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Remarks

**Remarks as Prepared for Acting Associate Administrator Michael Gregoire
National Association of State Departments of Agriculture (NASDA)
Animal and Plant Industries Committee Meeting**

ASHEVILLE, NC, Sept. 11, 2013— Good morning. First, I would like to thank NASDA President and North Carolina Commissioner of Agriculture Steve Troxler for the opportunity to visit with my State colleagues here in Asheville.

Also with me today is Osama El-Lissy, who recently took over for Rebecca Bech as Deputy Administrator of our Plant Protection and Quarantine (PPQ) program. Osama has made great contributions to the Agency; I know he is looking forward to working with each of you in this new capacity, and continuing to build the strong partnerships Rebecca has enjoyed while leading PPQ.

And I am extremely pleased that Kevin Shea was recently named APHIS' new Administrator.

Many of you are already know Kevin and you know that he is man who can tell a good story but doesn't spend much time dancing around the point. Following that example, I think I will wade right into the budget and some of the issues that affect many of your States.

Moving Forward—Confident in Partnerships

For the last several years we have all been talking about budget realities and the multitude of “what if” scenarios.

It is now obvious, and for some painfully so, that those realities have affected us all. We have cut back where we can and made a number of other difficult decisions.

We have spoken at past NASDA meetings about the importance of trying to anticipate what might be coming our way and preparing for it. We have done our best to be proactive, and I think that has served us well.

We have also tried to keep you—our partners—in the loop. As we've weathered the recent budget cuts, we've discussed with you the steps we were taking—from staff reductions through attrition to the restructuring of programs, and discussed some of the future actions we were considering.

Before I close, I will give you a brief update on some of our progress, but first I would like to tell you why we are confident that we can achieve our core mission while dealing with budget realities:

We remain optimistic because APHIS has a corps of dedicated employees who believe in our important mission of ensuring healthy and profitable American agriculture.

We are guided by the belief that, as Kevin has said, Government's role is to do collectively what no one of us can do for ourselves.

And we are confident because of our strong partnerships.

As we have become focused more on working with you to solve problems, while also soliciting involvement from other stakeholders, we have seen tangible results—from our partnerships to eradicate the European grapevine moth to addressing emerging concerns such as the threat posed by feral swine.

I know many of you are affected by the growing feral swine population, thought to cause about \$1.5 billion annually in damage and management costs throughout the United States. It is such a problem that even in this budget climate the Administration proposed to spend \$20 million in fiscal year (FY) 2014 to kick off a nationwide program.

We have every reason to believe that joint efforts between Federal, State, Tribal, and private partners will be successful in this arena, just as they have been in others. A demonstration project in New Mexico is underway and is going very well, thanks to the efforts of our partners in the New Mexico Department of Agriculture and other stakeholders.

APHIS Budget – 2014

From the example I just gave, you can see that the budget news is not all bad. But obviously, the news is not all good either.

The Appropriations Act gave APHIS about \$761 million for FY 2013. That is \$148 million—almost 17 percent—less than 3 years ago. Taking the last three years together, we received over a quarter of a billion dollars less than we would have had our appropriation just remained flat.

However, the Fiscal Year 2014 President's Budget would restore our funding to just over \$800 million or nearly \$40 million more than we have this year.

In Congressional committees, the markup of our budget looks promising. Although it is not final, and hasn't been put to a vote, both the House and Senate seem to be trending toward funding amounts similar to the President's Budget. We must keep in mind, however, that there is a possibility of continuing sequestration that would override these allocations.

Even if we are granted a budget increase, we have learned that we cannot be all things to all people. We must continue to prioritize our activities and make changes responsibly.

This includes making sure that the decisions we make are supported by high quality, hard analysis. Kevin has charged his leadership team to set clear, measureable objectives, and monitor and measure progress toward those objectives, so we can make adjustments to our course as needed to achieve our goals.

Our priorities and goals are still ambitious, largely due to our confidence in our employees and our strong partnerships.

APHIS Priorities

Kevin has recently asked us to focus on 10 specific goals we can achieve on behalf of American agriculture:

- Complete our more-than 30-year effort to eradicate boll weevil from the United States;
- Complete our more recent but no-less-impressive effort to eradicate the European grapevine moth from California;
- Establish a fully functioning and effective national feral swine control program;
- Reduce by at least half the number of detections of the cruel and inhumane practice of horse soring in the Tennessee walking horse industry;
- Fully implement a functioning animal disease traceability program that proves its traceback value in the event of a disease detection;
- Ensure that the sterile screwworm rearing facility in Panama is operating well and providing complete assurance that we will maintain the barrier established at the Darien Gap;
- Fulfill the promise of our business process improvements for veterinary biologics and biotechnology and meet or exceed the goals we set to safely move important new technology to market faster;
- Prevent citrus greening disease from causing damage in California;
- Implement an effective, multinational system to reduce the threat of tree pests arriving from Asia and other parts of the world; and
- Eliminate all remaining BSE barriers to export markets.

To achieve those goals under current conditions, we can't get bigger and stronger. Instead, we need to be faster and more agile to meet the needs of our stakeholders.

We need to constantly strive to improve and deliver our services in a way that is cheaper, faster, and more effective for American agriculture, farmers and ranchers, taxpayers, and all those we serve.

Non-Regulatory Solutions

We are working toward a new strategic plan that will guide these changes for the future. But there are some things we can do right now.

For one thing, we can start by reducing the need for new regulations when only minor changes are required.

Identifying more non-regulatory solutions is a critical area of focus for APHIS.

We all know that the rulemaking process is time consuming, and regulations can be inflexible tools when it comes to addressing immediate or evolving needs. It can be a frustrating process for you and for us, but especially for industry and the other stakeholders that rely on all of us.

Also, it is extraordinarily difficult to gain approval for new regulations today, and that isn't likely to change soon.

APHIS will continue to have a regulatory role but that won't be the only—or in some cases even the primary—way we contribute to animal and plant health and animal welfare.

The reality is these new approaches are likely to allow greater flexibility for both APHIS and industry.

As an example of some alternatives, we can:

- Move detailed lists—such as those for regional disease classifications, authorized treatments, and prohibited commodities—from the Code of Federal Regulations to our Web site where we can quickly and easily make updates.
- Leave some process details—such as for surveys, trapping, and sampling—to be worked out between agencies rather than specifying all of them in regulations. This will allow more flexibility in carrying out the provisions specified in rulemaking.

We have already started that process with a proposed rule to restructure our Plant Protection and Quarantine Q37 regulations. The comment period on that rule closed recently and we are working to get a final rule published as soon as possible.

Better Serving Our Customers

We also need to enhance how we use technology to better serve our customers.

We have received a lot of feedback about this issue from stakeholders. We want our customers to be able to quickly and easily find the information they need on our web site, or apply for a license or permit.

Some of our other business process improvements have already taken effect, and we are seeing the benefit of those efforts now.

For example, in FY 2012, our Biotechnology Regulatory Service implemented changes to its petition review process to reduce the average time required from 3 years to about 13 to 16 months.

The changes include establishing specific timelines for each step, using new management and tracking tools, and getting the public involved earlier to identify risks and controversial issues.

APHIS and biotech developers are already seeing progress.

We had a backlog of 23 petitions when we announced the process changes and expect that to be down to 12 or 13 by the end of this year.

The initial review to determine if a petition is complete used to take approximately a year and involved significant back-and-forth between APHIS and the petitioner.

Under the revised process, APHIS' target was to complete these initial reviews in less than 90 days, but the Agency has actually surpassed its goal and is completing the reviews in about 65 days.

APHIS has also shortened the process for completing plant pest risk assessments. In the past, this step took an average of 5 to 6 months—now the review takes about 70 days. That is real progress—made without compromising our careful, science-based process.

Current Topics

Many of you requested updates on other specific topics and I'll briefly address as many of those as I can here in my remaining time. Osama will be talking in greater detail about Farm Bill 10201 funding in a few minutes.

Currently, one of the Agency's highest priorities is to minimize trade impacts as we continue to investigate how volunteer plants of genetically engineered (GE) wheat ended up in an Oregon field. We have dedicated a great deal of effort to a thorough investigation but also an equal effort to assuring our trading partners that U.S. wheat is safe to eat.

We were aware that the timing of this issue was less than ideal for wheat farmers, with the harvest coming on the heels of finding the volunteers.

USDA has taken this situation very seriously and brought resources to bear from across the Department to determine the extent of the problem, how it occurred and to maintain market access for U.S. wheat.

Secretary Vilsack personally devoted his time and energy to this issue and at least 6 different USDA agencies contributed considerable resources to the effort.

I know that the extensive Federal, State and industry efforts have kept trade repercussions to a minimum.

Though initial reactions in major markets—such as Japan, Korea, Taiwan, and the Philippines—were mixed, all markets are currently accepting U.S. wheat.

In fact, Japan reopened its markets to imports of wheat from Oregon only two months after the wheat volunteers were reported.

On the topic of GE organisms, you many know that APHIS, in May, announced its intent to prepare two separate environmental impact statements (EISs) to inform decision-making regarding the regulatory status of new GE corn, soybean, and cotton plants resistant to the herbicides known as 2,4-D and Dicamba.

We don't prepare an EIS for every regulatory decision we make. But, with these new products, we believe the EISs are required to conform to the National Environmental Policy Act. Preparing the EIS's will help us better understand and evaluate the potential environmental impacts before we make a final determination regarding the products' regulatory status.

Moving from the plant world to animals, on our list of priorities, I mentioned Animal Disease Traceability.

USDA's final rule establishing general regulations for improving the traceability of U.S. livestock moving interstate went into effect in March.

Under the rule, livestock moved interstate must be officially identified and accompanied by an interstate certificate of veterinary inspection or other documentation, such as owner-shipper statements or brand certificates, unless specifically exempted. The rule accepts the use of brands, tattoos, and brand registration as official identification in certain situations, and maintains the use of backtags as an alternative to official eartags for cattle and bison moved directly to slaughter.

Beef cattle under 18 months of age, unless they are moved interstate for shows, exhibitions, rodeos, or recreational events, are exempt from the official identification

requirement in the rule. Specific traceability requirements for this group will be addressed in separate rulemaking, but we look forward to working with industry to accomplish that goal.

As some of you who are familiar with traceability know, this rule has been a long time in the making. I am pleased that we finally have something that the majority of the industry feels is fair and inclusive; stakeholders have widespread support for; and, above all, will provide a huge boost to the safety and marketability of U.S. agriculture.

Over in our Wildlife Services program, we have seen funding decreases in some areas and increases in others. Where cuts are severe, and we have to reduce service, we are maintaining our availability to provide technical assistance, or direct action on a reimbursable basis.

As I mentioned earlier, the President's budget calls for \$20 million to deal with the growing problem of feral swine and, so far, that is surviving the Congressional budgets. If there are other topics for which you would like updates, I hope you will not hesitate to ask today or to talk with your APHIS contacts after these meetings are over.

Conclusion

I know we all have a lot on our plates right now. But I truly believe that if we continue to strengthen our partnerships, contributing where each is able, we can better achieve our goals – both individually and collectively.

Recent budgetary constraints have only reinforced what we at APHIS have always known—that strong partnerships are essential to keeping American agriculture healthy and profitable. I am proud of the work we are all doing. And I know that as we continue our collaboration, we will maximize our resources—and our resourcefulness—by working together.

Thank you again for the opportunity to speak with you. I also look forward to some individual discussions today.

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