allows NRCS to stay even in regard to supporting CRP, rather than an actual increase in CTA. The Association strongly encourages Congress to restore the 301 staff year reduction reflected in the FY 2002 budget proposal as well as providing the addition of sufficient staff years to begin to address the nearly 24,000 staff years (compared with 11,200 staff years in the FY 2002 budget proposal) identified for 2002 in the NRCS Strategic Plan for 2000-2005.

Increasingly, State fish and wildlife agencies are contributing staff time to help NRCS field offices service fish and wildlife aspects of USDA assistance to private landowners. Such partnerships can help NRCS deliver specialized technical expertise to private landowners at less cost than adding staff with this expertise. The Association strongly encourages the Administration and Congress to emphasize partnering arrangements, between NRCS and State fish and wildlife agencies and others, that result in cost-

efficiencies through a challenge grant program initially funded at $5 million in the FY 2002 budget.

Wetland Determination -- We believe the need for wetland determination, certification, and mapping is great and urge NRCS to proceed as soon as possible, under the guidance of the FAIR Act of 1996. The Association urges expeditious completion of the wetland determinations required to implement the Swampbuster provisions of the 1985 FSA, 1990 FACT Act, and the 1996 FAIR Act as well as the FAIR Act directed interagency cooperation, whereby NRCS assumed responsibility for wetland designation for Section 404 (Clean Water Act) purposes on farmland, including tree farms, rangelands, native pasture, and other private lands used to produce or support the production of livestock. The Association and individual State fish and wildlife agencies will continue to work with NRCS to help achieve these goals.

PL-566 -- The Association generally supports small watershed (PL-566) projects. Support is based upon continued emphasis on updated watershed planning and management. Such efforts could utilize and expand upon existing PL-566 plans in light of present day issues of wetland protection, water quality enhancement and fish and wildlife habitat. The greatest potential for these programs is for land treatment measures that retain the water on the land in concert with stream flow that is adequate to sustain diverse aquatic life, improve infiltration, improve water quantity and quality, and provide fish and wildlife habitat. Structural and non-structural land treatments require state and local matching funds to leverage greater conservation benefits for each federal dollar spent while promoting valuable partnerships among states, local agencies, and other organizations. The Association supports the level of funding for PL-566 that is reflected in the FY 2002 Budget.

National Buffer Initiative -- NRCS has implemented this initiative in cooperation with industry and other partners. The National Academy of Sciences has found that buffer strips can reduce off-field pollution by 70%, thus also contributing to meeting non-point source remediation goals under the Clean Water Act. Unfortunately, the level of sign-up by producers remains very low. NRCS has committed special emphasis and a major effort to use the buffer strip practices covered by the continuous CRP sign-up in a more targeted fashion. However, there is no mention of the National Buffer Initiative in the FY 2002 budget narrative. Unlike the large or whole field CRP retirements, buffer strips will require extensive outreach and specialized incentives that fairly compensate landowners. The Association encourages NRCS to continue the National Buffer Initiative as a high priority effort.

Forestry Incentives Program (FIP) -- The Forestry Incentives Programs (FIP) has multiple resource values for fish, forests, wildlife, clean water and erosion control. Many farms contain forest resources that are as in need of conservation treatment as cropland and grassland. The Association opposes the NRCS proposed intention to zero out FIP funding and strongly recommends that the FY 1999 level of $16.325 million be restored in the FY 2002 budget.

BUDGET RECOMMENDATIONS - FY 2002
INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES
April 16, 2001

USDA/APHIS - WILDLIFE SERVICES

The Administration's FY 2002 proposed budget for the APHIS Wildlife Services Operations is $37,956,000 and reflects a $1,255,918 increase from the FY 2001 level. For Methods Development, the proposed budget is $11,455,000, a $454,255 increase from the FY 2001 level. For Aquaculture, the proposed budget is $741,284, an increase of $17,348 from the FY 2001 level. However, it is important to note that all increases are for pay costs, and therefore, no program increases.

Wildlife Services (WS), a unit of APHIS, is the Federal agency responsible for controlling wildlife damage to agriculture, aquaculture, forest, range and other natural resources; for protecting public health and safety through the control of wildlife-borne diseases; and for wildlife control at airports. Its control activities are based on the principles of wildlife management and integrated damage management and are carried out cooperatively with State fish and wildlife agencies. Most APHIS WS operational work is cost- shared between the Federal WS program, State and county governments, agricultural producers, and other cooperators.

The cooperation and support of the agricultural community are essential to maintaining wildlife populations, because much of the Nation's wildlife exists on private agricultural lands. A progressive wildlife damage management program which reduces the adverse impact of wildlife populations is necessary to maintain the support of the agrarian community and to counter increasing pressures for indemnity due to wildlife damage.

Since Congress transferred the WS program to USDA in 1986, the Association has worked closely with this program on numerous issues critical to the State fish and wildlife agencies, including those related to migratory birds and endangered species. The Association commends the WS program for its professionalism and continuing effort to be attuned to the changing public values for the Nation's wildlife, while remaining responsive to emerging wildlife problems.

The Association is concerned with the Administration's proposal for the near level funding for Methods Development. Although the FY 2002 budget contains a $454,255 increase, all of this is for salary costs. Many of the current control tools such as traps and other restraining devices are becoming less acceptable to the public and are actually being prohibited in many States because of public referendums. The only source of new methods is through research. We commend Congress for recognizing the need to relocate the WS research facility from Denver to Fort Collins, Colorado. Hopefully, the research center will be completed within the next year. However, increased operating and maintenance costs will then exceed $1.5 million, which is not provided for in the general appropriation. The Association requests an increase of at

least $6.8 million to the Methods Development line item to adequately continue non-lethal methods research and address the increased operating and maintenance costs, including the funds to maintain the current program for trap testing being done in cooperation with the IAFWA and the State Fish and Wildlife Agencies to help implement and carry out US international understandings to improve animal welfare in state regulated wildlife trapping programs.

The Association recognizes the importance of aircraft to WS for both predator control and the distribution of oral vaccine baits for rabies control projects and we commend Congress for providing $1 million in FY 2001 ($1.2 million was provided in FY 2000) to WS to continue implementing improved safety procedures for their aerial operations. However, no increased funding was proposed in the FY 2002 budget to continue this effort, and the Association recommends that an additional $2.9 million be provided to the Operations line item to fully implement the safety recommendations contained in the aerial safety report.

The Association is concerned with recent attempts by various organizations and individuals in the past several years to significantly reduce this agency's funding for predator control activities in the western United States. The Association opposes any attempts to reduce the WS budget through any broad scale or across-the-board funding cuts for the program, or any efforts to reprogram funds from within. The Agency cannot continue to do more with less. As our wildlife continues to flourish, the States need a strong federal partner in animal damage research and management, and it is to WS that we look for credible, science-based solutions.

The Association is pleased with the accomplishments of the Berryman Institute located on the Utah State University campus in Logan, Utah. However, we would like to see the Institute enhance its capabilities to conduct social science research, expand continuing education programs, and start a new high quality scientific journal for wildlife damage management that would be patterned after other established journals. To reach these new goals, the Association supports an increase of the funding to the Berryman Institute by an additional $300,000.

The Association commends Congress for increasing the funding in Montana, Idaho, and Wyoming in FY 2001 by $1,000,000 to deal with the increasing wolf-related conflicts. However, wolf conflicts are also increasing in Minnesota, Wisconsin, and Michigan, and the Association requests an additional $750,000 in FY 2002 to deal with these problems in those States as well.

The Association recommends that Congress make $750,000 available in FY 2002 to allow WS to continue to implement the new Management Information Reporting System. The implementation began two years ago and will occur over a five-year period, at a total cost of $6-8 million. The new system will allow WS to provide specific information on resources protected, damage levels, trend information, and data on measurements and outcomes now required by the Government Performance and Results Act.

The Association recognizes the increased emphasis being placed by USDA APHIS on the detection of foot and mouth disease in this country. Such detection efforts include a greatly accelerated surveillance program, as evidenced by a request for $7 million in the FY 2002 WS budget for foot and mouth monitoring on such species as deer and feral swine. WS has a long and impressive record of coordination with State fish and wildlife agencies on all its ongoing activities. The Association supports this new role for WS, so long as WS and other USDA agencies remain mindful and respectful of State management authority over resident wildlife species. This will require constant coordination with the State fish and wildlife agencies as this monitoring takes place.

OTHER USDA /APHIS PROGRAMS

In addition to the Wildlife Services budget, the Association offers the following comments on other areas within the USDA/APHIS budget:

The Association supports the request from the states of Montana, Idaho and Wyoming for $600,000 in the FY 2002 USDA/APHIS/Veterinary Services, Program Diseases, Brucellosis Program budget, to enable those states to continue their participation in the Greater Yellowstone Interagency Brucellosis Committee (GYIBC). The GYIBC is working to coordinate federal, state and private actions involved in eliminating brucellosis from wildlife in the Greater Yellowstone Area and preventing transmission of brucellosis from wildlife to cattle.

BUDGET RECOMMENDATIONS – FY 2002
INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES
April 16, 2001

FARM SERVICE AGENCY (FSA)

An adequately funded budget for the FSA is essential to implement conservation related programs and provisions under FSA administration and/or in cooperation with the Natural Resources Conservation Service (NRCS) as a result of passage of the Federal Agricultural Improvement and Reform (FAIR) Act of 1996. The Association strongly advocates that the budget include sufficient personnel funding to service a very active program and strongly believes that the past erosion of staffing levels has been inconsistent with program needs. The Association applauds the Administration's increased budget request of $120 million as appropriate and in keeping with program needs.

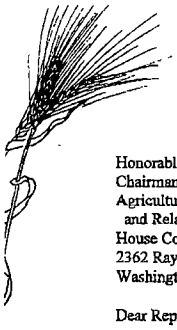
FSA programs have tremendous quantifiable impacts on natural resources, and yield substantial public as well as private benefits. Building on the provisions of the 1985 FSA, the 1990 FACT Act, and the 1996 FAIR Act, the Association wants to ensure that each program accomplishes the broadest possible range of natural resource objectives, and encourages close cooperation between FSA, NRCS and the State Technical Committees in implementing the 1996 FAIR Act.

Flood Risk Reduction Program -- We believe this program has great potential to mesh with the Army Corp of Engineers Rivers Ecosystem Restoration and Flood Hazard Mitigation Project. In addition, this program has excellent potential to secure floodplain restoration through easement purchase, to the benefit of the landowner, the resource and as an alternative to expensive crop insurance payments and recurring repair of frequently flooded land. The Association is disappointed that no budget is requested and urges that a start-up budget of $30 million be initiated. We urge FSA to prepare regulations for implementation and make every effort to ensure that language used in its easements and agreements provide a streamlined basis for appropriate administration and are user-friendly.

Conservation Reserve Program (CRP) -- The continued administration of CRP under the guidelines of the 1996 FAIR Act is a very significant and valuable commitment of USDA and the FSA. The Association applauds FSA efforts to fund and extend CRP contracts for the multiple benefits that accrue to the public as well as the landowner. The Association provides special thanks to FSA for the continuous CRP sign-up of high value environmental practices and applauds the addition of new incentives to increase landowner participation, as well as ensure that practices incorporate fish and wildlife needs along with soil and water considerations.

The commitment of FSA to provide high wildlife benefits in CRP contracts has been obvious since the advent of the Environmental Benefits Index (EBI) in the 15th sign-up.

The Association applauds FSA in those efforts with their special emphasis on native grasses, endangered species and enlightened pine planting. Management/maintenance strategies are essential to ensure continuation of soil, water and wildlife benefits throughout the life of the CRP contract. However, the 'up-to-$5/acre' maintenance payment tends to be viewed by many landowners as additional rental payment, whether maintenance practices are performed or not. It makes sense to ensure and pay for maintenance when maintenance is needed and to save public funds when maintenance is not needed. The Association encourages FSA to convert the annual maintenance fee to cost-share on an as-needed basis to ensure soil, water and wildlife objectives reflected in the EBI are realized as well as to ensure wise use of public funding for CRP.



National Barley Improvement Committee



April 25, 2001

Honorable Henry Bonilla
Chairman
Agriculture, Rural Development, FDA,
and Related Agencies Subcommittee
House Committee on Appropriations
2362 Rayburn House Office Building
Washington, D.C. 20515

Dear Representative Bonilla:

The National Barley Improvement Committee appreciates your strong support and that of Congress in maintaining a viable national agricultural research infrastructure, which helps expand the domestic agriculture economy and improve competitiveness of US agricultural products in world markets. Congress has been very responsive to the needs of constituents and the national agricultural economy, supporting and initiating critical USDA research projects.

However, **the Administration's budget proposal for FY2002 would terminate many of these USDA projects**. Elimination of these programs, which are currently undergoing implementation, will adversely affect US agricultural research capabilities and go counter to the underpinning promises of the FAIR act, which included addressing the research needs of producers. **We ask Congress to maintain these Agricultural Research Service (ARS) programs of critical importance to barley and other small grains*.**

$800,000	**ARS U.S. Wheat and Barley Scab Initiative** Reduction of funding would critically reduce capacity to maintain productive competitive research grants and other programs
$250,000	**ARS Small grains molecular genotyping, Manhattan, KS** Initiated development of first ARS Small Grains Genotyping Laboratory
$750,000	**ARS Northern Crop Science Laboratory, Fargo, ND** Wheat genetics program for foliar diseases and end-product quality; wheat genetic resistance to disease; wheat and barley pathology, foliar diseases; improvement for oat food, feed and value-added applications
$250,000	**ARS Cereal Crops Research Unit, Madison, WI** Barley and oat grain quality and nutrient value
$200,000	**ARS Barley food health benefits research, Beltsville, MD** Clinical trials – reduction of risk factors for cardiovascular disease

* FY2001 Pre-recission appropriations

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Continued and increased federal investment in agricultural research (a permitted "green box" expenditure in world trade agreements) is needed to maintain the viability of the US agricultural economy. A healthy agriculture economy provides US citizens with an affordable and safe food supply. We strongly urge the Subcommittee to support the maintenance of these ARS programs in the FY2002 Budget.

Thank you for your consideration.

Sincerely,

Michael P. Davis
Executive Secretary



Society of American Foresters

THE PROPOSED FISCAL YEAR 2002 DEPARTMENT OF AGRICULTURE BUDGET

Society of American Foresters
Submitted to the

COMMITTEE ON APPROPRIATIONS
Subcommittee on Agriculture, Rural Development, FDA, and Related Agencies
United States House of Representatives
April 16, 2001

The Society of American Foresters (SAF) represents more than 17,000 forestry professionals. SAF's primary objective is to advance the science, technology, education, and practice of professional forestry for the benefit of society. SAF's professional foresters are dedicated leaders willing to shoulder a major part of the responsibility for developing and implementing forest resource management. We are providing testimony for the FY 2002 budget for the Department of Agriculture and Related Agencies focused on the Forestry Incentives Program, the Department of Agriculture research programs, and the Renewable Resources Extension Act. We wish to thank the subcommittee for its continued support of our priorities.

These programs stimulate the development of vital partnerships involving universities, federal and state agencies, non-governmental organizations and private industry. They are essential as we strive to achieve the long-term sustainability of our nation's forest resources through the development and implementation of science-based management options.

Forestry Incentives Program (FIP)

We believe the Forestry Incentives Program (FIP) should receive $10 million despite the Administration's request. We thank the Congress for continuing support of this program, and recognize that it may need modification during discussions over a new Farm Bill. The Forestry Incentives Program is needed now more than ever. FIP's focus on reforestation helps keep large tracts of land in continuous forest cover, helping to ensure long-term forest benefits while providing habitat for wildlife, protecting soil productivity, and enhancing water quality. This program helps the Natural Resources Conservation Service (NRCS) meet its objectives of protecting watersheds and soils by keeping lands forested.

Forest-related programs funded under the Department of Agriculture impact the nation's 9.7 million nonindustrial private forest landowners, who own 57 percent of the nation's forestlands, which supply 48 percent of the nation's forest products. A recent report by the National Research Council points out that both the private and

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the public sectors woefully under-serve these owners. This is critically important today because, as you are aware, the level of timber harvest from federal lands has dropped significantly in recent years, an important factor resulting in increased harvests on other ownerships.

For example, non-industrial private forests (NIPFs) in the East are projected to increase their timber harvests by almost 30% from 1986 levels to 2010 At the same time, NIPF lands in the South are projected to increase hardwood timber harvests by 60% These increases will require larger investments and professional management of NIPF lands Several programs within this appropriations bill are important to ensuring that the shift of timber demand to nonindustrial private lands does not impair their owners' willingness or ability to produce a broad array of forest resources sustainably over the long term

We recommend that a portion of the funding Congress includes for FIP be directed to nursery programs. Seedling demand for reforestation has outpaced production throughout the nation, but particularly in the Southeastern United States. We must direct funding for increased production, and increased research to improve the production and quality of nursery stock

Forestry Research

The Society of American Foresters is interested in two key programs that provide important research dollars benefiting forest management across all ownerships in this country. the Cooperative Forestry Research Program and the National Research Initiative SAF believes forestry research is critical to understanding the relationship between societal expectations for diverse needs and values from the forest, and the capability of the forest to meet and sustain those expectations. We advocate continued public and private funding of research activities that address a broad variety of natural resource concerns. Such knowledge, based on sound science, is vital for resolving conflicts about forest policy and management, and ensuring the future integrity of forest systems

The Cooperative Forestry (McIntire-Stennis) Research Program supports research on forestry and wood fiber conducted by the nation's public universities. University-based research is an important part of the collaborative forestry research effort involving federal, state, and private sector scientists. McIntire-Stennis research is critical to the development of new information and technologies that increase not only the efficiency and productivity of forest management on all forest ownerships for a wide range of forest benefits, but also provide information for developing natural resource management policy McIntire-Stennis research funds are granted directly to public colleges and universities on a matching basis leveraging more than three state and university dollars for every federal dollar The program is currently funded at $21.9 million, which is little more than one-fifth its authorized level. This program has provided funding for research demands that have not been met through other programs or in the private sector. We would like to see the program funded at $30 million.

The second research program is the National Research Initiative (NRI). This competitive grant program provides funding for research on problems of national and regional

importance in biological and environmental sciences. The NRI awards grants on a matching basis to university researchers in biological, environmental, and engineering sciences to address critical problems in agriculture and forestry. The SAF strongly supports this program and believes some of the funding should be specifically directed toward renewable natural resources research.

Renewable Resources Extension Act Program (RREA)

SAF strongly supports increased funding for the Renewable Resources Extension Act program (RREA) for FY 2002. We would like to see the program funded at $5 million. RREA addresses critical forestry and related natural resources extension and stewardship needs in states, and also the critical issues of forest management for productivity and environmental quality on non-federal lands. The SAF supports this program, which we believe helps in communicating ecologically sound technical advice to landowners, foresters, and loggers. This advice improves the productivity, management and long-term sustainability of nonindustrial private forests. The program funds extension efforts that are a model of partnership between the USDA and State Universities and Land Grant Colleges. We know there are substantial unmet needs of non-industrial private forest landowners. The President's budget proposes funding the program at $3.185 million. Though we are asking for a modest increase over the request, we believe there is great potential for success with the RREA program.

ABOUT THE SOCIETY

The Society of American Foresters, with about 17,500 members, is the national organization that represents all segments of the forestry profession in the United States. It includes public and private practitioners, researchers, administrators, educators, and forestry students. The Society was established in 1900 by Gifford Pinchot and six other pioneer foresters.

The mission of the Society of American Foresters is to advance the science, education, technology, and practice of forestry; to enhance the competency of its members; to establish professional excellence; and to use the knowledge, skills, and conservation ethic of the profession to ensure the continued health and use of forest ecosystems and the present and future availability of forest resources to benefit society.

The Society is the accreditation authority for professional forestry education in the United States. The Society publishes the Journal of Forestry; the quarterlies, Forest Science, Southern Journal of Applied Forestry, Northern Journal of Applied Forestry, and Western Journal of Applied Forestry; The Forestry Source; and the annual Proceedings of the Society of American Foresters national convention.

Testimony of the Upper Mississippi River Basin Association
on
FY 2002 Appropriations for the Department of Agriculture

Submitted to the
Subcommittee on Agriculture, Rural Development,
FDA, and Related Agencies

April 19, 2001

The Upper Mississippi River Basin Association (UMRBA) is the organization created 20 years ago by the Governors of Illinois, Iowa, Minnesota, Missouri, and Wisconsin to serve as a forum for coordinating the five states' river-related programs and policies and for collaborating with federal agencies on regional water resource issues. As such, the UMRBA has an interest in the budget for the U.S. Department of Agriculture's conservation programs and technical assistance.

Funding for conservation programs on private lands — the working lands — has eroded over time and is now less in constant dollars than during the depths of the Great Depression. The USDA's conservation programs and technical assistance are the only viable alternatives to a totally regulatory approach to improving water quality. These important programs are inadequately funded. The UMRBA supports continuation and expansion of funding for these programs.

Of particular importance to the UMRBA is funding for the Conservation Reserve Program (CRP), Wetlands Reserve Program (WRP), and Environmental Quality Incentives Program (EQIP). Taken together, these three Commodity Credit Corporation-funded programs provide an invaluable means for the USDA to work with landowners, local conservation districts, and the states to ensure that agricultural productivity is maintained while protecting the nation's soil and water resources. Moreover, they do this in a voluntary, non-regulatory fashion. As stewards of some of the nation's most productive agricultural lands and important water resources, the five states of the Upper Mississippi River Basin believe these programs are vital. Strong farmer interest and state support demonstrate the region's commitment to the objectives of these programs. In 1998, state, local, and private entities matched every dollar of NRCS investment in the five states with an additional $0.80.

Unfortunately, the President's FY 2002 budget request does not place sufficient priority on these three key programs. Funding for the CRP would be increased modestly to $1.788 billion. While this funding increase is certainly welcome, the UMRBA is increasingly concerned that the CRP's 36.4 million acre enrollment cap threatens its continued success. Since its inception, enhancements to the CRP have increased its effectiveness in improving water quality, soil conservation, and habitat. These same enhancements, which include noncompetitive enrollment for

filter strips, riparian buffers, and similar measures as well as establishment of the Conservation Reserve Enhancement Program, have made the program more flexible and thus more attractive to farmers. But, while demand for the program is up, the CRP is unable to capitalize fully on its increased attractiveness and effectiveness because of its acreage cap, which USDA projects will be reached by December 31, 2002. Thus, the states urge Congress not only to provide sufficient funding but also to increase the enrollment cap, thereby ensuring that the CRP will continue its vital role in helping states, local communities, and landowners meet their water quality and conservation goals.

Even more pressing is the need to fund and expand the enrollment cap for the WRP, which will reach its 1.075 million acre cap before the end of 2001. Citing the cap, President Bush has not requested any FY 02 funding for the WRP. Since the WRP's establishment in 1996, its easements have proven to be important tools for restoring and protecting wetlands in agricultural areas. This is clearly evident from the overwhelming landowner response and the resulting improvements to water quality and habitat. In the FY 01 agriculture appropriations bill, Congress addressed the WRP acreage cap problem on an interim basis, increasing it by 100,000 acres. However, as noted above, this increase will be fully subscribed this year. Clearly the time is right for Congress to secure the WRP's future in a longer term way this year by significantly expanding the acreage cap and providing continued funding for this valuable program.

The CRP and WRP have been extremely effective in helping Midwest farmers to protect land and water resources by curtailing production on some of their most sensitive land. And there are certainly many more opportunities to make good use of the CRP and WRP in the region. However, it is also essential to support sound conservation practices on the far greater amount of land that remains in production. EQIP is the USDA's largest and most effective means of assisting farmers and ranchers to implement conservation practices on land currently in production. EQIP assistance can, for example, help operators balance the new dynamics of livestock production with the need to protect soil and water resources. The President has requested level funding of $174 million for EQIP in FY 02. While the states are gratified that the new Administration supports EQIP, the UMRBA encourages Congress to increase FY 02 funding to the authorized level of $200 million and to expand the EQIP authorization as part of the upcoming Farm Bill.

The UMRBA remains concerned with the adequacy of funding and staffing levels in the NRCS' conservation operations account. The technical assistance funded through conservation operations provides the foundation for the USDA's voluntary conservation planning. The Administration has proposed an increase of $59 million in conservation technical assistance funding for FY 02. However, up to $44 million of this increase would be for CRP technical assistance costs that were previously reimbursed from the CCC. As a result, NRCS field staff will likely continue to have difficulty providing the timely, comprehensive technical assistance that farmers need if they are to participate effectively in the USDA's conservation programs. A 2001

National Workload Analysis indicates that the NRCS needs approximately 1,900 employees at the field level in Illinois, Iowa, Minnesota, Missouri, and Wisconsin. Actual field staff in the five states numbers about 1,250, or one-third below the estimated needs. The UMRBA urges Congress to ensure that the NRCS has both the staff and funding necessary to deliver its conservation programs effectively.

The Midwest and indeed much of the nation faces significant challenges in the future as dams built under the P.L. 534 and P.L. 566 programs age. More than 600 flood control structures in Illinois, Iowa, Minnesota, Missouri, and Wisconsin need rehabilitation if they are to continue to function safely and effectively. This represents approximately one-third of the structures built in the five states under the USDA's dam-building programs. Rehabilitation costs in the five UMRBA states alone are estimated at $53.9 million. Last year's enactment of the Small Watershed Rehabilitation Amendments authorized NRCS to assist in rehabilitating these structures. The UMRBA now asks Congress to provide NRCS with the funding it needs to serve as an effective federal partner in addressing these needs.

The five states of the UMRBA acknowledge that our region faces enormous soil and water conservation needs and limited public and private resources to address those needs. In this context, it is imperative that NRCS work with the states, conservation districts, and farmers to identify and target the most pressing problems. Coordination and communication with the states is particularly critical to success in addressing the interstate resource challenges faced on the Upper Mississippi River. Success in addressing such complex, large-scale issues will not come quickly. It will require long-range thinking and commitment over time from all levels of government and from farmers. The states look to both Congress and the Administration to join them in providing such leadership.

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23 April 2001

Hon. Henry Bonilla, Chair
Agriculture, Rural Development, Food & Drug
Administration, and Related Agencies
Appropriations Subcommittee
2362A Rayburn House Office Building
Washington, DC 20515

Dear Chairman Bonilla:

On behalf of the **NATIONAL ASSOCIATION OF WIC DIRECTORS, NAWD,** we appreciate the opportunity to submit this written statement to the Committee on the President's Fiscal year 2002 Budget Request for the Special Supplemental Nutrition Program for Women, Infants and Children, known as WIC.

WIC has an extraordinary 27 year record of preventing children's health problems and improving their long-term health, growth and development. ***WIC children enter school Ready To Learn*** and demonstrate better cognitive performance. Research shows:

- four and five-year-olds whose mothers participated in WIC during pregnancy had better vocabulary test scores than children whose mothers had not received WIC benefits.
- children participating in WIC after their first birthday had better digit memory test scores than children not participating in WIC.

WIC gives children a solid foundation for learning. Quality nutrition services is the centerpiece of WIC: nutrition and breastfeeding education, nutritious foods, and improved healthcare access for low and moderate income women and children with, or at risk of developing, nutrition related health problems. Committed, results oriented, entrepreneurial staff stretch resources to serve all eligible women and children and ensure program effectiveness and integrity.

As the nation's premier public health nutrition program, ***WIC is a cost-effective, sound investment – laying the foundation for America's children to learn.***

The WIC Program's well-documented successes have earned WIC strong bipartisan support. Successive Congresses have demonstrated their commitment to moving the WIC Program toward full funding. The level of funding included in the FY 2002 budget proposal, threatens the states' ability to maintain services to participants served in FY 2001.

The Administration has proposed a $94 million increase in the WIC appropriation for FY 2002 bringing WIC funding to a level of $4.137 billion over last year's appropriation level (minus the recission amount included in Section 1(a)(4) of Public Law 106-554) of

$4.043 billion. **NAWD** applauds the Administration for identifying WIC as a Child Nutrition priority . **NAWD** urges the Committee to consider the following:

WIC Participation

- January data sets WIC caseload at 7.259 million participants. This means that WIC has exceeded the Administration's caseload projections for FY'02 of 7.25 million participants;
- Should the economy continue to decline and workers experience more layoffs as industry attempts to cut costs to improve profits, it is reasonable to expect that WIC caseload will grow;
- The Administration projects an unemployment rate of 4.6% for the fiscal year 2002. In 1998, the last time the US experienced such an unemployment rate, WIC caseload averaged 7.37 million participants;
- Some financial experts are projecting unemployment to reach as much as 5%;
- This leads one to the inevitable conclusion that the level identified in the Administration's WIC funding request will be inadequate to meet a caseload which could well exceed 7 35 million participants.

WIC Carryover or Recovered Funds

- The Administration estimates 2001 recoveries at a level of $180 million. Based upon state reallocation draws, a more reasonable estimate would be $170 - $175 million;
- The Administration estimates 2002 recoveries at a level of $136 million. If states continue to draw down recoveries at their current rate, this level too can be expected to decline to between $125 - $130 million.
- The existence of recovered food funds leads to the erroneous perception that WIC is over-funded Financial estimates require resource margins that will protect states should food costs exceed available WIC funds. Voucher and rebate transactions occurring late in a fiscal year do not accrue to a state until early in the next fiscal year thereby contributing to the situation. On average, states will expend roughly 97% of their grant to ensure a sufficient margin of management safety and prevent caseload disruptions. It is neither possible nor prudent for WIC Directors to expend all of their grant resources in a fiscal year. State Fiscal Managers would penalize Directors who overspend their grant as options are generally not available to provide state support.
- States have moved to reduce the Program's level of carryover funds -- advising USDA of available recoveries, and rendering resources available for reallocation to those states most in need of resources.

Nutrition Services and Administrative Grant

- While the Program's funding formula directs the percentage share of the overall grant which accrues to each component of the WIC grant – (1) Food and (2) Nutrition Services and Administrative – the percentage increase provided in the Administration's request for Food is 2.53% while the increase for NSA is 0.7%.
- The NSA request is inadequate to support funded participation levels, cover cost of living raises for WIC staff, or inflation on equipment, supplies, materials, rents and utilities.

Infrastructure Grants

- The Administration provides no increase for infrastructure needs and directs that 43% of the requested $14 million be dedicated to electronic benefit transfer (EBT) development.
- The joint NAWD/USDA Management Information Systems (MIS) Strategic Plan has identified a crisis in the status of WIC MIS systems. Fully 1/3 of the states' MIS systems are at least 7 years old. These systems are incapable of providing the data services that the nation's public health system needs to track client participation, health and nutrition records, avoid fraud and abuse, process vendor claims and track rebates.
- The remaining $7 million in the Administration's request cannot possibly address the crisis WIC is facing with obsolete MIS systems. The joint NAWD/USDA MIS Task Force observed that it would require a commitment of $110 million - $150 million over three years to implement core functions, upgrade WIC technology, and maintain MIS and electronic services.

WIC Farmers' Market Nutrition Program & WIC Senior Farmers' Market Program

- While WIC has partnered with the Farmers' Market Nutrition Program (FMNP) since its inception, NAWD continues to believe that the FMNP should not be funded at the risk of turning away eligible individuals who seek WIC benefits.
- Similarly, NAWD believes that WIC Senior Farmers' Market Program (SFMP) funding must not adversely impact WIC caseload. While NAWD regrets that the SFMP was not included in the Administration's budget, NAWD is pleased that the Administration recognizes the importance of protecting WIC caseload.

What Should the WIC Budget Number Be?

- **To meet projected participation levels, given the Administration's unemployment projections and other factors, NAWD believes that the WIC funding level should provide for an increase to the Program of $214 million setting the Budget proposal at $4.248 billion. This represents an increase of $110 million above the Administration's request.**

WIC is a short-term intervention program designed to influence lifetime nutrition and health behaviors in a targeted, high-risk population. WIC is the "Gateway to Good Health," providing quality nutrition education and services, breast-feeding promotion and education, access to prenatal and pediatric health care services, drug, alcohol and tobacco abuse information, and other services in 10,000 clinics administered by 2000 Local Agencies in 87 State WIC Programs.

WIC's monthly food prescription (package), tailored to meet the specific nutritional needs of clients, was provided to over 7.259 million participants last January, including 1.8 million pregnant, breast-feeding and postpartum women, over 1.9 million infants, and over 3.5 million children. To participate WIC requires that clients have one or more documented nutritional risks and incomes less than or equal to 185% of the poverty level. In fact, 92% of all WIC participants are at income levels below 150% of the poverty level.

Approximately 37% of all pregnant women in the United States are enrolled in WIC. Of these, roughly 46% enroll in WIC during their first trimester of pregnancy. At certification, 50% of pregnant women have three or more nutrition risk factors. Numerous studies have shown that pregnant women who participate in WIC have longer pregnancies leading to fewer premature births; have less low and very low birth-weight babies; experience fewer fetal and infant deaths; seek prenatal care earlier in pregnancy and consume more of such key nutrients as iron, protein, calcium and Vitamin C.

It costs $601 a year for a pregnant woman to participate in WIC By contrast, it costs $28,000 per pound to raise a low (less than 5.5 pounds) and very low (less than 3.25 pounds) birth-weight baby to normal weight (7 pounds). WIC prenatal care benefits reduce the rate of very low birth-weight babies by 44% Medicaid costs are reduced by WIC on average between $12,000 and $15,000 per infant for every very low birth-weight prevented.

WIC promotes breast-feeding as the preferred method of infant feeding. Breastfeeding helps mothers feel close to their baby. Breast milk contains all the nutrients infants need to grow and develop. Breastfed infants tend to be healthier since they receive antibodies from the breast milk, which protects them against infection In spite of an environment that generally does not support a woman's choice to breastfeed, WIC mothers have continued to increase their breast-feeding initiation rates. Better than 40% of WIC infants between the ages of 7-11 months are breastfed.

WIC helps to assure children's normal growth, reducing levels of anemia, increasing immunization rates, improving access to regular health care and improving diets. Forty-seven percent of all infants born in the United States are on WIC. Nearly twenty percent of all children in the United States are on WIC. Children are eligible for WIC up until they reach their fifth birthday. At certification, 48% of all children have more than one nutrition risk factor.

Four and Five-year-olds whose mothers participated in WIC during pregnancy had better vocabulary test scores than children whose eligible mothers had not received WIC benefits. Children who participated in WIC after their first birthday had better digit memory test scores than children who did not participate in WIC.

Of the federal appropriation, only 9% of the WIC grant to states is allocated for program administration; 16% is allocated for direct care activities needed to assess eligibility, provide nutrition education, breast-feeding support and promotion, screen immunization status, issue food benefits, register voters and provide other mandated or necessary client services. The remaining 75% of the WIC grant is allocated for food benefits.

States continue to stretch available WIC funds through rebates on foods and other cost saving initiatives - including adjustments in food benefits. In 1986, State WIC agencies began using their infant formula buying power (40% of national infant formula sales) to achieve bulk purchaser savings, in the form of monthly rebates paid by infant formula manufacturers. These state-initiated and operated rebate programs currently function in all state and most Indian Nation WIC Programs.

Rebates save over $1.4 billion for federal tax payers - 34% of the program's total appropriation - and fund services for 1.8 million women and children WIC's cost

containment measures are among the most effective cost containment measures to be found.

States need to be allowed to use cost-saving revenues in the same way as grant funds or other program income. Identifiable and predictable food cost savings could be considered as funds returned to the entire WIC grant and not just the food grant; each state would then be able to direct a portion of these funds to NSA services, capping at a preset rate such as the current NSA grant ratio.

Again, Mr. Chairman and Members of the Committee, we thank you for this opportunity to present this statement on behalf of the **NATIONAL ASSOCIATION OF WIC DIRECTORS, NAWD.** Should you have any questions, please feel free to contact Douglas A. Greenaway at 202/232-5492.

Sincerely,
NATIONAL ASSOCIATION OF WIC DIRECTORS

Colleen Pearce, MPh, LN
President

The Rev. Fr. Douglas A. Greenaway
Executive Director

CENTER ON BUDGET
AND POLICY PRIORITIES

Revised April 24, 2001

BUDGET REQUEST FOR WIC IS INSUFFICIENT

Budget Would Likely Cause More than 100,000 Children to be Turned Away

by Robert Greenstein

The Administration's bueget includes a $94 million increase for the Supplemental Nutrition Program for Women, Infants, and Children (WIC). The budget states that the funding level it requests would enable the program to serve 7.25 million women, infants, and children in fiscal year 2002.

Yet the budget proposal for WIC is highly problematic. If the funding level proposed for WIC were approved, it would be the first time in a number of years that insufficient funds were provided to serve all eligible low-income women, infants, and children who seek WIC nutrition benefits. The budget would not provide sufficient funds to serve in 2002 the number of women, infants, and children that are on WIC today. Yet the number of women, infants, and children who are eligible for and in need of WIC is expected to rise significantly in the coming year, as a result of the higher level of unemployment the budget forecasts.

The funding level that the budget requests for WIC would likely result in states being unable to serve 100,000 to 200,000 eligible low-income women, infants, and children who would receive WIC benefits if adequate funding were provided. As a consequence, the requested funding level would result in a less favorable budget for WIC in a time of budget surpluses than recent Congresses provided for WIC even in a number of years of the 1990s when the nation was still experiencing budget deficits.

Budget Request for WIC Does Not Keep Pace With Inflation

The WIC appropriation for fiscal year 2001 is $4.043 billion. The President's budget proposes $4.137 billion for 2002, a $94 million increase.

As is often the case, however, it is necessary to look at more than appropriation levels to gauge what is happening in a program and what effect a specific funding level would have on the program. The WIC appropriation level for fiscal year 2001 is artificially low because an unusually large amount of unspent fiscal year 2000 money was available at the start of fiscal year 2001. In other words, because of substantial sums of unspent funds from 2000 that could be used in 2001, Congress set the appropriation level for 2001 lower than would otherwise have been the case.

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This is reflected in the budget documents that OMB and USDA issued April 9. These documents show that the actual increase in the funds that would be made available to state WIC programs under the Administration's budget would be $49 million — or 1.2 percent — rather than $94 million. The budget documents show that an estimated $4.204 billion is expected to be available in fiscal year 2001 (including funds carried over from fiscal year 2000) and an estimated $4.253 billion would be available in fiscal year 2002,[1] for an increase of $49 million. Similarly, the OMB budget appendix shows that actual WIC expenditures — or outlays — would rise $44 million, a little over one percent.

This 1.2 percent increase appears to be less than is needed to cover inflation. The problem seems to be most acute with regard to the funds provided to states to provide the nutrition services that are an important part of WIC — such as nutrition counseling and breast-feeding promotion — and to administer the program. The USDA budget documents show that the funds provided to states for WIC nutrition services and administration would rise only seven tenths of one percent next year (0.7 percent), significantly less than the inflation rate. State WIC programs have maintained for some time that the current level of support for these services is inadequate, and recent USDA regulations requiring increased state monitoring of retail food stores participating in WIC (in order to improve retailer compliance) are expected to increase state costs.

Freezing Participation As Unemployment — and Need — Increase

That the budget may not be adequate to cover inflation in WIC costs is not the principal problem, however; the main problems with the WIC budget request lie elsewhere. The budget states that it includes funds to serve an average of 7,245,000 women, infants, and children per month in WIC in fiscal year 2002,[2] which the budget says is the same as the average monthly number of participants estimated to be served in 2001. There are three problems here.

- First, fiscal year 2001 participation is likely to be higher than 7.245 million.
- Second, due to the increase in unemployment that the Administration's budget forecasts for 2002, WIC participation next year will climb above the 2001 level if sufficient funding is provided; in 1998, when unemployment was at the same

[1] The $4.204 total for the current year includes an estimated $180 million in carryover funds. The appropriation of $4.043 billion provided for fiscal year 2001, plus $180 million in carry-over funding, minus $20 million for the farmers' market program, equals $4.204 billion. The $4.253 billion total that USDA budget documents show for fiscal year 2002 includes a significantly smaller amount of carry-over funding, $136 million. The Administration is requesting a $4.137 billion appropriation for fiscal year 2002. This amount plus the estimated carry-over of $136 million, minus $20 million for farmers' markets, equals $4.253 billion. That is the amount of funding the budget shows as being available next year under the Administration's budget request.

[2] The budget documents present the request as being for 7.25 million participants in FY 2002. That is a rounded number. The budget detail shows the precise number is 7,245,000 participants.

level as the Administration is projecting for 2002, WIC participation averaged 7.37 million. If insufficient funding is provided to cover the increase in participation that otherwise would accompany the anticipated weakening of the economy, states will have to turn away eligible individuals who are seeking WIC benefits.

- Finally, it is unlikely that the budget request would prove sufficient to serve even 7.245 million participants next year. The statement that the budget request would enable 7.245 million participants to be served rests on several unrealistic assumptions. It is more likely that the budget request would result in participation of about 7.20 million women, infants, and children next year, or about 170,000 fewer than the number who were served the last time that unemployment was at the level the Administration is projecting for 2002.

In short, if Congress provides for WIC in 2002 the amount that the budget requests, states are likely to have to reduce WIC participation even while need is rising. These problems are discussed in more detail in the remainder of this analysis.

WIC Participation in 2001

As noted, the budget assumes WIC participation will average 7.245 million in fiscal year 2001. That assumption may have seemed realistic a few months ago when the budget was put together. It no longer does. Participation has climbed in recent months as unemployment has risen. WIC participation stood at 7,259,000 in January 2001, the latest month for which data are available. An examination of historical participation patterns in WIC shows that January participation is typically lower than participation for the fiscal year as a whole.[3]

Unemployment and WIC Participation

The President's budget forecasts a further increase in unemployment in fiscal year 2002. WIC participation almost certainly will rise further in response to this increase in unemployment if sufficient resources are available, and will head back toward the levels at which it stood a few years ago before the unemployment rate fell to four percent and brought WIC caseloads down with it. The level of funding that would be available under the budget, however, would preclude this from occurring. The budget essentially proposes to hold WIC participation down as unemployment rises, with the result that the program would not be able to serve the increased numbers of low-income, nutritionally-at-risk children who will become eligible for WIC as a result of a weaker economy.

[3] February participation data will be released soon. Participation always drops in February because it is a shorter month and hence WIC clinics are open fewer days. February participation is almost always significantly lower than average participation for the fiscal year and is not a good indicator of where participation is heading for the fiscal year. The March participation level will be a better indicator of overall 2001 participation levels.

- From late in fiscal year 1996 to early in fiscal year 1999, WIC participation stood at about 7.4 million.

- As the national unemployment rate dropped to four percent, WIC participation declined somewhat, to an average of 7.31 million in fiscal year 1999 and 7.2 million in fiscal year 2000.

- As unemployment began edging up in recent months, WIC participation has reversed course and started to recover lost ground. Average monthly WIC participation for the first four months of fiscal year 2001 is 84,000 participants higher than average monthly participation for the first four months of fiscal year 2000. If this pattern holds throughout the current fiscal year, average participation for fiscal year 2001 will be 7.28 million. This is 35,000 higher than the average participation level of 7.245 million level the budget assumes for 2001.[4] (The 7.28 million participation level itself could prove to be an understatement; WIC participation in January 2001 was 127,000 higher than WIC participation in January 2000.)

  This discrepancy has some significance for the WIC program in 2002. If WIC participation averages 7.28 million this year, the amount of unspent 2001 funding that will be available in 2002 will be lower than the Administration's budget assumes, making next year's funding squeeze still tighter and meaning that insufficient funds are available even to support a participation level of 7.245 million women, infants, and children next year. (As explained below, there are additional reasons why the funds in the budget are unlikely to be sufficient to support a participation level of 7.245 million next year.)

- Even if participation does end up averaging 7.245 million in 2001, that participation level will fall short of need in 2002, when unemployment is forecast to be higher. The budget shows that average WIC participation was 7.20 million in fiscal year 2000 when the unemployment rate averaged 4.1 percent. The budget estimates that average unemployment will rise to 4.3 percent in fiscal year 2001 (a level it already reached in March) and that WIC participation will rise with it to 7.245 million (which, as just noted, may prove an underestimate). But the budget then shows unemployment rising to 4.6 percent in 2002 *without any further increase in WIC participation.* The last time the unemployment rate averaged 4.6 percent for a fiscal year was in fiscal year 1998. WIC participation averaged 7.37 million that year, nearly 125,000 higher than the budget is said to support.

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[4] Average participation for the first four months of FY 2001 is below the 7.28 million level, but average participation for the first four months of the fiscal year is virtually always below participation for the subsequent eight months and for the fiscal year as a whole. This is partly because additional funding is made available to states after the first quarter of the year, as a result of the reallocation of funds carried over from the previous year.

The only way that WIC participation would fail to climb above the 7.245 million level next year — and to reverse more of the participation decline that occurred in 1999 and 2000 as unemployment dropped — would be if Congress and the Administration did not provide the needed resources and states had to turn away eligible individuals who sought WIC benefits. This is the outcome that the budget request would produce. It is likely that the number of nutritionally-at-risk, low-income pregnant women, new mothers, and young children whom WIC serves would be 100,000 - 200,000 lower under the funding level the budget contains than the participation level would be if sufficient resources are provided for the program.

Budget Appears Insufficient Even to Support 7.245 Million Participants in 2002

Finally, the budget request is likely to prove insufficient even to support participation of 7.245 million women, infants, and children next year. This is true for several reasons.

- In determining how much funding will be available next year, the budget assumes there will be $136 million in unspent FY 2001 funds that will carry over to fiscal year 2002. This figure now seems likely to be an overestimate for two reasons.

  First, the budget may have overestimated the amount of unspent fiscal year 2000 funds that were carried over into 2001. The budget assumes $180 million was carried over from 2000 to 2001, but that estimate now seems high, given the amount of unspent 2000 funds that USDA has recovered and reallocated to date. (Final data on how much was carried over to 2001 should be available from USDA in coming weeks.) Second, as noted earlier, the estimate in the budget that WIC participation will average 7.245 million in fiscal year 2001 now appears low. As a result, the estimate in the budget of how much WIC will expend in 2001 also seems low.

  If less money is available in 2001 than the amount the budget assumed and more of the funds that are available are expended, then the amount left unspent and carried over into 2002 will be smaller. In recent years when unemployment was declining, the budget often overestimated current-year WIC expenditure levels and underestimated carry-over funding. Now that unemployment has increased somewhat, the opposite appears to be true.

  The result is that less than $136 million is likely to remain unspent at the end of fiscal year 2001 and to carry over to 2002. That reduces the funding available in 2002.

- Also of importance, the budget is likely to have overestimated the proportion of the available funding that states actually will be able to use in 2002 if Congress

appropriates the amount the Administration has requested. For a series of reasons well known to those familiar with the practicalities of state WIC administration, states cannot expend 100 percent of the federal funds made available to them for a fiscal year without incurring a high risk that they will overspend their allotments. (States are able to determine their WIC expenditures for a fiscal year with precision only a number of months after the year is over; accordingly, states must "undershoot" modestly.) The budget makes the assumption that in 2002, states will spend 97.6 percent of the funds made available to them.[5] In no recent year has the percentage expended been that high. It is unlikely that states can manage the program in a manner that expends this high a percentage of the available funds. (If states are able to spend 97.0 percent of the available funds rather than 97.6 percent, some $25 million less will be used next year, resulting in about 40,000 fewer participants served in an average month.)

In short, the claim that WIC participation next year would be 7.245 million under the Administration's budget rests on two assumptions that are likely to prove incorrect — that $136 million will be carried over from fiscal year 2001 to fiscal year 2002 and that states can use 97.6 percent of the available funds in 2002. Use of more realistic assumptions yields the conclusion that under the level of funding the budget would provide, average WIC participation is likely to be about 7.20 million in fiscal year 2002, a reduction below the current level. Even the 7.20 million estimate could prove too high, given the level of funding that would be available.

Conclusion

The WIC budget request does not respond to the increase in need that will accompany the further rise in unemployment the budget forecasts. The budget is likely to result in some contraction of state WIC programs next year, even though need will have increased due to a weaker economy. The Administration's WIC funding request also is insufficient to offset the effects of inflation.

In recent years, policymakers of both parties have provided sufficient funds so that eligible women, infants, and children seeking WIC benefits did not have to be denied. The level of funding that the budget proposes for WIC would result in a departure from this bipartisan tradition at a time of unprecedented budget surpluses.

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[5] Under the budget, $4.253 billion would be available next year (not counting the farmers' market program). Some $14 million of this amount would be used for grants to states for WIC infrastructure improvements and EBT development. That leaves $4.239 billion. The budget assumes that $4.137 billion of this amount — 97.6 percent of it — will be used.



American Lamb Council



American Sheep Industry Association, Inc.

www.sheepusa.org



American Wool Council

Statement of CINDY SIDDOWAY,

President of the

AMERICAN SHEEP INDUSTRY ASSOCIATION

for the

U.S. HOUSE of REPRESENTATIVES

APPROPRIATIONS SUBCOMMITTEE on

AGRICULTURE, RURAL DEVELOPMENT, FDA,& RELATED AGENCIES

April, 2001

The American Sheep Industry Association (ASI) is a federation of state member associations representing the nearly 67,000 sheep producers in the United States. The sheep industry views numerous agencies and programs of the U.S. Department of Agriculture as important to lamb and wool production. Sheep industry priorities include rebuilding and strengthening our infrastructure, critical predator control activities, maintaining and expanding research capabilities and animal health efforts.

The rapid changes that have occurred in the domestic sheep industry and continue to take place put further emphasis on the importance of adequately funding the U.S. Department of Agriculture programs important to lamb and wool producers.

We appreciate this opportunity to comment on those portions of the USDA FY 2002 budget.

ANIMAL and PLANT HEALTH INSPECTION SERVICE (APHIS)

The mission of APHIS, "to protect U.S. animal and plant resources from diseases and pests," is very important to the sheep industry of the nation.

Wildlife Services Wildlife Services

With well over one-quarter million sheep and lambs lost to predators each year, the Wildlife Services (WS) program of USDA-APHIS is vital to the economic survival of the sheep industry. The value of sheep and lambs lost to predators and predator control expenses are second only to feed costs for sheep production. Costs associated with depredation currently exceed our industry's veterinary, labor and transportation costs.

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The American Sheep Industry Association strongly supports the President's salary increase recommendations of $1.26 million for WS operations and $454,000 for methods development. For a number of years, salary cost increases have been mandated without offsetting appropriations. In FY- 2000 for example, Congress mandated $849,000 for pay cost increases. These funds had to come out of the operations budget, meaning less available money for the field work.

Method development has also been overlooked for a number of years. Since FY-1989, the NWRC operations budget increased from $2.02 million to $2.89 million in FY-2000. During the same period of time, method development has been given a number of new Congressional directives including aquaculture research, wildlife disease research, ungulate research and the reopening of three field offices in Hawaii, Washington and Mississippi. To add to the budget strain of NWRC operations is a new multi-million dollar research facility with no monies to staff and maintain the building. Maintenance cost for this facility now approach $1.5 million annually. ASI requests that the current method development budget be increased an additional $6.0 million to $17.46 million. We also request that of this $6.0 million, $2.5 million go to staffing, operating and maintaining existing facilities, $1.0 million for bird, rodent and ungulate research, and $2.5 million for alternative capture systems and canine research.

Aerial hunting is one of Wildlife Service's most efficient and cost-effective core programs. It is used not only to protect livestock, wildlife and endangered species, but is a critical component of the Wildlife Services rabies control program. A lack of adequate funding for safety purposes was found to have contributed to a number of accidents experienced within the WS program in recent years. Following an independent review of the WS aerial program, recommendations were provided the Department to improve aerial safety. A December 2002 deadline was set by the Department to implement these recommendations. ASI requests $2.9 million in additional funding be provided WS so the agency can complete the implementation of the safety recommendation.

Expanding wolf populations in Montana, Idaho, Wyoming, Minnesota, Wisconsin and Michigan continue to create increased demand for assistance in managing wolf depredation. While resources have been provided Montana, Idaho and Wyoming, $750,000 in additional funding is still needed in Minnesota, Wisconsin and Michigan to manage a wolf population approaching 3,000 animals.

Wildlife Service's cooperative nature has made it the most cost effective and efficient program within federal government in the areas of wildlife management and public health and safety. Wildlife Services has over 2,000 cooperative agreements with agriculture, forestry groups, private industry, state game and fish departments, departments of health, schools, county and local governments and others to mitigate the damage and danger that the public's wildlife can inflict on private property and public health and safety. WS is one of the few federal programs that has been consistently at or above the 50:50 federal to cooperative funding ratios. In FY 2000, $36,434,699 in cooperator dollars went to Wildlife Services. The agency, however, only had $21,275,873 in funding available at the field level in FY-2000 to match the funding provided by WS cooperators. Another $2.2 million is needed to meet increasing customer demand for the agency's services.

Wildlife Services must document its operations in order to conduct program analysis and comply with Federal reporting requirements. The agency's current information technology support system has become antiquated which could result in incomplete data collection and analysis. To update and maintain the information system, an additional $700,000 is needed.

Scrapie

Adequate funding for scrapie eradication and other supportive efforts, such as the Voluntary Scrapie Flock Certification Program and the National Scrapie Slaughter Surveillance Study are of critical importance to the sheep industry, as well as all segments of the livestock industries. The national regulation for scrapie eradication to be issued by USDA in 2001 is supported with the Administration's budget request of $18 million for FY 2002 which is strongly supported by ASI. 1ou ASI appreciates this Subcommittee's efforts in recognizing the seriousness of this devastating disease and the real need for control and eradication. ASI and others have urged APHIS to step up its efforts in scrapie control/eradication through a more aggressive regulatory approach. APHIS has received published and received comments on both an ANPR and a Proposed Rule over the past three years; we expect the publication of a Final rule to begin eradicating scrapie through interstate movement restrictions soon. According to APHIS, an aggressively funded scrapie eradication effort will seven to ten years and cost approximately $100 million over the life of the program. As it has been with all disease eradication programs, scrapie eradication will take adequate funding in order to be successful.. Through the successful section 201 trade action this past year, USDA/APHIS has received sufficient CCC funding to begin the eradication program and the surveillance study. At this critical point in time, it is important that funds be APROPRIATED to conduct the "base-program" activities such as hiring Veterinary field personnel so that the federal program will be implemented uniformly State to State and enforced properly. We therefore urge the subcommittee to support the Administration's request for an $18 million increase for Scrapie eradication in appropriated funds.

AGRICULTURAL MARKETING SERVICE

Lamb Market Information and Price Discovery Systems

The sheep industry strongly supports the FY 2002 budget for Market News of USDA-Agricultural Marketing Service. Furthermore ASI supports necessary increases in appropriations for the full implementation of the mandatory price reporting system for livestock.

FOREIGN AGRICULTURAL SERVICE (FAS)

The sheep industry participates in FAS programs such as the Market Access Program (MAP) and the Foreign Market Development Program. ASI strongly supports continued appropriations at the current level for these critical Foreign Agricultural Service programs. ASI is the cooperator for American wool and sheep pelts and has achieved solid success in increasing exports of domestic product. Exports of American wool have been increased dramatically with approximately 30 percent of U.S. production competing overseas.

NATURAL RESOURCES CONSERVATION SERVICE (NRCS)

ASI urges increased appropriations for the range programs of the Soil Conservation Service to benefit the private range and pasture lands of the United States with conservation assistance.
We support the budget item and recommend an increased level for the Grazing Lands Conservation Initiative, which ASI has worked with, along with other livestock and range management organizations, to address this important effort for rangelands in the U.S.

RESEARCH, EDUCATION AND ECONOMICS

As a result of the successful section 201 trade action, the sheep industry must become more competitive. We are also striving to be profitable and sustainable as a user of and contributor to our natural resource base. Research, both basic and applied, and modern educational programming are essential if we are to succeed. We have been disappointed in the decline in resources USDA has been targeting toward sheep research and out-reach programs. With net increases in the animal systems category of the agriculture research budget, for example, sheep and wool research has either declined or remained static for the past several years. In order for the sheep industry to be more globally competitive in the future, we must invest in the discovery and adoption of new technologies for producing, processing and marketing lamb and wool. We urge the subcommittee to send a strong message to USDA supporting sheep research and education funding increases.

Agricultural Research Service

Emerging and Exotic Diseases and Pests of Plants and Animals—we request the subcommittee's support for the administration's allocation of $6.782million in this area. The animal disease portion should be substantial and is urgently needed to protect the u.s. livestock industry. ARS has planned for $5 million of these funds to be directed toward BSE research. We agree that BSE is an extremely important disease issue globally and believe that research is needed to help keep the U.S. free of this devastating disease. With this in mind, we remind the subcommittee that scrapie is a TSE that is endemic in the U.S. and we recommend that a new or expanded research effort directed toward BSE be designed in such a manner that the research will assist with scrapie eradication needs. We also respectively remind the subcommittee that scientists in the animal disease research unit (ADRU), ARS, Pullman Washington, have made significant progress in the early diagnosis of TSEs, which is important in early recognition and eradication of TSEs. The programs of these scientists at ADRU should be enhanced and expanded to include, for instance, the development of rapid and accurate methods for strain typing of TSEs within the United States and world and to understand the basis of genetic resistance and susceptibility to these devastating diseases.

We urge your support to restore the $300.000 used for collaborative research between ARS animal disease research unit in Pullman, Washington and the U. S. sheep experiment station in Dubois, Idaho concerning malignant catarrhal fever (MCF) research. These monies were established by congressional action in last year and have been successfully utilized to initiate research leading to control methods for this important disease of sheep and cattle. Health and disease management was one of the four focus areas included in President's Section 201 relief decision. This additional funding will be key in helping us address two very important diseases.

Research into Johne's disease has received additional funding through ARS over the past several years, focusing on cattle. Johne's disease is also endemic in the U.S. sheep population and is not well understood as a sheep disease. The same food safety concerns exist in both sheep and cattle; other countries are also very concerned about Johne's in sheep.
We urge the subcommittee to send a strong message to ARS that Johne's disease in sheep should receive more attention at the National Animal Disease Research Center (NADC) with an emphasis on diagnostics.

Genetic resources are the underpinning for all livestock production systems and therefore have a great influence upon economic returns. To effectively address changing consumer demands, natural resource utilization and protection of animal biodiversity from economic changes as well as catastrophic events such as disease epidemics requires utilization and protection of the full breadth of animal genetic resources. To accomplish this a national system for the maintenance, characterization and utilization of animal genetic resources is important. We recommend that the subcommittee fund the national animal germplasm program (NAGP) so that the NAGP can become fully functional and effective in collecting, storing and assessing animal genetic resources.

Economic Research Service

The mandatory price reporting line item in the Administration's budget includes retail price reporting which needs to include lamb as lamb is covered under mandatory reporting provisions.

RURAL DEVLOPMENT

The National Sheep Industry Improvement Center is critical to the industry and we fully support an appropriation of $5 million for FY 2002. The Center is providing $14 million funds for loans in the sheep industry to rebuild and strengthen the infrastructure of the industry with loans made for wool, lamb and goat programs in 2000. Nearly one dozen loan applications are now in the review process for approval. The Center also provided $5 million for 23 grants for American Lamb product development, marketing, and promotion in 2000 and 2001 with projects beginning in every region of the United States to strengthen efforts with American Lamb. The Center is a premier vehicle of the U.S. sheep industry's adjustment plan therefore adequate funding is critical to the industry.

COOPERATIVE STATE RESEARCH EDUCATION AND EXTENSION SERVICE (CSREES)

Minor Use Animal Drugs is a "Special Research Grant" that has had great benefit to the U.S. sheep industry. The research under this category and the companion "NRSP-7" program through FDA/CVM has provided research information on therapeutic drugs that are needed for the approval process. Without this program, American sheep producers would not have effective products to keep their sheep healthy. We appreciate the Administration's request of $549,000 for this program and we urge the subcommittee to recommend that it be funded at $750,000 to more fully meet the needs of our rapidly changing industries.

Ongoing research in wool is critically important to the sheep industry. ASI supports continued funding of $300,000 for FY 2002 through the special grants program of the CSREES.

The industry greatly appreciates this opportunity to discuss these programs and appropriations important to the sheep industry.

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