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ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Statement of Dr. W. Ron DeHaven, Administrator, Animal and Plant Health Inspection Service, before the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Mr. Chairman and members of the Subcommittee, it is a pleasure for me to represent the Animal and Plant Health Inspection Service (APHIS) before you today. APHIS is an action-oriented agency that works with other Federal agencies, Congress, States, agricultural interests, and the general public to carry out its mission to protect the health and value of American agriculture and natural resources. This mission is vital not only to protect the livelihoods of agricultural producers and the industries related to them, but also to United States homeland security and food and agriculture defense. The past year has brought many challenging agricultural issues our way, such as the threat of a pandemic Highly Pathogenic Avian Influenza (HPAI) outbreak and Bovine Spongiform Encephalopathy (BSE); outbreaks of Medfly, Sudden Oak Death, and Emerald Ash Borer; as well as the spread of citrus canker in Florida due to the heavy hurricane season last year. APHIS remains committed to preventing the spread of animal and plant pests and diseases in the United States and our Agency has continued its vigilant effort to prevent foreign agricultural pests and diseases from entering the country. We also remain committed to keeping American agricultural products moving overseas. APHIS' mission of protecting the health and value of United States agricultural and natural resources encompasses a wide variety

of activities. I would like to report on our Fiscal Year (FY) 2005 highlights, and our FY 2007 budget request.

FY 2005 Highlights

Pest and Disease Exclusion Activities

APHIS' efforts begin with offshore threat assessment and risk reduction activities at the sources of exotic agricultural pests and diseases. Through our pest and disease exclusion programs, we follow animal and plant health throughout the world and use this information to set effective agricultural import policy, and facilitate international trade by clarifying and amending import requirements, as necessary. Our off-shore risk reduction activities also include conducting pest and disease eradication programs in foreign countries and pre-clearance inspection of certain commodities in off-shore locations; performing intense monitoring and surveillance for exotic fruit flies and cattle fever ticks in high-risk, border areas of the United States; and cooperating with the Department of Homeland Security's Bureau of Customs and Border Protection (CBP) to inspect arriving international passengers, cargo, baggage, mail, and other means of conveyance.

Officials with our Agricultural Quarantine Inspection, Trade Issues Resolution Management, Foreign Animal Disease/Foot and Mouth Disease (FAD/FMD), and Import/Export programs track plant and animal health issues around the world and use the information to set import policies to ensure that agricultural diseases are not introduced through imports. This information also helps determine what pests and diseases might have pathways into the United States and

informs our monitoring and surveillance efforts here at home. APHIS is establishing a formal international information gathering program under the FAD/FMD and Pest Detection line items to build on these efforts. Through its off-shore pest information system, APHIS has identified more than 600 plant pests that pose risks to U. S. agriculture. APHIS uses this information to provide guidance to CBP on inspection protocols and to target cargo from certain areas for increased inspection.

To ensure our import regulations are enforced and adequately protect United States agricultural and natural resources, we work closely with CBP to monitor and intercept prohibited items that arrive at United States ports of entry. In FY 2005, agricultural inspectors checked the baggage of nearly 66 million arriving passengers and cleared 49,394 ships and 2,239,813 cargo shipments. In total, agricultural inspectors intercepted 49,665 reportable pests at land borders, maritime ports, airports, and post offices. These include exotic fruit flies, various moth species, scale insects, and rust diseases.

In FY 2005, APHIS and CBP also began enforcing new entry requirements for solid wood packaging materials, which can harbor serious forest pests. The introduction of pests such as the Asian longhorned beetle and emerald ash borer has been linked to solid wood packaging materials used as crates and boxes for shipping all kinds of commodities. The new regulations are based on an international standard that will be used by more than 150 countries to address this world-wide problem.

APHIS continued to support the FMD barrier between Central America and Columbia and began plans to move it further away from the United States to reduce the risk of an FMD introduction. We reported 29 FMD-positive cases in countries bordering Columbia: 21 in Ecuador and eight in Venezuela. Agency officials in these two countries maintained relationships with local governments and strengthened cooperative agreements for FMD eradication. In particular, we supported 15 new cattle movement control posts along the Columbian-Ecuador border that will begin operating in November 2007 to establish a buffer zone to prevent the introduction of FMD in Columbia.

APHIS is actively engaged in ensuring that U.S. agricultural producers benefit from the global trade system established under the World Trade Organization (WTO), particularly the WTO Sanitary/Phytosanitary (SPS) Agreement. APHIS' scientific and technical expertise is key to enforcing our rights under the SPS Agreement involving animal and plant health measures. As a direct result of our efforts, 79 SPS trade issues were resolved in FY 2005, allowing trade of U.S. agriculture exports worth close to $1.4 billion to occur. These accomplishments involved retaining or expanding existing markets as well as opening new markets for U.S. products. The products involved range from poultry exports to China, apples to Japan, stonefruit to Mexico, almonds to India, and feeder cattle to Canada.

Our efforts to remove unjustified trade barriers related to BSE and AI are prime examples of APHIS work in this area. In FY 2005, we successfully addressed barriers for U.S. poultry and poultry products in 25 export markets worth a combined $254 million. We resolved BSE-related trade issues involving 19 foreign markets for U.S. bovine genetics, beef and beef products,

allowing exports worth $58 million in FY 2005. Furthermore, APHIS leadership in international standard setting resulted in important science-based changes to the international standards for BSE and AI that we believe will encourage greater reliance on sound science in the trade of beef and poultry products.

Animal and Plant Monitoring and Surveillance

To minimize agricultural production losses and export market disruptions, APHIS quickly detects and responds to new invasive agricultural pests and diseases, or other emerging agricultural health threats, through our plant and animal health monitoring programs. The Agency creates and updates endemic pest and disease information systems, and monitors and conducts surveys in cooperation with States and industry. APHIS also conducts surveys for exotic plant pests and investigates reports of suspicious animal pests and diseases to reduce their spread, which eliminates significant losses and helps maintain pest-free status for export certification of agricultural commodities.

The Animal Health Monitoring and Surveillance (AHMS) and Pest Detection programs coordinate national detection efforts for animal and plant pests and diseases. Both work closely with State and university cooperators to ensure that any introduction of exotic or foreign pests and diseases is quickly detected. These programs are also working closely with USDA's Cooperative State Research, Education, and Extension Service (CSREES) to coordinate the National Animal Health Laboratory Network and the National Plant Diagnostic Network to

increase testing capacity in the United States for economically and environmentally significant animal and plant diseases.

To quick detect and contain foreign animal disease incursions from spreading, APHIS thoroughly investigates all suspicious situations**.** In FY 2005, the AHMS program conducted 1,027 foreign animal disease investigations, up from 870 in FY 2004. The most common investigation was for vesicular conditions. Most suspected cases were investigated and subsequently diagnosed as not being an FAD. The program also continued to implement an enhanced surveillance program in response to the December 2003 detection of BSE in Washington State. With additional funding from the Commodity Credit Corporation, as of March 2006, APHIS has sampled more than 637,000 animals for BSE since the inception of the enhanced surveillance program. To date, only one sample has tested positive. Most samples were from high-risk categories (such as those animals exhibiting signs of central nervous system disorders); however, we also tested more than 21,000 samples from clinically normal adult animals. APHIS is in the process of analyzing data from the enhanced surveillance effort to determine what appropriate conclusions to draw about BSE prevalence, though it certainly would not be premature to say that by any measure the incidence of BSE in the United States is extremely low. At the conclusion of the enhanced BSE surveillance effort, we will continue our standard BSE monitoring program by conducting a minimum of 40,000 tests annually, which would still allow us to find BSE in one million cattle, with a confidence level of 95 percent.

To facilitate response efforts in the event of a future foreign animal disease outbreak, APHIS and its State and industry cooperators continue to implement the National Animal Identification

System (NAIS) designed to identify, within 48 hours of discovery, any agricultural premise exposed to a disease so that potential outbreaks can be contained and eradicated as quickly as possible. The NAIS is a networked computerized system that will allow us to identify livestock and poultry and record their movements over their life-spans. All 50 States, five Tribes, and two U.S. Territories are currently registering premises with an estimated total of 205,000 premises registered. APHIS and its State and Tribal cooperators are registering hundreds of premises each week, and we are also in the preparation stage to begin allocation of individual animal identification numbers.

Through the Pest Detection program, APHIS targets pests based on their risk of entry and potential to cause significant economic or environmental damage. In FY 2005, our national Cooperative Agricultural Pest Survey network resulted in the detection of several significant pests and diseases, including citrus greening in Florida and swede midge and sirex beetle in New York. While the responses to these pests will differ based on many factors, the early detections made by the Pest Detection program are allowing APHIS or the affected State to take action to address the outbreaks and mitigate their effects.

In addition to conducting traditional surveys, the Pest Detection program and its cooperators are implementing ongoing monitoring activities at high-risk sites such as nurseries and warehouses that receive international cargo. In June 2005, California personnel detected an Asian longhorned beetle (ALB) introduction at a Sacramento warehouse as part of these efforts. ALB is present in urban locations in New York, New Jersey, and Chicago, Illinois. To control the beetle in these places, APHIS and cooperators have removed more than 10,000 trees at a

significant cost to U.S. taxpayers. Because the Sacramento introduction was detected and addressed at its source, APHIS and State officials believe they have eliminated the threat of an ALB infestation in California by fumigating the warehouse and quickly tracking other products from the same shipment. Surveys will continue through 2008 to make certain that the beetle is not present.

In FY 2004, Asian soybean rust (SBR) was detected for the first time in the United States. Because SBR cannot be eradicated, soybean producers must adjust to its presence and the costs associated with it, namely the application of fungicides to protect crops. Early detection of SBR in each new area is critical for effective disease management because the application of fungicides is most effective if applied as a preventive measure, before a field is infected. However, fungicide application is cost prohibitive (an average of $25 per acre) if a particular area is not at risk for infection. Accordingly, USDA (including APHIS and CSREES) implemented a short-term monitoring and surveillance network for the disease in FY 2005. The survey data collected by the program in 36 States provided soybean producers with accurate information to use in determining whether or not to treat their fields and prevented the unnecessary application of fungicides.

Under the Animal and Plant Health Regulatory Enforcement program, our Investigative and Enforcement Services unit continues to provide support to all APHIS programs by conducting investigations of alleged violations of Federal laws and regulations under APHIS' jurisdiction and taking appropriate civil or criminal enforcement actions. Regulatory enforcement activities prevent the spread of animal and plant pests and diseases in interstate trade. In FY 2005, APHIS

conducted 842 investigations involving animal health programs, resulting in 440 warnings, 104 civil penalty stipulations, three Administrative Law Judge Decisions, and $345,044 collected in fines. APHIS also conducted 1,773 investigations involving plant quarantine violations resulting in 456 warnings, 744 civil penalty stipulations, 157 Administrative Law Judge decisions, and approximately $2 million collected in fines.

The Agency maintains a cadre of trained professionals prepared to respond immediately to potential animal and plant health emergencies. APHIS' Emergency Management System (EMS) is a joint Federal-State-industry effort to improve the ability of the United States to successfully manage animal health emergencies, ranging from natural disasters to introductions of foreign animal diseases. The EMS program identifies national infrastructure needs for anticipating, preventing, mitigating, responding to, and recovering from such emergencies. The Preparedness and Incident Command group of the EMS continued its ongoing efforts to complete, review, and update response plans for foreign animal diseases, such as BSE, Avian Influenza, and Classical Swine Fever.

Pest and Disease Management

APHIS also works closely with State, industry, and academic partners to maintain national detection networks and emergency response teams for plant and animal pest and disease outbreaks that may occur here in the United States. We work with these same partners to manage or eradicate economically significant endemic pests and diseases, and manage wildlife damage to agricultural and natural resources.

APHIS continues the cooperative effort with States and cotton producers to eradicate the Boll Weevil, and, by the end of FY 2005, the program had eliminated the boll weevil from approximately 85 percent of the 15 million acres of cotton grown in the United States, up from 80 percent the previous year. We are on track to achieve full eradication by the end of FY 2009.

At the end FY 2005, 47 states were in full compliance with the Johne's national program standards with the goal being 45 States enrolled. Only 3 States, Massachusetts, Montana, and Wyoming, have not adopted the Voluntary Bovine Johne's Disease Control Program (VBJDCP). By the end of the year, 7,860 herds were enrolled in the VBJDCP. Since the initial goal was to enroll 4,000 herds, we exceeded the target by 96 percent.

APHIS continues to address the last stubborn pockets of endemic animal diseases such as pseudorabies, brucellosis, and bovine tuberculosis (TB). At the end of FY 2005, all 50 States and 3 territories were in Stage V (free) status for pseudorabies. A full declaration of National Pseudorabies eradication will be possible after all 50 States and 3 territories have maintained free status for 2 consecutive years. Throughout FY 2005, 48 States and three Territories remained classified at Brucellosis Class Free status, and two States, Texas and Wyoming, continued their Brucellosis Class A status classification for bovine brucellosis. In addition, at the end of FY 2005, the TB program designated 49 States and Territories and portions of two others as accredited TB-free, thus exceeding the target of 47 States and territories considered class free.

Through our Wildlife Services Operations program, the Agency's cadre of wildlife disease biologists provided technical assistance, conducted surveillance, and maintained control of more

than 18 wildlife diseases including Chronic Wasting Disease, West Nile Virus, bovine and swine brucellosis, pseudorabies, classical swine fever and plague. In addition, APHIS reinforced oral rabies vaccination zones along the Appalachian Ridge through the distribution of 5.52 million baits on 31,000 square miles from the Ohio-Pennsylvania border through northern Alabama.

APHIS wildlife biologists provided wildlife hazard management assistance to over 580 airports nationwide for the protection of human safety and property in FY 2005, more than twelve times the amount in 1990 with only 42 airports. Wildlife strikes cost U.S. civil aviation nearly $500 million in 2004.

APHIS has been challenged with numerous emergencies over the last several years. As such, we took quick and aggressive action to address plant and animal health situations with BSE, Mediterranean fruit fly, citrus canker, sudden oak death, and emerald ash borer. The Secretary approved approximately $177 million in Commodity Credit Corporation funding releases for APHIS programs in FY 2005, of which $8 million was funded through unused balances and $169 million from new funds.

Animal Care

APHIS ensures the humane care and treatment of animals covered under the Animal Welfare Act (AWA) and the Horse Protection Act. Under this legislation, first enacted in 1966 and amended several times thereafter, APHIS carries out activities designed to ensure the humane care and handling of animals used in research, exhibition, the wholesale pet trade, or transported in

commerce. APHIS places primary emphasis on inspection of facilities, records, investigation of complaints, inspection of problem facilities, and training of inspectors. Regulations supporting the AWA provide minimum standards for the handling, housing, feeding, transportation, sanitation, ventilation, shelter from inclement weather, and veterinary care of regulated animals. APHIS continues to focus on conducting quality inspections at USDA licensed and registered facilities. The program's risk-based inspection system concentrates activities on facilities where animal welfare concerns are the greatest. During FY 2005, the program conducted 16,474 inspections of licensees, registrants, and prospective applicants. This represents a 9 percent increase over FY 2004.

APHIS conducted 575 animal care investigations in FY 2005, resulting in 391 formal cases submitted for civil administrative action. We also issued 219 letters of warning for animal care. During FY 2005, we resolved 87 cases with civil penalty stipulations resulting in $160,184 in fines. Administrative Law Judge decisions resolved another 82 cases resulting in $946,184 in fines. High-priority and significant cases included several involving the sale of dogs and exotic animals by unlicensed dealers as well as numerous handling violations involving exhibition animals attacking and/or injuring the public.

Scientific and Technical Services

The programs within this component ensure the effectiveness of the technology and protocols used in APHIS programs. The Agency conducts these programs to develop new or improved

methods for managing wildlife damage and detecting and eradicating animal and plant pests and diseases. The Agency also conducts laboratory testing programs to support disease and pest control and/or eradication programs. Additionally, those programs provide advice and assistance to APHIS on environmental compliance requirements with respect to pesticide registration and drug approvals for products used in implementing these programs.

APHIS has successfully regulated the biotechnology industry for almost 20 years. During that time, the Agency has overseen approximately 10,000 field trials without any adverse impacts on human health or significant environmental harm, and has evaluated more than 90 petitions for deregulation to ensure these plants posed no threat to other plants or the environment. As of September 30, 2005, APHIS has granted 68 petitions for deregulation for varieties of the following crops: tomatoes, squash, cotton, soybeans, rapeseed, potatoes, papayas, beets, rice, flax, tobacco, and corn.

To carry out its goal of safeguarding U.S. agricultural resources from foreign pest and disease introductions, APHIS needs the appropriate technological tools. The Plant Methods program develops new or improved existing tools to enhance APHIS' safeguarding capabilities. The program met its FY 2005 performance target of developing five new quarantine treatments or detection methods or improving existing ones for commodities of trade.

In our Veterinary Biologics program, APHIS issued 97 product licenses in FY 2005. Veterinarians and animal owners now have 16 new products for the diagnosis, prevention, or

treatment of animal diseases. Of the 16, four new product licenses were issued for biotechnology-based products.

APHIS exceeded its long-term performance measure target in FY 2005 to have 39 States involved with the National Animal Health Laboratory Network (NAHLN). At the end of FY 2005, the NAHLN consisted of 49 state and university laboratories in 41 states that are available to assist our National Veterinary Services Laboratory in animal disease testing. The laboratory network forms the nation's strongest weapon against bioterrorism: an effective network of laboratories capable of integrated and coordinated response to emergencies that could otherwise devastate the U.S. economy and food supply. This key resource of APHIS has increased testing capacity significantly. APHIS and its NAHLN partners are currently testing up to 10,000 samples per week for BSE, 4,800 samples per week for chronic wasting disease, and 4,800 samples per week for scrapie. Additionally, in a period of extraordinary demands caused by an adverse animal disease event, the network could test up to 18,000 samples per day for AI/Exotic Newcastle Disease or 15,000 samples per day for classical swine fever or FMD.

Growing populations of Canada geese, a Federally-protected species, continue to pose problems for homeowners across the country. In September 2005, APHIS' National Wildlife Research Center (NWRC) received a Notable Technology Development Award from the Federal Laboratories Consortium Mid-Continent Region for its role in the development and registration of OvoControl-G Canada goose bait. Which is the first EPA approved oral contraceptive of its kind. The NWRC also continued work to support the Environmental Protection Agency's

approval of a new chemical treatment to reduce the hatchability of eggs laid by treated Canada geese.

FY 2007 Budget Request

The FY 2007 Budget Request for Salaries and Expenses totals just over $953 million, an increase of $146 million over the FY 2006 Agriculture Appropriations Act and an increase of $87 million when the FY 2006 supplemental for avian influenza is included. About $9.2 million of the increase is for pay raises. Of the total request, approximately $453 million is identified in the President's Homeland Security initiative, including $314 million in discretionary funding. Of the $453 million, $188 million is also identified in the President's Food and Agriculture Defense Initiative, which serves to protect the agriculture and food system in the United States from intentional, unintentional, or naturally occurring threats.

The increase, approximately fifteen percent above the FY 2006 appropriation, is for initiatives designed to address the increasing domestic and international threats to the health of United States agriculture. In the international arena, APHIS plans to use additional funding to establish a formal international information collection program that will help us set agricultural import policy and inform others of our monitoring and surveillance efforts here in the United States, and protect and expand the $53 billion annual agricultural export market, among other things. We are also addressing HPAI threats in other countries by requesting additional funding to provide technical assistance to develop knowledge and experience in surveillance and control techniques,

which will help prevent the spread of HPAI to the United States. On the domestic side, our efforts include enhancements to both animal and plant health surveillance systems and diagnostic capabilities; the ability to track animal and plant pathogens and toxins identified as Select Agents; the build up of our animal disease vaccine bank; the ability to address wildlife disease threats to livestock health; an investment to substantially reduce emergency fund transfers for a variety of plant pest and disease programs; and continuing enhancements to our Biotechnology Regulatory Services program. Our goal is to reduce economic damage that pests and diseases can cause to American agriculture. As such, APHIS is in the process of developing a new performance measure that will allow us to assess the value of the pest and disease damage that our programs are preventing or mitigating, and we will utilize this information to help determine future funding requests. We will begin applying this measure to all of our programs.

The following paragraphs detail some of the funding increases and associated accomplishments expected under the FY 2007 budget request:

Pest and Disease Exclusion

- An increase of $6.4 million for the Foreign Animal Disease/Foot-and-Mouth Disease program and $4.7 million under Pest Detection to expand the program's formal collection of international health information, which will allow APHIS to conduct risk assessments and regulate imports more effectively as well as provide an overall picture of global animal health trends.

- An increase of $13.85 million for the Fruit Fly Exclusion and Detection program to strengthen the Moscamed (Mediterranean fruit fly) program along the Mexico-Guatemala border to prevent the northward spread of the Medfly into Central Mexico thereby reducing the threat to the United States.

- An increase of $4.68 million for the Trade Issues Resolution and Management program to increase work on Free Trade Agreements, and expand and retain markets to provide new market access and facilitate trade worth $2.4 billion in FY 2007.

Animal and Plant Monitoring and Surveillance

- An increase of $8.5 million for the Animal Health Monitoring and Surveillance program to enhance the current disease monitoring and surveillance system by increasing and integrating its infrastructure to better protect the nation's animals from emerging and foreign animal disease. The FY 2007 request also includes continued funding for the maintenance of monitoring and surveillance of BSE (approximately $17 million for 40,000 samples) and continued implementation of the National Animal Identification System (approximately $33 million).

- An increase of $1.2 million for the Animal and Plant Health Regulatory Enforcement to provide additional support to APHIS programs by conducting investigations of alleged violations of Federal laws and regulations under the Agency's jurisdiction.

- An increase of $9.1 million for Emergency Management Systems to improve readiness at the Federal, State, Tribal, and local levels to respond to disease incursions or acts of bioterrorism, and respond effectively and efficiently to all hazardous animal health

incidents. We will also stockpile sufficient levels of supplies, vaccines, materials, and equipment needed to respond to an outbreak of 50 percent of the most damaging disease agents, or four of the eight most damaging and highly contagious foreign animal diseases.

- An increase of $57 million for the new HPAI program to continue the development of the Agency's new HPAI surveillance and preparedness program through efforts with international capacity building ($5.01 million) and domestic surveillance and preparedness ($51.72 million).

- An increase of $15.4 million for Pest Detection activities to enhance early detection efforts through an increase in the number and intensity of surveys conducted throughout the United States for high-risk plant pests; enhance emergency response capabilities; and develop molecular diagnostic tools for high-risk pests.

- An increase of $1.8 million for the Select Agents program to register facilities desiring to handle select agents, and enhance current physical security requirements to expand the barcode inventory tracking system.

- Approximately $2 million for the new Wildlife Disease Monitoring and Surveillance program to establish methods for surveillance data collection in wildlife populations and investigate the prevalence of specific diseases that may move from wildlife to domestic livestock or poultry populations.

Pest and Disease Management

- A $16 million shift in funding from Boll Weevil and Pink Bollworm programs to establish a new program, Cotton Pests, to improve technical efficiency by formally merging resources to simplify administration of both programs and help move toward the goal of eradication of both pests.

- An increase of approximately $27 million for Emerging Plant Pests to enhance survey and tree removal to control emerald ash borer ($21 million); continue conducting surveys for various citrus pests and diseases in Florida ($2 million); conduct additional inspections in nurseries to determine extent of *P. remora* (Sudden Oak Death) in California, Oregon, and Washington State ($3.45 million); and continue containment activities for Karnal bunt ($1.25 million).

- An increase of approximately $10 million for Invasive Species to establish a new competitive grant program to the private sector to apply innovative and cost-effective methods for responding to and controlling invasive species.

- An increase of approximately $3 million for the Low Pathogenic Avian Influenza (LPAI) program to continue addressing LPAI on a national level in live bird markets and commercial industries, and develop and oversee production of AI test reagents to be distributed to State and industry laboratories approved to participate in the LPAI program.

- An increase of $3 million for the Wildlife Services Operations Airport Safety program to enhance human safety by reducing wildlife strikes to aircraft.

- An increase of $1.75 million for rabies control under the Wildlife Services Operations program to maintain the oral rabies vaccination barrier to prevent the spread of this disease.

- An increase of $5 million for Homeland Security and Food and Agriculture Defense to enhance wildlife disease surveillance.

Animal Care

- An increase of almost $1.5 million for the Animal Welfare program to enhance current program operations through the application of the new regulation to inspect facilities that contain mice, rats, and birds not involved in research. We will continue to use a risk-based inspection system to concentrate activities on facilities where animal welfare concerns are greatest, while also developing strategies for effective outreach and education programs to develop expertise and promote voluntary compliance.

Scie*ntific and Technical Services*

- An increase of $3.3 million for the Biotechnology Regulatory Services program to enhance our infrastructure for a transgenic program by conducting additional risk assessments; preparing environmental assessments; advising on policies related to animal and disease agent biotechnology; developing and implementing regulations and guidelines regarding transgenic animals and disease agents; and providing leadership to advance the Agency's use of biotechnology oversight to protect and enhance American agriculture. We will also strengthen regulatory validation activities by developing scientific personnel exchange programs with academia and industry; conducting peer

reviews for significant scientific components of biotechnology policies and regulations; and conducting quantitative analyses and studies to support regulatory decisions.

- An increase of $1 million for Plant Methods Development Laboratories to establish a new National Crop Biosecurity Center to coordinate technical and scientific needs for detecting and responding to high-consequence plant pests and diseases. We also will assess current and emerging threats and develop a laboratory accreditation program to certify State and university laboratories to conduct tests for high-risk diseases that have the potential to generate large volumes of samples and overburden the current testing capacity.

- An increase of $3.5 million for Veterinary Biologics to reduce the time it takes to review and test new veterinary biologics products entering the market. We also will address containment requirements to meet the required standards for the use of select agents and toxins maintained by the Center for Veterinary Biologics. In addition, we plan to expand activities in pharmacovigilance (the post-marketing monitoring of adverse events associated with the use of licensed veterinary biological products) with the implementation of a standard data system for sharing resources, data collection methods, and review processes for adverse events reporting with the Food and Drug Administration.

- An increase of approximately $5.5 million for Veterinary Diagnostics to expand diagnostics capability to include additional foreign animal diseases; expand the National Animal Health Laboratory Network to address significant biological and chemical threats

to animal agriculture and our national food supply; address security requirements and meet standards related to Select Agents; and achieve NVSL lab accreditation.

- A $3.2 million shift in funding within Wildlife Disease Methods Development to dedicate funding to conduct avian influenza methods development research to improve environmental sample diagnostics, and characterize and evaluate the risk that feral swine pose in the generation and maintenance of avian influenza subtypes of domestic animal and human health concern.

Decreases

To support our high priority programs while continuing to meet the goal of reducing the Federal deficit, we propose several offsetting decreases. Within our Pest and Disease Exclusion activities, we propose a reduction of $2 million for the Hawaii Interline program within the appropriated Agricultural Inspection Quarantine line item, which we expect to conduct in the future via a reimbursable agreement with the State of Hawaii; a reduction in Cattle Fever Tick activities to the FY 2005 level because we do not anticipate outbreaks occurring outside of the quarantine zone nor an increase in incursions into the quarantine zone; and, a reduction of $1.2 million in the Import/Export program to dedicate resources to higher priority activities.

Within our Animal and Plant Monitoring and Surveillance activities, we propose a $2.3 million shift in funding within the Animal Health Monitoring and Surveillance program and an $830,000

shift in funding within the Pest Detection program to dedicate resources to higher priority activities.

Within our Pest and Disease Management activities, we propose a reduction of $25.9 million for Boll Weevil program activities due to the program's success in eradicating boll weevil, and other reductions ($1.5 million for Brucellosis; $3.3 million for Chronic Wasting disease; $1.14 million for Grasshopper; $9.9 million for Johne's; $1.92 million for Pink Bollworm; and $763,000 for Noxious Weeds) to dedicate resources to higher priority activities.

Also, in FY 2007, we are re-proposing new user fees for the Animal Welfare program, which would generate $8.22 million.

Finally, within our Scientific and Technical Services activities, we propose a shift of $371,000 in our Veterinary Diagnostics program and a $3.2 million shift in our Wildlife Disease Methods Development program to dedicate resources to higher priority activities.

Conclusion

APHIS' mission of safeguarding United States agriculture is becoming ever more critical. Although the processes by which we protect America's healthy and diverse food supply are being increasingly challenged by increased trade and tourism, APHIS is committed to taking the

lead in building and maintaining a world-class system of pest and disease exclusion, surveillance, detection, diagnosis, and response. Healthy plants and livestock increase our market potential internationally, and thus contribute to a healthy U. S. economy. The APHIS budget consists of interdependent components that, when combined, truly protect the health and value of American agriculture and natural resources.

On behalf of APHIS, I appreciate all of your past support and look forward to continued, positive working relationships in the future. We are prepared to answer any questions you may have.