

REPORT OF THE COMMITTEE ON GOVERNMENT RELATIONS

Chair: Stephen K. Crawford, NH

Bill Barton, ID; Kristin Haas, VT; Steven L. Halstead, MI; Christine N. Hoang, IL; Keith Roehr, CO; Bruce King, UT; David T. Marshall, NC; David Meeker, VA; Dustin Oedekoven, SD; David Schmitt, IA; Brian T. Smith, DC; James Watson, MS; Annette Whiteford, CA.

USAHA Attendees: Tammy Beckham, TX; Stephen K. Crawford, NH; Dave Fly, NM; Steven L. Halstead, MI; Julie Helm, SC; Paul Gibbs, FL; Mike Gilsdorf, DC; Gail Golab, IL; Heather Hirst, DE; Christine N. Hoang, IL; Guy Hohenhaus, MD; Bruce King, UT; Jim Logan, WY; David T. Marshall, NC; David Meeker, VA; John Ragan, MD; David Schmitt, IA; Brian T. Smith, DC; Scott Stuart, CO.

AAVLD Attendees: John Adaska, CA; Bruce Akey, NY; Catherine Barr, TX; Tim Bazsler, WA; Craig Carter, KY; Thomas McKenna, WI; Barbara Powers, CO; David Zeman, SD.

The Committee met on Tuesday, March 13, 2012 at the American Veterinary Medical Association Government Relations Division office in Washington, D.C. There were 29 members and representatives in attendance at this year's meeting. The Committee met with several organizations and agencies over the following two days.

American Veterinary Medical Association (AVMA)

Ron DeHaven, Mark Lutschaunig, Gina Luke, Whitney Miller, Ashley Morgan

Dr. DeHaven provided an update by video teleconference. He discussed the AVMA new strategic plan developed in June 2011, key aspects include: Economics of profession incl. practice profitability and mentoring for new practitioners; Animal welfare; Research funding; and new means of communication with members/member engagement.

He then covered AVMA/ Association of American Veterinary Medical Colleges (AAVMC) collaboration on specific areas including workforce study to address true shortages of veterinarians, student debt, and employer expectations for new graduates.

DeHaven noted that a revised and improved Veterinary Practice Act draft has been circulated for comment.

He discussed two important legislation topics of interest. The first is H.R.1406, which will require written prescriptions for medication from small animal clinicians, even if dispensed from own clinic. AVMA does not support this and is advocating against passage. The second is H.R.3798, the Egg Products Inspection Act amendments, particularly of note the standards for poultry houses, of which AVMA supports this legislation as it is consistent with AVMA policy for laying hens.

DeHaven concluded with two Task force initiatives that have been established on the AVMA administrative structure and the AVMA role in accreditation of foreign colleges of veterinary medicine.

AVMA staff continued with more detailed legislative updates. Dr. Morgan discussed Preservation of Antibiotics for Medical Treatment Act (PAMTA) and animal feed additives, waiting for draft of codified regulations from FDA.

Dr. Miller covered H.R.3704, which requires immediate euthanasia of downer animals at slaughter facilities. AVMA is currently not supportive because the bill does not allow resting of fatigued swine. She also discussed H.R. 3798 egg products inspection act in further detail. AVMA is not actively advocating but do support the bill. DeHaven added there are concerns in the industry about equivalency requirements related to international trade. The Committee further discussed the economic impacts, enforcement and specificity of rules if the bill becomes law.

Ms. Luke updated the group on the Veterinary Medical Loan Repayment Act. This is the top appropriations priority for AVMA this year. They will be advocating to make the program tax-exempt which would allow an estimated 40 percent more money available for participants

AVMA GRD staff anticipates it may be December before a budget is passed in Congress this year. Regarding the Farm Bill, the timeline is unsure at this time. They anticipate that a draft has been established in broad strokes, and will include Veterinary Medicine Loan Repayment Program (VMLRP), but National Animal Health Laboratory Network (NAHLN) funding is still in question.

Association of American Veterinary Medical Colleges (AAVMC)

Mike Chaddock and Brian Smith

Dr. Chaddock highlighted the progress of the North American Veterinary Medical Education Consortium (NAVMEC). In summary it is a roadmap to look at education in veterinary medicine, developed through a process of several meetings to produce 23 recommendations. The national class size generally increases 2-2.3% per year. Current graduates are still getting jobs but there seems to be fewer job offers per graduate. Centers of Excellence are under discussion as a means for improving efficiency of clinical training, but the process is very complicated.

Mr. Brian Smith updated the Committee on AAVMC's legislative positions, many of which are parallel to those of the AVMA. He provided a packet of information regarding details of their priorities.

Animal Ag Coalition (AAC)

Dudley Hoskins, Chair; Gina Luke, Vice-Chair

The Committee discussed several funding and legislative issues with the AAC. They are beginning the process to address Farm Bill priorities, and anticipate an uphill battle to include NAHLN as part of the Bill. The request for \$30 million will provide challenges. It is anticipated that passage of the Farm Bill may not happen this year. Without passage or extension, the programs could revert to 1948 levels, which could be a disaster. It was noted that any new mandatory funding requests must have an offset within the budget.

The Committee discussed animal welfare issues. AAC has historically been silent on welfare related issues, and has no position on H.R. 3798. The Committee also discussed the Horse Protection Act and related needs for that program.

Funding for equine related disease programs was discussed, with relative support for increasing funding for the FY2013 Budget. There are a number of foreign animal disease investigations related to horses each year.

Animal Disease Traceability (ADT) was the next topic. AAC supports funding at the President's request of \$14 million. Members of AAC support at varying levels for implementation of the program.

AAC members were encouraged to stay through other parts of the meeting as well, and adjourned this portion of the meeting.

USDA-Agriculture Research Service (ARS)

Caird Rexroad, Cyril Gay and Eileen Thacker

The Committee next met with representative from ARS. Dr. Rexroad provided a budget overview for the current year, and the President's proposed FY 2013 budget. In FY 2012, ARS has a budget of \$1,094,647,000, which was a \$38M reduction from FY 2011. In response to budget reduction closed 12 laboratories and 238 positions cut, but none in animal health.

In the proposed FY 2013 budget, ARS would receive an increase to \$1,102,565,000 (approximately 1%). Rexroad noted that this is the first upturn in budget to ARS in many years. He explained how increased funding would be applied for a total of \$72.7M for program initiatives including: environmental stewardship (\$35.9M), crop breeding and protection (\$19M), animal breeding and protection (\$8.1M), food safety (\$5.3M), human nutrition (\$2.9M), the national agriculture library (\$1.5M), repair and maintenance \$3M, and FY 2013 pay increases (\$2.7M). The proposed budget also includes the following decreases as follows: termination of extramural research \$20M; FY 2013 proposed redirections (\$50.4M); proposed laboratory/location consolidations (\$16.9M) such as the Michigan State University Avian Diseases Laboratory to Athens, Georgia; and proposed reallocations of ongoing research (\$33.4).

The Committee discussed several additional issues with ARS staff.

Regarding ARS efforts in antibiotic use and resistance research, ARS is not addressing directly, but do work collaboratively on food safety issues that are related. Dr. Gay indicated they are working with the World Organization for Animal Health (OIE) for a Symposium on "Alternatives to Antibiotics (ATA): Challenges and solutions in animal production", scheduled for September 2012 in Paris, France. They are currently soliciting papers for this, and are interested in seeking out new technologies for treating bacterial diseases. Dr. Thacker added that there is interest in other alternatives like vaccines and immunity to parasites. ARS' role is not to assess already approved antibiotics. They are investigating a metagenomics tool for investigating gut flora and how that changes with antibiotics, how resistance is transmitted and naturally occurring peptides with antimicrobial activities. Dr. Gay added that many countries are already restricting antibiotic use so the issue may affect international trade.

ARS discussed the Brucellosis recommendation from the Laramie Agenda in Wyoming in 2005, which was continued research in brucellosis diagnostics and vaccines. ARS has not made much progress since 2005 because of lack of funding and limitations with *B. abortus* as a select agent.

Gay provided comment regarding decreased funding allocated to USDA-ARS. ARS continues to do much of its research by leveraging funds by forming unique partnerships for research such as domestic and international partnership with other federal and university laboratories. Two examples are:

- Plum Island research funds (60%) leveraged through international partnerships
- African Swine Fever (ASF): ARS no longer doing ASF research when Department of Homeland Security (DHS) took over Foreign Animal Disease Diagnostic Laboratory (FADDL). Formed international partnership to increase resources for ASF research.

The Committee asked if there is ongoing research for *Salmonella enteritidis* vaccines, with the response that there is not much currently underway, due to food safety not being a primary directive of ARS.

ARS addressed a question on Schmallenburg virus research. ARS does not have any research currently, nor for new and emerging pathogens. This is a matter of funding not being authorized for this type of work. Research could be done at Arthropod-Borne Animal Diseases Research Unit in Kansas which investigates Bluetongue and Rift Valley Fever. Additionally there are two cases of Cache Valley Fever in Wyoming could be emerging disease like Schmallenburg virus. ARS realizes the problem of expertise in vector-borne diseases but no active solutions to problem exist. Also could be solved with Arthropod-Borne Animal Diseases Research Unit in Kansas which investigates Bluetongue and Rift Valley Fever.

Food and Drug Administration (FDA), Center for Veterinary Medicine (CVM)

Bernadette Dunham, Bill Flynn

The Committee next met with FDA-CVM representatives, sharing positive comments on successful programs. Veterinary Laboratory Response Network (VetLRN) Program has \$5.1 million in current funding. Dr. Dunham is thankful for support in continuing to grow the program. They will try to extend interactions at meeting opportunities.

It was noted that the proficiency test portion of the program is very helpful. There is concern with future programs based on competitive grants, which can have high percentages (up to 55%) of overhead taken by universities. Dunham appreciates feedback, and the program will continue to be dynamic and based on input from laboratories.

Salmonella enteritidis rule (2010 Resolution 45) falls under Center for Food Safety and Applied Nutrition (CFSAN) jurisdiction. Dunham will find proper contact for follow-up by USAHA.

National Organics Program has potential conflict with SE rule, in regards to soil and sunlight access standards. There is concern over review of the rule, which is typically done to ensure that no conflicts exist. Egg producers in organic markets need an answer.

Pet Food Reporting Network (PetNet) has been working well, according to Dunham. Strong effort to improve awareness, communication and reporting for pet health issues, including feed portal. The program was developed after the melamine incident. CVM is looking at a current situation in dog illness, with possible link to product from China. CVM is working with both domestic and Chinese resources to determine the source.

CVM is conducting a blind study regarding antibiotics testing in milk. The study is initiated at the laboratory level, with assurance in the data collection that a farm source is not identifiable. The target is to collect 1,800 samples, including 900 coming from a targeted list of meat residue violators to determine if a correlation exists. There are no current plans for how the report will be publicly released, which will be dependent on results and interpretation of findings.

Dunham discussed impacts of the Food Safety Modernization Act (FSMA). There are separate rules for preventative control of food and animal feeds. There are four rules forthcoming for public comment, and it is anticipated the document will be extensive. FDA will be looking at a federal and state cooperative effort to enable the food safety system. They are also underway with an international assessment to look at equivalence. User fees are intended to be implemented to fund the program. CVM has no new funding in the proposed budget, so any increases will be made through user-fees for many programs.

CVM will be moving to risk-based inspection schedules and establishing a reportable food registry. There is concern that just inspections may not provide the best results for food safety. Training and education will be a big part of FSMA.

One Health in relation to education and recruitment at FDA was discussed. As students look at careers in one health fields, veterinary students are well positioned for a variety of positions that may not necessarily have DVM requirements. Limited opportunities exist at FDA due to the current economic conditions.

The BSE Feed rule has gone well, though it has presented challenges with industry in rendering. Dr. David Meeker, National Renderers Association, indicated many have continued dead stock pickup; others have eliminated that as part of their businesses.

Regarding the draft 209 Guidance, the focus is on medically important human antibiotics, with the objective to phase out production uses and transition to veterinary oversight for those that are currently over-the-counter. The Veterinary Feed Directive becomes an important tool, and FDA has gathered input from stakeholders on this issue to help to streamline the system into a workable program. The goal is to proceed with the rulemaking process to get improvements in place. Electronic capabilities are also an important part of the streamlining.

Guidance 213 is the roadmap for changing pharmaceutical labels into compliance and maintaining availability for therapeutic use. Long-term implementation is likely to address various issues in different sectors.

Dunham addressed a question on roxarsone, with the intention to phase out use. Concerns exist with impacts on poultry production. Alternatives are an important effort to consider, though options are currently very limited.

The future of the National Antimicrobial Resistance Monitoring System (NARMS) was discussed. FDA is continuing the program, including trend analysis, documentation on antimicrobials and overall use. Stakeholders want to continue this program, thus having strong support. Anonymity continues to be a key issue, with challenges of needing to have comprehensive information.

Department of Homeland Security, Office of Health Affairs

Doug Meckes, Jamie Johnson, Stic Harris, Jasmine Ausawis

Mr. Johnson provided an update on the National Bio and Agri Defense Facility (NBAF). Site preparation is underway in Manhattan, Kansas. The design is 70% complete. Congress has mandated an additional risk assessment, which includes that site must be hardened for natural disasters; such as withstanding 228 MPH winds and more redundancy for filtration/rendering. The National Academy of Science is evaluating the new risk assessment, will report in June, 2012. The transition from Plum Island will have a 3-4 year overlap.

Johnson addressed the NBAF budget situation, with the following key points:

- President's budget calls for zero budget
- New design for risk reduction adds \$400M to the price tag
- Total project is not at \$1.1B
- FY2013 – Congress has not appropriated any funding for construction at this time
- One option is designing a smaller NBAF to reduce costs
- Alternate plan – stay at Plum Island - ~\$500M to upgrade, costs \$40M to operate currently

- Secretary of Agriculture visited Plum Island, and is very supportive of the project
- Delays causing \$40-70M increase in construction budget annually

Estimated completion is now 2021, and DHS is exploring a possible interim agreement with the Winnipeg and Australian laboratories.

Dr. Meckes provided a general overview of the DHS budget. Grant funding is still prioritized for police, fire, emergency services. Very little funding is projected for veterinary issues. The Federal Emergency Management Agency (FEMA) web site has the DHS Vision Document available for reference on priorities. In general, the food and agriculture sector gets less than 1% of DHS grants. At the state level, state DHS administrators will decide about distribution of funds/grants. Office of Health Affairs (OHA) is now working with FEMA to consider all animals in the model—laboratories, zoos, livestock. Training dollars for animal health responders lost (approximately \$300,000), courses at University of California, Davis, Louisiana State University, and University of Tennessee now not funded. The National Biosurveillance Integration Center (NBIC) is now being used to study the emergence of new diseases. For example, the Schmallenberg Virus caused a White House security alert in February.

Meckes noted National Animal Health Laboratory Network (NAHLN) falls under the Integrated Consortium of Laboratory Networks (ICLN), to which the Committee posed the question as to how could NAHLN be incorporated into the National Biosurveillance Integration Center (NBIC).

The Committee adjourned for the day following the meeting with DHS. Meetings resumed on Wednesday morning at the South Agriculture Building.

Center for Public and Corporate Veterinary Medicine

Valerie Ragan

Dr. Ragan expressed her thanks to USAHA and AAVLD for supporting the program for student travel awards to the annual meeting. The students are very appreciative of the opportunity to attend the USAHA/AAVLD Annual Meeting. USAHA and AAVLD reviewed their support for this program, intending to continue for the coming year. USAHA will continue support of a part-time student staff, and AAVLD will provide scholarship funding.

Dr. Ragan provided an overview of a survey taken among students that participated in the travel program. Highlights include:

- Survey of attending students (12) indicated highly positive responses, funded or not.
 - Represented six different schools
 - Enthusiastic about the vet student luncheon and member interactions
 - Only complaint: they only have the weekend to spend – not enough face time/participation
 - One suggested decreasing award amount to \$300 to increase the number of potential awardees
 - Some pursued other meeting support independently (e.g., grant from Hill's) – were unaware of the travel award program
- All agreed that the travel award program to the AAVLD/USAHA annual meeting should be promoted at all 28 veterinary schools this year.
 - Greensboro location will allow ground travel - decreased cost/travel time
 - Encourage student participation in regional meetings

The Requirements for student award application have gone out, and selection criteria are being established. Criteria include a review of presentation, statement of gain from meeting, interest in public practice. Three individuals will review applications/select awardees. The Award amount will remain \$500 for this year, and may be increased if presenting. The AAVLD Executive Committee voted to provide up to \$6000 for travel scholarships.

Ragan indicated that Center for Public and Corporate Veterinary Medicine (CPCVM) will sponsor a career transition workshop. This workshop will assist veterinarians leaving private practice to explore options in public service. It will be held September 14-15, 2012; with a fee increasing from \$175 to \$225. CPCVM will also host a free workshop at AVMA. The workshop is intended to provide the following benefits/services:

- Self-evaluation tools for skills, qualifications, goals and interests
- Possible resume and placement assistance, participant blog, interest interviews
- Participants typically in practice 2-5 years or over 25 years
- Includes introduction to USAHA and AAVLD web sites
- CPCVM will share curriculum with USAHA and AAVLD.
- USAHA and AAVLD member involvement would be welcomed.
- Workshop could increase interest membership in USAHA and AAVLD.

The Committee discussed the following action items:

- Quick turn-around time – before students leave for summer:
 - USAHA/AAVLD: Create and recruit USAHA/AAVLD liaisons for each veterinary college – selected travel award recipients
 - USAHA: Cross-reference USAHA members with employers/faculty; contact for agreement and designate a USAHA liaison; also a liaison from each state without a school or diagnostic laboratory
 - AAVLD: Contact and designate an AAVLD liaison from each laboratory – contact for students

- CPCVM: Develop a power point presentation for distribution to each veterinary college
- CPCVM: Establish a database including:
 - Colleges of veterinary medicine
 - Deans
 - State Veterinarians
 - Area Veterinarian in Charge (AVICs)
 - Diagnostic Laboratory Directors

USDA Food Safety and Inspection Service (FSIS)

Phil Derfler, Ken Petersen, Dan Englejohn

The Committee met with representatives of FSIS, including Phil Derfler (Deputy Administrator), Ken Peterson (Asst. Administrator for the Office of Field Operations), and Dan Englejohn (Office of Policy). The meeting began with Drs. Crawford and Marshall briefing them on our organization and the purpose of our visit. Dr. Marshall, as USAHA President, provided Mr. Derfler with handout material and invited FSIS to become an official agency member of the USAHA.

A brief discussion of the small scale poultry slaughter exemption allowed FSIS to expound on the 1,000 and 20,000 bird annual exemptions from mandatory inspection requirements for those birds being sold retail. There are only nine approved mobile slaughter facilities for any species in the country and they present their own set of problems. The inspection program for rabbits falls under the USDA's Agricultural Marketing Service (AMS) as rabbits are not an amendable species.

Dr. David Schmitt introduced a question regarding the 2008 Farm Bill and the allowance for interstate shipment of state inspected product. Peterson explained the necessity for individual plants to meet a "same as" federal definition rather than the traditional "equal to" requirements to gain this eligibility. Currently, a small number of plants in four states are investigating this option. Crawford asked about information he had heard regarding FSIS' intent to utilize third party line inspectors. Peterson confirmed that in an efficiency move, some of the routine pre-sorting quality inspection tasks would be assumed by plant employees, with FSIS inspectors providing the general oversight and final inspection as well as other pre-harvest tasks.

Dr. Dave Zeman, South Dakota State University Diagnostic Laboratory briefed the FSIS representatives on the AAVLD organization, and then inquired as to a rumor that FSIS will not recognize AAVLD accreditation and require laboratories to become ISO 17025 certified. He said this would be an unnecessary requirement and an administrative and financial burden to small laboratories such as his. Englejohn explained that the ISO requirements would only apply to product inspected under the previously mentioned "same as" program, and that FSIS had no expectations that testing be identical, only that they can depend on the results. ISO accreditation is meant to be the starting point, and there is flexibility if a laboratory can demonstrate proficiency through some other quality program oversight.

Horse slaughter was discussed, with FSIS confirming that 1) equines are amenable to the Federal Meat Inspection Act but inspection would be on a fee basis; 2) drug residues in horse meat are a concern, including flunixin; 3) future horse slaughter would have to be done in separate, designated facilities; and 4) Humane Society of the United States (HSUS) has requested that an environmental impact assessment be conducted before proceeding.

Marshall inquired as to what impact the federal budget crisis would have on states who may elect to give up their state programs due to their own budget shortfalls. Peterson stated that in the past that expense was covered with a separate supplemental appropriations request, but that source of additional funding could not be relied upon into the future.

National Institute of Food and Agriculture (NIFA)

Mark Robinson, Muquarrab Quereshe, Meryl Brousard, Gary Sherman, Robert Holland

The Committee began its discussion with review of the proposed FY2013 budget. NIFA provided five handouts for attendees related to budget and NIFA programs. Expectations are that it will continue to be tight. The President's proposed budget for NIFA is a 5% reduction, so some indications point to expectations to prepare for 10% reduction once finalized by Congress. This proposed FY2013 budget does maintain Agriculture and Food Research Initiative (AFRI) competitive grants at previous year levels. Congress is asking for budget line consolidation, such as the combination of various crop protection items (minor use, minor species, pest management, etc.) into one line of \$29 million. Programs authorized by the Farm Bill as mandatory (approximately \$151 million) need to be re-authorized by the new Farm Bill or will be lost. Many of these are crop related. There are no specific operating funds authorized for the NIFA budget, so operations come out of the various lines. This equates to about 4% of their budget. Animal Health Formula funds are zeroed out, but opportunities are still there in competitive programs. The point was made by an attendee that the 1433 Formula Funds help scientists be ready for emerging diseases. Mystery Swine Disease was used as an example.

The Committee continued with questions and discussion. There was lengthy conversation regarding the future of the NAHLN, centered on the following questions:

Could crop protection be moved out of the Food and Ag Defense line to protect NAHLN funding? NIFA responded that they would not be favoring one program over another, as per the President's proposed budget.

Is it better to ask Congress for specific objectives, such as the minor crop pest line, with the interest being protecting funding for animal diagnostics (again, toward the goal of securing and protecting NAHLN funding)? NIFA responded that such an approach would align with NIFA recommendations. NIFA can only spend/allocate funding as directed by

Congress, so efforts should be concentrated on convincing Congress of importance of specified programs such as NAHLN.

**National Animal Health Laboratory Network (NAHLN) and National Veterinary Services Laboratory (NVSL)
Beth Lautner, Sarah Tomlinson, John Picanso**

The Committee next discussed laboratory related issues with USDA-APHIS-VS. Dr. Tomlinson joined the group by teleconference.

Three comprehensive handouts were provided:

- NVSL/NAHLN update
- VS IT Diagram showing the interrelationship between EMRS, MIM, LRMS, ERSS, SCS, and COGNOS
- PowerPoint slides describing Diagnostic Development Projects

Explanation of APHIS' support for the NAHLN from 2007 to 2011: Dr. Lautner referenced the chart on the last page of the NVSL/NAHLN update handout. The numbers on this chart are "net to location", meaning that the total appropriated may be more than shown on the chart, but what is shown on the chart is what came to NVSL to support NAHLN activities. The data shows slight increases over time, with a total of \$6,671,071 in support in FY 2011, split between:

- User Fee Funding to Laboratories: \$ 3,245,375
- Direct Support to NAHLN Laboratories (includes IT): \$ 2,089,492
- Program Support: \$1,336,204

Funding for FY 2012 is expected to remain stable for NAHLN Program activities and support to NAHLN laboratories, with funding for testing dependent on current surveillance plans and policies.

Historically it has been difficult to compare funding levels for NAHLN because of the way the money was divided up among different programs in VS. Going forward, the NAHLN funding will all be in the Veterinary Diagnostics line.

NAHLN Structure Update: Lautner gave an overview of the NAHLN restructuring process. The plan is to codify the NAHLN Coordinating Council's "Current Thinking" paper into the Code of Federal Regulations (CFR) establishing the criteria required to qualify for the different levels of NAHLN responsibility and funding. The proposed rule-making will focus on performance based standards in the CFR, which are more easily modified than is a list of specific requirements.

Aquaculture Laboratories and the NAHLN: The new NAHLN structure could accommodate specialty laboratories, like aquaculture laboratories. Tomlinson is exploring including aquaculture laboratories in the NAHLN with the appropriate aquaculture players. This will be complex, because there is a mixture of commercial laboratories, federal laboratories, state laboratories, etc. The goal of including aquaculture laboratories in the NAHLN is to bring the level of standardization and rigor of the NAHLN to the aquaculture diagnostic testing community.

Laboratory Perspective on Cooperative Agreements: VS is looking to become more efficient by improving the way they distribute money to the States and the Laboratories. A task force has been formed which will evaluate possible ways to improve the process. Laboratories will be offered an opportunity to provide input. The Blanket Purchase Agreement (BPA) may be used as the model funding tool going forward.

There was a discussion about some of the possible challenges presented by changing from Cooperative Agreements (CA) to BPAs. BPAs are harder to coordinate with the State Veterinarian's office. Also there was concern that the BPA process may force AAVLD laboratories to bid against each other for Federal testing dollars. In response to the concern Lautner explained that she anticipated two broad types of testing being done, each with a different funding process.

- Large volume testing which VS would expect to offer to a few laboratories, and which would not need to be performed by every state. This type of testing would go through the bid process.
- Other testing, where State Veterinarians would want to have the testing capacity close to the State. This type of testing would utilize the BPA process.

The discussion centered around the challenges of deciding which testing would fall into which category and the importance of making Federally funded surveillance testing available to all NAHLN laboratories at a price that allowed the laboratories to at least cover their expenses (including overhead) – recognizing that expenses are different for different parts of the country.

Lautner understands the challenges and goals and is committed to working with both USAHA and AAVLD to make sure that the process is equitable.

Several other issues were addressed during the meeting:

- NVSL is evaluating the tests they offer, and how they can continue to offer needed service in the face of budget cuts. They will look at the impact of longer turn-around times for results, user fee charges, whether to offer specific tests or not, etc. They are doing the same thing for reagents.
- Review of assay development activities (PowerPoint handout covers this in detail): Two spoken about specifically were PCR to detect FMD in milk and FMD pen-side test.
- Plan to develop web-based exercises for NAHLN Laboratories and State Departments of Agriculture to be offered through the NAHLN portal.

NAHLN IT: Mr. Picanso gave an overview of current VS IT activities. It is clear that funding for VS IT needs is not high enough to meet all of the demands on Picanso and his team. There was a technical discussion about how the different aspects of VS IT activities affected the NAHLN.

Dr. Akey informed Picanso that some of the IT people from NAHLN member laboratories were going to move forward to improve the messaging capabilities among the NAHLN laboratories and the State Veterinarians outside of the Federal firewall. Picanso is committed to working with the NAHLN on this, but is constrained by short resources.

The conclusion is that the current NAHLN IT system needs to re-evaluate with an eye toward functionality.

The Committee added it would like to see more time in discussion with NAHLN and NVSL representatives in the future.

USDA, Animal and Plant Health Inspection Service (APHIS), Veterinary Services (VS)

John Clifford, Lisa Ferguson, Laura Christensen, Sharon Fischer, John Picanso
Rebecca Blue, Deputy Under-Secretary, and Greg Parham, APHIS Administrator

The meeting started with Dr. John Clifford introducing Lisa Ferguson, Laura Christensen and Sharon Fischer.

Dr. Clifford reported since 2009 there has been approximately \$32 – \$33 million reduction in their budget and \$12 million reduction in the 2013 budget. He reported there will be a slight increase in funding for Animal Disease Traceability and Aquatic Health, but reductions in Avian Health, Cattle Health, Sheep and Goat Health, Swine Health and Biologics.

With proposed funding reductions USDA will be closing 14 USDA Veterinary Service offices in the US and five International Services offices and a reduction of approximately 100 personnel. If the proposed 2013 budget is finalized, the total number reduction of USDA personnel could be as many as 200 positions. Currently, the Center for Veterinary Biologics is “bleeding” and there are 25 open positions. Dr. Clifford stated he remains committed to not having a reduction of “boots on the ground” personnel.

Ms. Rebecca Blue, Deputy Under-Secretary, and Dr. Greg Parham, APHIS Administrator joined the meeting, and the Committee addressed issues specific to APHIS and the Secretary’s level.

The effects of closing of additional offices was addressed and Parham stated that with \$54 million dollars less than last year there were no plans to close additional offices, but this could be on the table in the future.

A question to Parham was raised by Dr. Dave Fly, New Mexico State Veterinarian, about the closure of a port crossing and the impact to local producers who rely on movement of cattle to feedyards. Parham stated they tried to accommodate by keeping the port open. Clifford stated if keeping a port open required an armored escort they will not put personnel at risk and will not go in.

1. NAHLN funding was discussed. All agreed this is a critical network. Clifford stated VS could cooperate and coordinate better with [National Institute of Food and Agriculture](#) (NIFA) and USAHA/AAVLD need to critically raise the profile importance of the NAHLN with appropriate key congressional committee members.

A question raised concern about increased international movements of large numbers of cattle and the effect on VS resources. Clifford reported there are user fees and they are mostly pulling the necessary resources out of the field to do that work.

Timeline on elephant TB: Clifford stated this is going through the closing processes, and they have the intent to follow through. While this is on the radar of the Secretary, he could not give a timeline.

Secretary’s Advisory Committee on Animal Health (SACAH): Parham indicated there has been \$1.8 million to support advisory committee, but over the years most has not been used. There will continue to be funding for the SACAH, but not intended for subcommittees.

Oral rabies: There is approximately \$20 million plus for Wildlife Services (WS) for the oral rabies program. WS will continue baiting focused on targeted areas in the northeast and look at more efficacious vaccine development.

NAHLN IT structure and need to develop those systems: Clifford stated they have cut back on IT a lot. They are open to discussions to hire a developer solely devoted to NAHLN activities.

Security banner progress: Clifford reported this has been reviewed with Office of the General Counsel (OCG), and case law supported confidentiality from Freedom of Information Act (FOIA) and states would have to review this with their own attorney general offices if this is acceptable.

Brucellosis and Tuberculosis Indemnification: Dr. Jim Logan, Wyoming State Veterinarian, asked about harmonization of tuberculosis and brucellosis indemnification and development of a depopulation matrix. Clifford stated the basis for depopulation needs to be looked at scientifically and they are trying to develop a broader indemnity rule. Dr. Mike Gilsdorf reported a depopulation matrix was sent to Centers for Epidemiology and Animal Health (CEAH), and they would not support but would develop a policy. Clifford asked that the matrix sent to Lisa Ferguson for review.

Support for replacement of National Veterinary Services Laboratories (NVSL) Plum Island facility: Clifford stated they definitely support, but DHS has the lead on this.

Cooperative agreement process improvements: Clifford reported there are approximately 700 to 800 USDA cooperative agreements annually. He would like to see this reduced to about 100 per year with a separate additional cooperative agreement for animal disease traceability (ADT). ADT needs a separate cooperative agreement to give maximum flexibility. This structuring of cooperative agreements would be inclusive for each state’s species health programs and would pay for full-time equivalents (FTEs), travel and supplies.

National Reportable Disease list: Reported to be pretty much done. Stated this will go into the rule making process to finalize in September 2012. Ferguson stated this needs to be in the Code of Federal Regulations (CFR) and then would add to federal reporting requiring laboratories and veterinarians for reporting.

CoreOne (SCS): Picanso reported in the first year over a billion lines of data have been transferred, five states have migrated data, all data has been standardized and cleaned up, and the National Surveillance Unit (NSU) is writing

Standard Operating Procedures (SOP's). They will hopefully be offering an IBM product (COGNOS) to all cooperators in the SCS by the end of the summer.

Animal Welfare: Clifford stated USDA does not work with animal welfare issues on the farm, but has horse authorities. USDA is keeping abreast of farm animal welfare issues and they may have to certify for trade to meet international trade standards. The proposed UEP/HSUS egg layer standards are proposed to be added into the Farm Bill with talks of certification being done by AMS, but it could go to APHIS.

Chronic Wasting Disease (CWD) rule: Clifford reported the Office of Management and Budget (OMB) wants an update and the rule will not pre-empt states.

Bovine Spongiform Encephalopathy (BSE) surveillance: Clifford said that if it was up to USDA, surveillance testing would be scaled back. The US has requested negligible risk status, but OIE has been informed the US, that we will not get this status this year.