



Congresswoman  
**Rosa L. DeLauro**

---

*Press Release*

**FOR IMMEDIATE RELEASE**  
June 30, 2010

**CONTACT:** Kaelan Richards  
(202) 225-3661

**Statement of Chairwoman Rosa DeLauro**

*Subcommittee Markup: Fiscal Year 2011 Agriculture,  
Rural Development, FDA Appropriations Bill*

**Washington, D.C.** – Congresswoman Rosa L. DeLauro (Conn.-3), chairwoman of the House Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Subcommittee, marked up the subcommittee’s fiscal year 2011 bill. The Chairman’s Mark includes \$23 billion in total discretionary spending – \$204 million below the FY2010 enacted level and \$27 million below the President’s request.

- USDA is funded at \$20.2618 billion – which is \$81.7 million less than the administration’s request.
- The Food and Drug Administration is funded at \$2.571 billion – \$55 million above the budget request.
- The Commodities Future Trading Commission is funded at \$261 million – meeting the budget request.

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

Thank you. Today I am proud to present the subcommittee’s recommendations for the 2011 Agriculture FDA Appropriations Committee Markup. I look forward to working with all of you today and as we move forward on this important legislation in the weeks ahead. While we will no doubt have our differences, as we do every year, I know we can and will work together to do what is best for the American people.

Before I begin, I want to thank Ranking Member Kingston and all of the Subcommittee Members here today for all of their hard work, patience and dedication in moving this legislation forward. Over the course of over a half-dozen hearings, I believe the Members of this committee have done an exemplary job in performing their oversight duty by asking the hard questions.

And of course, thank you to Chairman Obey for his steady hand and clear vision at the helm of this important process. Chairman Obey, we are going to miss you.

As in years past, we have approached this agriculture appropriations knowing that we must do everything possible to fulfill our responsibilities to the American people. That means protecting public health, supporting domestic agriculture, improving nutrition, strengthening rural communities and conserving the environment.

These are the same goals that were embodied in the Recovery Act we passed last year, which provided funding to programs in the Department of Agriculture to help restart our economy, create jobs, reinvest in the nation's infrastructure, protect and support families, farmers, and communities across America.

I do not need to tell anyone in this room about the importance we have all placed on living within our means. And by investing in innovation and making careful choices among competing priorities, this \$23 billion FY 2011 agriculture appropriations bill we present today stays \$204 million below the FY2010 enacted level and \$27 million below the President's request. We have taken a long and careful look at last year's appropriations, made cuts where possible, and made sure that all of our resources are wisely invested in programs that work and that pay real dividends for the American people.

This has resulted in some hard choices along the way. I will tell you that, due to the tough economic situation, I agreed to something that I had not previously wanted to do, which was a proposed fee increase from 2 percent to 3.5 percent in the 502 guaranteed home loan program. We are protecting low and very low income borrowers from the fee, but we are still saving about \$120 million there. Combined with some careful cuts here and there, this gave us some money to address our other important needs. Among these cuts are the following:

- \$27 million from USDA buildings and facilities and \$13 million from the USDA APHIS Avian Influenza Program as compared to FY 2010.
- \$15 million from the FNS SNAP employment & training program, because the program will not utilize all available funds.
- \$18 million and \$17.5 million cut from the FSA and NRCS Common Computing Environments, based, on program redundancies and continuing problems with IT infrastructure. In last year's bill, we included language to ensure we can "benchmark" USDA's use of these and other IT funds in the bill. Now we are following through on those benchmarks.
- We cut \$476 million from the administration's request from WIC, which was a particularly hard cut, but is justified in that food costs did not increase as much as predicted and participation has come down.
- And we have zeroed out funding for the voluntary National Animal ID System (NAIS). We have spent over \$147 million on this program since 2004. And six years later, we still have not seen a clear plan from USDA on successful implementation, even after they shifted to a more fragmented system in 2010. While the administration asked for \$14.2 million for this program, we do not feel it is a good use of resources to fund NAIS until the agency develops a clear plan for a mandatory system with measurable goals, long-term funding levels, and a plan for successful implementation.

So we have gone through last year's bill with a close eye, and tried to trim the fat wherever possible. And as a result, we believe that this bill moving forward is now both leaner and stronger. And we also believe that we have crafted a bill that helps our government to better serve the American people. It is our task to do the people's business, and we are all here – Republican and Democrat – to fulfill it. Let me now explain some of the important funding choices we have made in this bill, and why.

**FDA:** The Food and Drug Administration is always one of the most important agencies under our purview, particularly given that more than 20 cents of every dollar spent by American consumers is on an FDA-regulated product. Our legislation gives the agency \$3.773 billion for oversight of foods, drugs, medical devices, pet food, cosmetics, tobacco products, vaccines, and more. That is approximately \$214 million above last year's bill, and \$535 million when you factor in user fees.

I believe there is strong leadership at the FDA under Commissioner Hamburg. But I remain concerned about the existing structure at the agency, especially as it pertains to drug safety.

So we have included targeted resources to help make a difference in this area, including an additional \$65 million for staff to review generic drug applications, drug company ads targeted at consumers, and, for the first time to my knowledge, an increase specifically for review of drug company ads to doctors. We are also funding more safety reviews for drugs already on the market, more inspections of foreign drug facilities, and providing more funds to safeguard clinical trials and improve the oversight of imported foods. For example, the bill includes:

- A \$15 million increase over the request for the office of generic drugs
- A \$3 million increase for the review of direct consumer ads
- A \$2 million for the review of communications to medical professionals in the Division of Drug Marketing and Communication
- A \$7 million increase over the request for the Center for Devices and Radiological Health
- A \$16 million increase over the request for the center and field activities in the Center for Food Safety and Applied nutrition related to imported food safety.

In addition, we have included report language that we worked on with Sen. Grassley and Congressman Hinchey that outlines the need to create an independent office on post-market drug evaluation. Thank you Congressman Hinchey for your leadership on this issue. As we learned from the hearing the subcommittee held about the Avandia case, there may be an inherent bias when those that approve drugs continue to play a role in determining their safety in a post-market environment.

We have also included report language that we worked on with Congresswoman Emerson that directs FDA to provide a report on the status of developing standards for a track and trace system for prescription drugs, one that would document all parties involved in the prior sale, purchase, and trade of a given prescription drug beginning with

the manufacturer. This is critical to improving the security of the drug supply chain from counterfeit or other substandard products and to protecting consumers. Thank you Congresswoman Emerson for your work and leadership on this.

**FSIS:** The bill also fully funds the President's request at \$1 billion for the Food Safety Inspection Service, which, as you know, is responsible for the safety of our meat and poultry.

In this area, I want to highlight the language which will establish a science-based panel that is supported by a wide range of stakeholders to analyze the food safety system at FSIS and develop recommendations on how to modernize it.

As we all know, this modernization is both desperately needed and a long time coming. To develop the language on this process, we worked with a wide variety of stakeholder groups, including leading members of industry such as Cargill, Perdue, Sara Lee, and Tyson; consumer groups such as the Center for Science in the Public Interest, Consumer Federation of America, Safe Tables Our Priority, and Food and Water Watch; and key unions such as the American Federation of Government Employees and the United Food and Commercial Workers.

To get all of these groups in one room together several times and on the same page together is no small task, and to have them working together to craft a responsible and well-thought-out reform process is a particular achievement. I want to especially thank Mr. Kingston for his leadership on this.

**Nutrition.** In addition, this legislation makes significant investments in improving the nutritional status of all Americans. Of course, we are fully funding participation in SNAP ("food stamps"), WIC and the child nutrition program:

- SNAP is funded at over \$68 billion with a \$5 billion reserve. This is just over the administration's request, and 17% or nearly \$10 billion increase above 2010.
- WIC is funded at \$7.1 billion (2% below last year), including infrastructure, evaluation, and actual distribution. As I said, we were able to fund WIC at two percent below last year's level without cutting the benefits received, mostly due to the fact that food prices and participation did not increase at the expected rate.
- And the child nutrition programs, including the National School Lunch program receive \$19 billion, on par with the administration's request. This includes a reserve fund of \$1 billion to support the pending and crucially important reauthorization of our child nutrition programs.

After all, millions of American families rely on these crucial programs, particularly in the current economy. To take just one example, one in eight adults, and one in five children, now receive food stamps, with an additional 2.7 million more

participants in the coming year. So underfunding these areas would not only be irresponsible and inhumane, but deeply and negatively impact millions of American families struggling to get by, and make it that much harder to achieve the economic recovery we really need right now.

In addition, to confront both the double-edged problem of hunger and obesity now facing our nation, the bill provides an increase over fiscal year 2010 of \$95 million for nutrition research, outreach and education efforts.

The First Lady's new Healthy Food Financing Initiative, which aims to reduce the number of food deserts in urban and rural areas and increase the supply of healthy foods available to people that live in those areas, is included here at \$40 million.

For a number of structural reasons, such as lack of capital and high development costs, 23.5 million people nationwide live in low-income communities that do not have access to a large grocery store within one mile of their home. My district became acutely aware of this problem earlier this year when a major grocery store in the center of New Haven closed. Efforts to address these "food deserts" are underway in several states, and the Pennsylvania Fresh Food Financing Initiative in particular has been cited by the First Lady as a model for her program.

Created in 2004 as a public-private partnership, the FFFI has helped build or improve 83 supermarkets and fresh food outlets in underserved rural and urban areas in Pennsylvania, providing more than 400,000 residents with improved access to healthy food and creating or retaining more than 5,000 jobs. In addition, the FFFI was designed to be flexible enough to support a variety of food retailers, including full-service supermarkets, small stores, and farmers markets.

The \$40 million we have put in here for the Healthy Food Financing Initiative represents a down payment for taking this successful program nationwide. These funds will be distributed by USDA as loans and grants to provide financial and technical assistance. They will focus on access to healthy foods in underserved communities, demand and retail outlets for farm products, and the availability of locally and regionally produced foods. Simply put, this is exactly the sort of innovative and already proven successful new program we have tried to make investment priorities in this bill.

Also in the nutrition area, I want to briefly mention another new initiative, the Farm-to-School Tactical Teams, which are funded at the administration's request of \$2 million. A joint effort of the Agricultural Marketing Service and Food and Nutrition Service that was developed as part of the recent Know Your Farmer, Know Your Food initiative, these teams will help interested school administrators transition to purchasing more locally grown foods – by facilitating communication between stakeholders, assisting schools in accessing local markets, providing technical assistance in the development of Farm to School activities. This is a win-win for both our farmers and our children.

**International food aid.** Moving to the issue of food access overseas: In keeping with the growing importance of food security efforts in our diplomatic and national security strategies, as underlined by the State Department's new Feed the Future initiative, we have also increased funding for another vital nutrition program – the McGovern-Dole International Food for Education and Child Nutrition Program.

As many of you know, this is a highly successful program of school feeding and related programs to children in poor countries around the world. We have allocated \$266.5 million for McGovern-Dole, \$57 million over the President's request, 27% over the FY2010 funding, and 167% over the FY2009 appropriation of \$100 million. This is another area for which I want to thank Ms. Emerson for her leadership.

We are also providing funding for our own Food and Nutrition Service at USDA to provide technical assistance to support McGovern-Dole. We have also fully funded the Food for Peace program, PL480 Title II, at the request and 2010 level of \$1.69 billion. And, to encourage agricultural innovation here and around the world, we have raised funding for the Borlaug Scholarship, an educational fellowship program for international agricultural scientists, by \$2 million to \$4 million in total.

**Research.** Speaking of which, we know for a fact that neglecting basic research is never a smart or sustainable path to prosperity. So, we have continued to make sound investments in agricultural research.

Perhaps most notably, we have provided \$312 million, a 19% increase over last year's level, for the Agriculture and Food Research Initiative, which promotes competitive research on agriculture issues.

That is part of a total budget of \$1.36 billion for the National Institute of Food and Agriculture, a 1% increase over 2010 and the request. Along with AFRI, this money, as you know, covers a wide range of important programs, including the Forestry Research Program, Improved Pest Control Research, Sustainable Agriculture, the Sun Grant Program, and the Hatch Act.

We have also funded the Agricultural Research Service at \$1.2 billion, a 3% decrease from FY 2010, and the coming Census of Agriculture, taken every five years for data on the agricultural economy, at the administration's request of \$33 million.

**Rural development.** In terms of our investment priorities closer to home, one of the innovative new ideas we have included in this legislation, at a funding level of \$176 million, is the administration's Regional Innovation Initiative proposal.

In order to increase the economic viability of rural communities, this Initiative seeks to promote a regional outlook in the planning and coordination of rural development programs at USDA. While USDA Rural Development is expected to provide leadership for this initiative, the Agricultural Marketing Service is also expected to participate. And some of the supporting programs include the Business & Industry

Guarantee Loan Program, the Rural Business Enterprise Grant Program, and the Intermediary Relending Program.

Just as the First Lady's HFFI has its roots in successful programs in Pennsylvania and other states, this Regional Innovation Initiative is a proposal that Secretary Vilsack has spoken of very highly, based on his experiences with a similar state initiative as Governor of Iowa. And like HFFI, it is a successful state idea that we are proud to take national in this legislation.

**Conservation.** In an approach similar to the Regional Innovation Initiative, we are also providing \$12.5 million for the new proposal by NRCS for Strategic Watershed Action Teams. The idea here is to maximize the cost effectiveness of NRCS technical and financial assistance by doing concentrated work in high-priority watersheds.

For APHIS, which deals with our ever growing list of plant and animal pests, we are providing \$880 million.

Also in the conservation area, we restored funding for the Resource Conservation and Development Program, which operates in more than 375 counties around the country. Even though it was proposed to zero out the program, NRCS, to its credit, did come up with a fairly strict set of criteria for each RC&D council, including annual work plans, biannual audits, five year plans and so on. We are asking NRCS to keep us apprised of the implementation of these reforms and of any deviations from the plan laid out by NRCS.

**Commodity Futures Trading Commission.** And to ensure that the Commodity Futures Trading Commission can continue to fulfill its role in overseeing the commodity markets, we are providing the President's full request for \$261 million. This will give CFTC the staff and the resources to carry out both its ongoing work and the new mandate of financial reform.

**Oversight.** Finally, one area that we all have a keen interest in on the subcommittee is oversight. I have often said that the Inspector General at USDA is our eyes and ears. And something I have learned is that while it is sometimes easy to get an agency to agree to reforms and cost-savings proposed by the IG, it is quite another thing to get them to actually implement what they agree to do.

We asked the USDA OIG to look into what has been happening on implementation of their recommendations and they found that there are 557 recommendations that have been pending for a year or more after agencies agreed to implement them. The agencies with more than 50 are: RD (84); Risk Management (70); NRCS (66); and FSIS (52).

We call out these agencies by name in the report and direct them to give us a plan to close these open issues by September 1<sup>st</sup>. And we specify that we reserve the right to call before us any agency that does not submit its report on time.

So, taken in full, I am proud of what we have come up with this year. I believe this is responsible legislation that emphasizes affordability, rewards innovation, reflects our national priorities, and will work to create the conditions for a robust economic recovery. I look forward to working with all of you today to move this bill toward full committee.

Each subcommittee member and their staff has been fully briefed on the contents of the bill and each of you has a copy of the mark up notes including details about funding levels.

At this time, I would like to recognize Ranking Member Kingston to make comments if he wishes, after which, I will recognize Mr. Obey and Mr. Lewis for their comments.

Thank you.

###

[www.delaware.house.gov](http://www.delaware.house.gov)