

## U.S. Senate Committee on Appropriations

For Immediate Release: Thursday, July 18, 2007

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### **Senate Appropriations Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Committee Clears Fiscal 2008 Funding Legislation**

Washington, DC... Today, the Senate Appropriations Committee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies approved legislation aimed at strengthening the nation's top food and drug regulation agency, restoring cuts to rural housing programs, creating more access to electricity for rural residents, and curbing skyrocketing drug costs. The legislation invests \$18.709 billion in these critical programs to meet the demands of the nation's health, housing, food and pet safety demands.

"We are strengthening the agencies and ongoing programs that are vital to the health and welfare of the American people. We are dealing directly with problems facing our farmers and rural residents, we are making improvements to the Food and Drug Administration, and we are restoring cuts the President proposed to the WIC program," said Senate Appropriations Committee Chairman Robert C. Byrd, D-W.Va. "After several 'food security' problems in the past months, the Committee has taken steps to help the FDA protect the nation from further crises. This is a strong bill that will enable our farmers, doctors, and scientists to produce plentiful, safe, wholesome, and nutritious agricultural products that are the basic foundations of America's economic and national security."

"This bill addresses some very real and pressing issues. It increases funding for food safety, which couldn't be more important in this day and age. It maintains the WIC program. It directs the FDA to put more focus on generic drugs which can save Americans millions of dollars. And it funds agricultural research so that our most basic industry can prepare for the future," said Agriculture Appropriations Subcommittee Chairman Herb Kohl, D-Wis.

The Fiscal Year 2008 Senate Appropriations Agriculture Committee legislation includes the following:

#### **Food and Drug Administration (FDA):**

The bill provides an increase of \$185.891 million above FY 07 and \$119.426 million above the President's FY 08 budget request for the FDA. For too many years the FDA has struggled with inadequate Bush Administration budget requests. Recent drug and food safety issues, including problems with the prescription drug Vioxx, the nationwide spinach recall, and the many China-import incidents ranging from tainted pet food to tainted toothpaste, all speak to the difficulty FDA has within its current resources to stay ahead of events.

**Food safety** – The committee has worked with the FDA to improve the food safety regulatory process after the tainted spinach outbreak and pet food incidents that occurred earlier this year.

"The FDA faces a daunting task in ensuring that our food supply, which is becoming increasingly global, remains safe, secure and sanitary. If we expect them to monitor the billions of dollars of domestic and imported food that moves rapidly throughout our country, from field

to table, we must equip them with the resources necessary to do the job. I'm pleased that with many worthy interests competing for our scarce federal dollars, we made food safety a priority this year," Kohl said.

The legislation provides an increase of \$48.407 million, which is almost \$38 million above the President's budget request. Food safety funds are specifically to be used to hire field inspectors, including inspectors assigned solely to foreign plants; to create rapid response teams located throughout the country that would respond to outbreaks of foodborne illness and quickly trace the outbreak back to its source; and, funds specifically for food safety research, both within and outside of the FDA.

The committee also met the President's budget request for the **Food Safety and Inspection Service** at the United States Department of Agriculture (USDA). This is an increase of \$38.404 million above the FY 07 level. Included is \$8 million for humane slaughter activities that will help to maintain no fewer than 83 FTE positions above the FY 02 level, and for the automated Humane Animal Tracking system.

**Drug safety** – The committee is providing an increase of \$33.2 million over the President's FY 08 budget request. Of this increase, \$17 million is for the FDA's **Critical Path Initiative**, which will be used to further FDA's work on already identified critical path opportunities. This research is intended to reduce the high level of drugs that are never approved by the FDA, and will make the development and review of drug, device and biologics more efficient, and reduce the risks to patients who use medical products.

Within the funding, \$5 million is allocated for competitive contracts or grants to universities and non-profit organizations to support individual critical path projects. There is also an increase of \$16.2 million to improve drug safety, including funding to upgrade the FDA's **Adverse Events Reporting System**. This will help the program to provide access to databases for drug safety analysis, to hire scientists and other drug safety experts.

**Office of Generic Drugs** – The FY 08 bill provides an increase of \$7.561 million to increase the number of generic drugs on the market, reduce prescription health care costs for Americans, and save taxpayers money in programs tied to providing prescription drugs. The FDA will use this funding to hire approximately eighteen additional reviewers, which is crucial to the effectiveness of the office. Although the FDA is approving generic drugs more quickly, applications are coming in at an even faster rate, so their backlog continues to grow.

#### **Other FDA Items:**

**Office of Women's Health** – An increase of \$1 million is provided, bringing the total funding to \$5 million.

**Pandemic Influenza preparedness** – An increase of \$4 million is provided for FDA to continue its important work on approving and stockpiling avian influenza vaccines.

**FDA White Oak Campus** – An increase of \$13.25 million is provided to continue FDA's White Oak Campus consolidation, as requested in the FDA's budget.

**FDA Rent Costs** – An increase of \$30.422 million is provided for FDA Rent and Related Costs.

## **The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC):**

The committee provides \$5.720 billion for WIC, which is \$515.57 million above FY 07 and \$333.403 million above the President's FY 08 budget request. Over 500,000 women, infants, and children would not receive meals at the level requested by the President.

For the Commodity Supplemental Feeding Program (CSFP), the committee provides \$128 million, which is \$20.798 million above the FY 07 level. The President's budget completely eliminated this program, eliminating meals for 500,000 low income elderly.

## **Providing Affordable Rural Housing:**

The legislation continues to provide needed affordable housing assistance to very low and low-income rural residents. The Bush Administration proposed a substantial overhaul of housing programs, reducing support and redirecting programs from very low to low- and moderate-income families.

**The single family housing direct loan program** – Although the President had proposed to terminate the program, the committee restores funding to a program level of \$1.1 billion, and continues to provide adequate funding for multifamily housing construction and rental assistance.

**Rental assistance contracts** - The committee funds the contracts equal to a level that will enable the execution of one year contracts.

**Multifamily projects** - Funding is also provided for housing vouchers and for rehabilitation and revitalization of existing multifamily projects.

## **Providing basic rural utilities services:**

The Rural Utilities Service is facing a large increase in financing demand for new construction and expansion of existing generation and transmission systems. For many years, little has been done to construct new electric generation facilities in rural areas. To reverse this trend, the committee provides a significant increase in electric loan funding to meet this demand. A significant portion of the increase is expected to finance clean wind-based electric generation.

The Bush Administration also proposed to revise the Water and Waste Water program to lower borrower interest rates. This would have involved substantially reducing grants and requiring communities to rely more heavily on loans than grants. The committee rejected this proposal, concerned that the most remote, low-income rural communities would not receive needed assistance and restored grant levels to prior year levels.

## **Fighting Invasive Pests and Plant and Animal Disease:**

"Animals feed and clothe us. They provide us companionship. For many people, animals are part of their therapy and medical recovery. The absolute least we can do is treat animals humanely," Byrd said. "The Committee continues to fund the many good strides on behalf of animals we have made over the years. I am proud of this work to better enforce the laws on the books that demand the humane treatment of animals."

**Animal and Plant Health Inspection Service (APHIS)** - The committee bill includes an increase of \$65.512 million above the FY 07 level for the APHIS. Within the APHIS allocation,

almost \$20 million is included for an ongoing animal ID program; \$1 million for disaster pet rescue; \$25.862 million for Emerald Ash Borer; \$12.800 million for Potato Cyst Nematode; \$34.409 million for citrus health; \$20.007 million for Asian Long Horned Beetle; and \$24.175 million for glassy winged sharpshooter. The APHIS total also includes \$13.807 million for low-pathogenic avian influenza activities, and \$47.514 million for highly pathogenic avian influenza activities. The funding also includes an Increase of \$3.657 million over FY 07 for animal welfare activities, as requested by the President.

### **Conservation Security Program (CSP):**

CSP is a voluntary program, administered by USDA's Natural Resources Conservation Service (NRCS), that provides financial and technical assistance to promote the conservation and improvement of soil, water, air, energy, plant and animal life, and other conservation purposes on Tribal and private working lands. The program provides equitable access to benefit all producers, regardless of size of operation, crops produced, or geographic location, and is authorized under the 2002 Farm Bill.

Even though the number of mandatory Farm Bill programs that were available for savings in 2008 was very limited, the President proposed cutting CSP by \$80 million. The committee did not agree with this proposed reduction.