

**National Advisory Committee on Meat and Poultry Inspection**  
**October 12-13, 2006**

**Legislative Update for Fiscal Year 2007**

**Purpose**

The following is a summary of the Food Safety and Inspection Service's (FSIS) fiscal year (FY) 2007 budget request.

**Points/Discussion**

***FY 2007 Request***

For FY 2007, FSIS requested funding of \$862.9 million, a net increase of about \$33.5 million from the enacted level for FY 2006. Of the total, \$105 million is proposed to be derived from new user fees from the industry.

In order to fulfill the Agency's statutory obligations to provide continuous inspection of meat, poultry, and egg products, the budget request includes an increase of \$16.625 million to provide for a 2.2 percent pay raise for FSIS employees to assure that the Agency is provided sufficient funds to maintain programs.

The budget request includes \$2.6 million to prepare for the further evolution of the risk-based system through the improvement of Agency support. For example, funding would be used to reprogram databases to better assess processing plant data to determine when to sample based on risks to the public; for the development of risk-based verification strategies for meat, poultry and egg products in commerce that can be used by FSIS personnel; and use of new technologies to increase the effectiveness of inspection including such things as rapid tests for residues and microbes. Included in this \$2.6 million requested is \$602,000 for risk-based Salmonella control. As part of the comprehensive Salmonella initiative announced in February 2006, the funding would allow FSIS to do serotyping of samples more quickly.

The budget request also includes a \$15.8 million increase for the Food and Agriculture Defense Initiative. A major component of the Food and Agriculture Defense Initiative request is \$13 million, which would be allocated for enhancement of the Food Emergency Response Network (FERN). FERN is a joint laboratory partnership project between FSIS, the Department of Health and Human Services' Food and Drug Administration (FDA), and selected State public health laboratories. The funding will help provide participating laboratories with the necessary training, laboratory equipment, and supplies to handle the surge capacity needed for a more robust laboratory network in the event an attack, act of nature, or hoax that affects the food supply.

Also included is a \$600,000 request for the integration of FSIS data systems into the Department of Homeland Security's International Trade Data System (ITDS). Establishing this electronic linkage with ITDS will provide FSIS with a stronger ability to screen and verify the security of products imported into the United States in an efficient way.

The budget request also includes an increase of \$1.886 million for Agency efforts to support the President's Management Agenda in the area of information technology. Efforts to improve communication and information technology will allow all electronically stored information from all FSIS personnel to be integrated and available in real-time so inspectors have ready access to information necessary to protect public health.

### ***House Action***

The House of Representatives passed H.R. 5384, the FY 2007 Agriculture Appropriations bill, on May 23, 2006, by a vote of 378-46. The measure had previously passed the House Agriculture Appropriations Subcommittee on May 3, and the full Appropriations Committee on May 9, both by voice vote after consideration of several amendments. As passed by the House, the bill provides an appropriation of \$853.249 million for FSIS, a \$23.871 million increase from the FY 2006 level. The bill does not include \$105 million in user fees proposed by the Administration.

Specifically, the bill includes:

- The full amount requested to cover salary costs, representing an increase of \$16.625 million;
- An increase of \$2.6 million "for risk-based management and control of *Salmonella*," the full amount requested;
- An increase of \$1.886 million, the full amount requested, for information technology to support inspection;
- No less than \$20.653 million obligated for regulatory and scientific training; and
- An increase of \$4.2 million for food defense activities, including \$1 million for FERN and \$3.2 million for laboratory capacity and equipment, which is \$11.6 million less than the budget request for food defense.

The House appropriations bill also contains several amendments related to FSIS. The Agriculture Appropriations Subcommittee passed an amendment by voice vote offered by Rep. Rosa DeLauro (D-CT), which would disallow the use of appropriated funds to implement the final rule adding China to the list of countries eligible to export processed poultry products to the United States.

In addition, the bill transfers funding for the Food Safety Institute of the Americas to USDA's Foreign Agricultural Service. The House report (H.Rept. 109-463) states that "although the FSIA mission is complementary to that of FSIS, the Committee considers FSIA to be more closely aligned with the mission of the Foreign Agricultural Service."

### ***Senate Action***

On June 22, 2006, the Senate Committee on Appropriations marked-up and favorably reported the FY 2007 appropriations bill. The Senate bill provides FSIS with \$865.905 million, a \$36.527 million increase from the enacted FY 2006 level and \$12.656 million above the House level. The bill does not include the \$105 million in user fees proposed by the Administration. The bill is currently awaiting consideration by the full Senate.

Like the House version of the bill, Senate includes the full amount of funding requested for employee salary increases (\$16.625 million increase), risk-based inspection (\$2.6 million increase), and information technology to support inspection (\$1.886 million increase).

The primary difference between the House and Senate versions is with regard to funding for food defense activities: while the House only appropriated \$4.2 million for food defense activities, the Senate provided the full request, \$15.8 million. In addition, the Senate provides \$3 million in funding for the Humane Activities Tracking System (HATS), whereas the House version did not provide any HATS funding.

### ***Outlook***

On September 30, the Senate went into recess, and plans to return on November 9. Since a number of appropriations bills have not yet been signed into law, it is possible that there will be an omnibus appropriations bill this year. The Agency is currently being funded under a Continuing Resolution at the FY 2006 level until November 17.

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