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HEARING TO REVIEW THE NATIONAL VETERINARY MEDICAL SERVICE ACT

HEARING

BEFORE THE

SUBCOMMITTEE ON
LIVESTOCK, DAIRY, AND POULTRY

OF THE

COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

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HEARING TO REVIEW THE NATIONAL VETERINARY MEDICAL SERVICES ACT

THURSDAY, FEBRUARY 7, 2008

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON LIVESTOCK, DAIRY, AND POULTRY,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The Subcommittee met, pursuant to call, at 10:42 a.m., in Room 1300 of the Longworth House Office Building, Hon. Leonard L. Boswell (Chairman of the Subcommittee) presiding.

Members present: Representatives Boswell, Kagen, Cardoza, Hayes, Moran, and Smith.

Staff present: Claiborn Crain, Alejandra Gonzalez-Arias, Chandler Goule, Tyler Jameson, John Riley, April Slayton, Kristin Sosanie, John Goldberg, and Jamie Weyer.

OPENING STATEMENT OF HON. LEONARD L. BOSWELL, A REPRESENTATIVE IN CONGRESS FROM IOWA

The CHAIRMAN. We will go ahead and call our hearing to order and deal with our opening statements and proceed. So I want to wish you a good morning. I would like to thank everyone for joining us to discuss a very important issue to rural America and food security across the country. A special thanks to our witnesses for appearing before this Committee today. I know everyone is very busy with farm bill discussions and we are as well. I think this issue is extremely important and I do not wish to delay this hearing any further.

Having spent much of my life involved in animal agriculture and on many occasions having had to employ a veterinarian, I understand many of the issues that affect the industry firsthand. The National Veterinary Medical Service Act was established to address a very specific problem within the animal health field. With the average veterinary student graduating with over $100,000 in debt, they are looking for high-paying jobs. The National Veterinary Medical Service Act was created to assist by repaying loans for veterinarians who practice in underserved areas. As I travel in my district, large-animal veterinarians are in short supply. In the 3rd District of Iowa, which I represent, there are over 1.5 million food animals with only 48 food-animal veterinarians. That is over 32,000 animals per veterinarian. This is concerning not only for rural communities but also for food safety. This Act will not only increase the veterinarians in certain areas of the country but also improve the nation's emergency preparedness and response capability in the event of an animal disaster.

Research has shown that the demand for large-animal veterinarians will increase by 13 percent a year with four in every 100 positions remaining vacant. With just over 250 graduates from the veterinary schools going into livestock-related fields, this is a crisis. These large-animal veterinarians are our first line of defense against animal disease outbreaks that can lead to serious health problems. I see this issue pop up in Iowa's Veterinary School at Iowa State University, and over the past 4 years on average just under 17 percent of their total graduates entered large-animal practices. In 2003, the National Veterinary Medical Service Act was signed into law with Congress reporting $500,000 the first fiscal year in 2006, $500,000 for Fiscal Year 2007 and $800,000 for the current fiscal year. But, USDA has yet to use the money to begin the rulemaking process, rendering the program nonfunctional. I look forward to hearing from our witnesses today. I am hopeful that we will hear what the issues USDA are having with implementation of this program and how they propose to address the growing need in rural communities.

I would like to personally welcome Congressman Jack Kingston, who will be testifying before the Committee shortly. Congressman Kingston serves on the Agriculture Appropriations Committee and we are very interested in his testimony since he has been directly involved in appropriating funding for the National Veterinary Medical Service Act.

[The prepared statement of Mr. Boswell follows:]

PREPARED STATEMENT OF HON. LEONARD L. BOSWELL, A REPRESENTATIVE IN CONGRESS FROM IOWA

Good afternoon, I would like to thank everyone for joining us today to discuss a very important issue to rural America and food security across the country. A special thanks to our witnesses for appearing before the Subcommittee today. I know everyone is very busy with farm bill discussions but I think this issue is extremely important and did not wish to delay this hearing further.

Having spent most my life involved in animal agriculture and on occasion having had to employ a veterinarian, I understand many of the issues that affect the industry first hand. The National Veterinary Medical Service Act was established to address a very specific problem within the animal health field. With the average veterinary student graduating with over $100,000 in debt they are looking for high paying jobs. The National Veterinary Medical Service Act was created to repay loans for veterinarians who practice in underserved areas.

As I travel in my district, large animal veterinarians are in short supply. In the 3rd District of Iowa, which I represent, there are just over 1.5 million food animals and just 48 food animal veterinarians. That's over 32,000 animals per veterinarian. This is concerning not only for rural Iowa communities but also for food safety. This Act will not only increase the veterinarians in certain areas of the country but also will improve the nation's emergency preparedness and response capability in the event of an animal disaster.

Research has shown that the demand for large animal veterinarians will increase by 13 percent a year with four in every 100 positions remaining vacant.

With just over 250 graduates from veterinary schools going into livestock related fields this is a crisis. These large animal veterinarians are our first line of defense against animal disease outbreaks that can lead to serious health problems. I see this issue pop up in Iowa's large veterinarian school—Iowa State University. Over the past 4 years on average just under 17 percent of their total graduates entered large animal practices.

In 2003, the National Veterinary Medical Service Act was signed into law with Congress appropriating $500,000 for Fiscal Year 2006, $500,000 for Fiscal Year 2007, and $800,000 for this fiscal year but, USDA has yet to use that money to begin the rulemaking process—rendering the program non-functional.

I look forward to hearing from our witnesses today. I am hopeful that we will hear what the issues USDA are having with the implementation of this program and how they propose to address the growing need in rural communities. I would like to personally welcome Congressman Jack Kingston who will be testifying before the Committee shortly. Congressman Kingston serves on the Agriculture Appropriations Committee and I am very interested in his testimony since he has been directly involved in appropriating funding for the National Veterinary Medical Service Act.

At this time I would like to recognize my Ranking Member and good friend Robin Hayes from North Carolina for any opening remarks he would like to make.

The CHAIRMAN. At this time I would like to recognize our Ranking Member and my good friend, Robin Hayes from North Carolina, for any remarks that he would like to make.

OPENING STATEMENT OF HON. ROBIN HAYES, A REPRESENTATIVE IN CONGRESS FROM NORTH CAROLINA

Mr. HAYES. Thank you, Mr. Chairman, and welcome, Congressman Kingston. We appreciate your being here, and if USDA had done what they should have done, we wouldn't have to be here today.

Again, thank you, Mr. Chairman, for holding this hearing. Like you, I am concerned about the lack of progress from USDA in implementing the National Veterinary Medical Services Act of 2003. In ironing out the details of the legislation, this Committee worked very closely with the Department to ensure proper implementation of the program. The law provided seemingly simple and straightforward authorization for the Department to offer incentives to large-animal veterinarians to practice in underserved rural communities. The incentive, which was suggested by USDA, was to offer assistance in repaying a portion of the practitioner's educational loans. An earlier version of the legislation introduced in the 107th Congress, H.R. 1943, had also contemplated a scholarship program. In technical discussions with USDA, we were informed that it would be difficult, if not impossible, for USDA to enforce the service requirement after the scholarship had already been paid. So this provision was dropped. I will also add that at USDA's request the final law provides the Secretary with the authority to offer an increased incentive for those accredited practitioners who agreed to assist USDA in the event of an animal health emergency. On July 29, 2003, Chairman Goodlatte received a legislative report signed by then-Secretary of Agriculture Veneman affirming Administration support for the legislation and recommending that the bill be enacted with the final language reflecting changes USDA had suggested. Each and every one of USDA's suggested changes were made and the bill was signed into law by President Bush December 6, 2003. Nearly 4 years after enactment, Under Secretary Buchanan sent a letter to Chairman Peterson outlining a number of reasons why the Department would not be able to implement the legislation despite the fact the Department had received appropriations to do so.

Mr. Chairman, to the extent that USDA's current concerns are valid, I am certainly willing to roll up my sleeves and work to resolve any issues. I am, however, very frustrated that it has taken USDA so long to bring these concerns to our attention, particularly since we allowed USDA the opportunity to assist us in drafting the legislation in the first place. I hope during today's hearing we can

figure out a way to quickly move this program forward. It will have great value for veterinarians graduating from first-class veterinary programs like the one at North Carolina State University.

Mr. Chairman, thank you for holding the hearing.

[The prepared statement of Mr. Hayes follows:]

PREPARED STATEMENT OF HON. ROBIN HAYES, A REPRESENTATIVE IN CONGRESS FROM NORTH CAROLINA

Thank you, Mr. Chairman, for holding this hearing. Like you, I am concerned about the lack of progress the USDA has made in implementing the National Veterinary Medical Service Act of 2003.

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Nearly 4 years after enactment, Under Secretary Buchanan sent a letter to Chairman Peterson outlining a number of reasons why the Department would *not* be able to implement the legislation—despite the fact that the Department had received appropriations to do so.

Mr. Chairman, to the extent that USDA's current concerns are valid, I am certainly willing to roll up my sleeves and work to resolve any issues. I am however very frustrated that it has taken USDA 4 years to bring these concerns to our attention, particularly since we allowed USDA the opportunity to assist us in drafting the legislation in the first place.

I hope during today's hearing that we can figure out a way to quickly move this program forward. I know it will have great value for veterinarians graduating from first-class veterinarian programs like the one at North Carolina State University. Mr. Chairman, thank you for holding this hearing.

The CHAIRMAN. Thank you, Congressman Hayes.

I will ask other Members on the dais if they have a statement—I was going to ask you to put it into the record, but I suppose that if you want to make a short statement, I would acknowledge that.

Mr. KAGEN. Very short.

The CHAIRMAN. I recognize Mr. Kagen.

OPENING STATEMENT OF HON. STEVE KAGEN, A REPRESENTATIVE IN CONGRESS FROM WISCONSIN

Mr. KAGEN. I will include my comments for the record but I have to say that this Act is necessary and the help for the USDA in oversight is necessary because the animals can't fix themselves. We need more doctors and more nurses and we need many more veterinarians, not just in Wisconsin but across the country. One of the great problems this country is facing as our human population ages and the number of our animals increase is the shortage of qualified veterinarians and the schools that train these individuals. I am

very much appreciative of you holding this hearing today, and I will leave my comments at that.

Thank you very much for the opportunity.

The CHAIRMAN. You are welcome, Mr. Hayes.

We will go ahead then to—Mr. Hayes, did you want to make any short statement?

Mr. MORAN. Mr. Chairman, thank you. Hayes is my hometown and Mr. Hayes is the gentleman——

The CHAIRMAN. Oh, I am sorry. You know, we just talked about a little bit, that he ought to honor you because you named your hometown after him.

Mr. HAYES. The Chairman knew how much I thought of you so I apologize for him trying to give my name to you.

The CHAIRMAN. Excuse me.

Mr. MORAN. Mr. Chairman, I was thinking I was being ignored and I am happy to reserve my remarks until I have the opportunity to ask some questions of the witnesses. I do appreciate that I am here with your permission. This is the one Subcommittee that I am not a Member of. I consider this issue so significant and USDA's inaction so appalling that I asked for the opportunity to join you, and I appreciate you granting me that chance. I look forward to questioning the witnesses and I appreciate Mr. Kingston's interest in this. If we are going to get this resolved, the stick that Mr. Kingston can provide very well may be useful to us, and again I thank you for allowing me to join you this morning.

The CHAIRMAN. Well, at this time we will get the record in order. Thank you, Mr. Moran. I would like to ask unanimous consent for him to join us on the Subcommittee, he is on the full Committee, to participate in today's hearing. Without any objection, so ordered.

I would ask that all other Members submit their statements for the record.

[The prepared statement of Mr. Smith follows:]

PREPARED STATEMENT OF HON. ADRIAN SMITH, A REPRESENTATIVE IN CONGRESS FROM NEBRASKA

Good morning and thank you, Mr. Chairman.

The food animal industry is important to the economy of Nebraska's Third District. Our veterinary workforce is critical to maintaining the health and safety of our food supply, putting our veterinarians on the front lines of national security. Their vigilance is critical in protecting Americans from a bioterrorist attack.

We need to encourage more young people to pursue veterinary careers in large animal medicine. We should expand enrollment at our veterinary schools so that we are graduating enough students to replace the aging veterinary workforce. We should investigate the opportunities to build new veterinary medical schools in states which lack these facilities. I am proud of the unique collaboration between the University of Nebraska—Lincoln and Iowa State University to offer a state-of-the-art veterinary medical program for Nebraska students. The inaugural class of this program began last fall. I look forward to seeing many students graduate from this program and practice in underserved areas of Nebraska.

I am committed to exploring means which will enable more veterinarians to operate food animal practices in rural areas. I hope this hearing today will be the first step toward quickly accomplishing that goal. I want to thank our witness for testifying, and the Committee and the Chairman for holding this hearing. I yield back.

The CHAIRMAN. At this time I would like to welcome Congressman Kingston and we are anxious to hear your comments.

STATEMENT OF HON. JACK KINGSTON, A REPRESENTATIVE IN CONGRESS FROM GEORGIA

Mr. KINGSTON. Thank you, Mr. Chairman. It is great to be with you and I certainly appreciate the opportunity to testify. When I first came to Congress, I had the honor of serving on the Agriculture Committee, and "Kika" de la Garza, whose portrait is of course right above you, was Chairman at the time and I grew to love the Committee and this room. It has been a great bipartisan Committee and it does a lot of work. When I moved to the Appropriations Committee, I thought maybe we would be a little closer dovetailed than we are, but I think that this is a great opportunity for us to share our notes and try to come up with a solution that will serve both of us. So I am glad to be here.

Our comments have been submitted for the record, so what I was going to do to save time for you is to summarize, but I want to underscore some of the numbers which you said in your opening testimony that I think are very, very important. Of 8,500 vets in America today, only ten percent are in the food animal field and I understand their average age is about 50 or somewhere even older than that. The numbers are even more shocking when you look at 28 accredited vet schools in the United States of America that graduate only 2,600 students a year and of those 2,600 only 250 go into rural areas and large animals, and to me that says that the demand for the food supply veterinarians is going up and yet the availability, the shortfall is going down. The shortfall is going up as well, I guess you could say. So I think it is very important. And then just looking at it from a real-world point of view, if the average tuition for vet school is $37,000 to $55,000 a year and the debt is about $100,000 and the starting salary is probably in the $50,000 to $70,000 range, the students have to go to where they can make enough money to repay their debt. It is just the law of supply and demand or economics, and as a result the rural areas are having quite a crunch.

You have spoken about Iowa. I know Mr. Moran is passionate about the problem in Kansas. You mentioned Wisconsin. It is the same way in Georgia, and I have this map that I will submit for the record. I know you can't see it very well but on here the white flags show where there are no veterinarians. The blues show the population areas there are veterinarians because of course there is money and house cats. By the way, Mr. Chairman, if you ever want to find out how much your family really loves the dog more than you, run over it as I did this summer and I found out quickly where I ranked. I was on probation until the dog fully recovered. But in the meantime, I did see that the small animal clinics were doing real well. I don't know, but I suspect that a dog is more expensive than a horse these days.

Here is a typical ad from folks in Georgia. "Need a veterinarian in Folkston, Georgia. Have a commercial building on a well-traveled highway that leads to the Okefenokee Swamp. Ideal facility and location for a new veterinarian or someone who wishes to relocate in a smaller community near the coast." Everybody who goes to that veterinarian will travel about 25 or 30 miles just to get there and that ad, I don't know how old it is, or how long Folkston has been looking for a veterinarian, but they can't get one.

Now, we have worked closely with Dr. Sheila Allen at the University of Georgia, who is the Dean of the Vet School there. She told us about a program where they are actually going into rural communities now and identifying what I would call authentic farm kids. These are kids who were either raised on a farm, involved in 4–H, have familiarity with horses and cows, have been in livestock shows and so forth. If their grades are acceptable, and these kids are identified at the high school level, the University of Georgia will guarantee them admittance to the Vet School if they stay in line. Even doing something as proactive as that doesn't guarantee results. It doesn't fill the gap that we are in.

What we are frustrated about on the Appropriations Committee is using your 2003 authorization, we have funded now $1.8 million, $500,000 in 2006, $500,000 in 2007 and then in the recently passed omnibus $875,000 and still we are getting from the USDA that we don't know how to implement this program. And yet the USDA isn't coming back to us and saying, "Here is what we need from you, can you give us this addition to the authorization language to come up with something." It is odd that they are saying that because there are so many crop loan programs that you would think the USDA would have the expertise to get there. There is also in the Department of Health and Human Services a rural nurses program which I think could be a model for them. I would not want to see this money transferred to them but there is a model for it and there are precedents. So what we would like to work with you on are the tools the USDA needs to implement it and how our Committees can get there together.

So with that, Mr. Chairman, I will yield back, and I have a broader statement that has been submitted.

[The prepared statement of Mr. Kingston follows:]

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February 7, 2008

Testimony of Congressman Jack Kingston (GA01)
Before the Subcommittee on Livestock, Dairy, and Poultry
Committee on Agriculture
United States House of Representatives
To
Review the National Veterinary Medical Service Act

Mr. Chairman and Subcommittee Members, thank you for the opportunity to testify before you today on the National Veterinary Medical Service Act, specifically the Veterinary Loan Repayment Program portion.

There are some that probably wonder why I am on the panel today so I wanted to take a minute to explain. As most of you know, I am the Ranking Member on the Agriculture Appropriations Subcommittee of the House Appropriations Committee. At the very least, I have a responsibility to make sure the money we appropriate for programs is being used for the purpose we intended. In addition, last year I got more involved with the veterinary community and I developed a working relationship with Dr. Shiela Allen, Dean of the University of Georgia's Veterinary School.

In most of our meetings, the discussion centered on the need for more veterinarians in rural or underserved areas. For me, the First District of Georgia, and the state as a whole, this translates to large animal or food animal veterinarians. Most people think livestock, but Georgia has one of the largest poultry populations in the U.S. In the past year I have heard more and more from the Georgia Cattlemen, the Georgia Poultry Federation and the Georgia Farm Bureau on the need to make finding a solution to the large animal veterinarian shortage a priority this year.

I think we are headed for a train wreck if we do not address the lack of veterinarians in rural areas and the lack of 'heir apparent' large animal/food animal veterinarians to take the place of soon-retiring veterinarians. There are about 85,000 veterinarians practicing today and of that number, 8,850 are food animal veterinarians – that's only 10 percent of veterinarians working in the food animal field. While this is obviously a commerce issue, with food animal production generating about $124 billion annually to the U.S. economy, we also need to acknowledge that it is a national security issue as it relates to Agroterrorism. Food animal veterinarians act as our first line of defense against zoonotic (animal diseases that can spread to humans) diseases.

The 28 accredited Veterinary Schools in the U.S. are graduating around 2,600 students a year, which is a number that has stayed the same year after year since 1989. More alarmingly, only around 250 graduates are going into large animal practices. A Food Supply and Veterinary Medicine Coalition study concluded

that between 2004 and 2016, demand for food supply veterinarians would increase 12 percent to 13 percent, but the supply of veterinarians entering the workforce would fall short of that demand by 4 percent to 5 percent per year. This trend is likely to continue as veterinary school graduates enter the workforce.

Population growth and increased ownership of companion animals, combined with the appeal of making more money in small animal practice, it is safe to assume that the trend of more veterinarian school graduates choosing companion animal practices in urban areas over large animal practice in rural and underserved areas will continue. Out of the 150 counties in Georgia, there are 42 counties that do not have access to large animal veterinary service. We need to ensure that a good percentage of veterinarians entering the industry can work in underserved areas and, most importantly the food animal field. That is why I am supportive of the loan repayment program and ready for it to be up and running!

I know from my conversations with the American Veterinary Medical Association and Dean Allen, that Colleges of Veterinary Medicine are emphasizing an interest in underserved areas in admission, and offering scholarships and other incentives to entice students into the field. For example, the UGA Veterinary School has instituted the Food Animal Veterinary Incentive Program whereby high school students from rural areas with a strong background in food animals are guaranteed admission to veterinary school after satisfactory completion of an undergraduate degree in Animal and Dairy Science at the University of Georgia.

The cost to the student for attaining a veterinary degree in the United States ranges from $37,000 to $55,000 per year for tuition, books, and living expenses. This results in an average educational debt load for a veterinary graduate of $100,000. Unfortunately, many of the underserved areas of the veterinary profession are some of the lowest paying positions. As a result, few graduates can afford to enter these fields, no matter how strong the motivation.

A case in point is in place at the University of Georgia at the moment. Dean Allen told me they accepted an applicant who had a Masters of Public Health degree and was working at the CDC before he entered veterinary school. He intended to return to a public health career, working on diseases that are transmissible from animals to people. He is entering his final year of the DVM program, and despite his continued interest in public health, he is now considering a career as a specialist in small animal surgery. When he learned about the loan repayment program and the NVMSA, he said: "I thought perhaps I'd take this opportunity to remind you how important this topic is to students. I have to admit that a big reason I look more favorably on small animal surgery and private practice is simply I'll never be able to pay my crushing educational debt while working in public health."

I cannot state it more clearly that the NVMSA will provide the opportunity for students to enter underserved careers, yet still serve their educational debt. The veterinary colleges can admit the students with this interest, and nurture that interest while in school; but they cannot compensate for the economic reality of debt load. With the loan repayment provided by the NVMSA, graduates can afford to enter underserved career paths.

The NVMSA was enacted in 2003, and has received appropriated funds the last three fiscal years for the loan repayment program. We have provided approximately $1.875 MILLION and USDA has yet to write the rule on it. The Congressional Budget Office scored the first year of the program to cost around $1 Million. In FY2006 we gave the program $500,000.00. In FY2007 it received $500,000.00, and in the

recently passed FY2008 Omnibus it received $875,000. I think the Appropriations Committee will continue to give this program consideration, but I want to know when it will be functional. We will think long and hard before we put any more money into it without seeing any movement from USDA.

The excuse we have been hearing is that USDA does not know how to write a rule for a loan repayment program. I think there is plenty of expertise within USDA to assist in this rule-making process, but there is certainly help over at the Department of Health and Human Services where they are currently administering a rural nurse loan repayment program, which the NVMSA loan repayment program was based on. How hard would it be to collaborate?

I and several other members have had a meeting with USDA's Research, Education and Economics (REE) Undersecretary Buchannan and have had several conversations since then – it's time for action. Since the initial meeting on the loan repayment program, REE has suggested a scholarship program as an alternative to the loan repayment program. I think developing a scholarship program for veterinarians who will serve in the food animal profession in rural and underserved areas in tandem with a loan repayment program would be a better suggestion. Our veterinarians are the ones that know what would work best to get food animal practitioners in needed areas, and they believe the loan repayment program is the solution so I think this is what we need to focus on.

Now is the time to hear what the holdup is and what else might be needed in the way of authorizing language that would make the program easier to develop, implement and administer.

I am here to talk about the money. We have put in over $1.8 Million to start the program but we have not seen any movement except for rumors of some of the funds being transferred to a preexisting federal loan repayment program, which I am very much opposed to. Included in the FY2008 Omnibus bill was language directing USDA to come up with a timeline and implementation plan – I believe within 120 days. There is also language in the Senate version of the farm bill that asks for the same thing of USDA in addition to requesting an emphasis be placed on food animal veterinarians.

As a witness today I cannot question the other witnesses, but putting on my Appropriations cap for a minute, I am looking for answers to several questions:

- It is my understanding that a working group was established to guide this program – what is the makeup of this group and what have they done (if anything) thus far? Has REE even met with the group?
- If there is a problem – either in authority to write and administer the program or in funding – why haven't we heard what USDA needs? All I have heard is that "we can't do it" – well, why not? What is needed?
- How much of the previously appropriated funds have been spent on something else? What program were they spent on?

Thank you for the opportunity to testify today. I will be happy to answer any questions.

The CHAIRMAN. Well, thank you very much. I appreciate those comments and painting the picture that you have done. I feel that you are right on, and I hope that we can do that. I am going to reserve my questions and let the panel get involved.

Mr. Hayes, do you have questions for the witness?

Mr. HAYES. No.

The CHAIRMAN. Mr. Kagen?

Mr. KAGEN. No.

The CHAIRMAN. Mr. Cardoza?

Mr. CARDOZA. Thank you, Mr. Chairman. I will be very brief.

Mr. Kingston, I appreciate your comments very much. I worked on this issue in the legislature in California. I worked with UC Davis trying to help. We have a severe shortage in our area and I know it to be particularly prevalent where I am from. Thank you for your work on it.

Thank you, Mr. Chairman, for holding this hearing, and as Mr. Hayes said, I hope that we can find swift resolution to turning this around and providing more veterinarians in the areas we need them. Thanks.

The CHAIRMAN. Thank you.

Mr. Moran.

Mr. MORAN. Mr. Chairman, thank you very much.

Mr. Kingston, thank you for your leadership on this issue. You and I, and the Chairman and the Ranking Member and other Members of Congress met with the Under Secretary late last year. My question to you is, have you seen any response, any evidence that USDA is progressing in meeting our requests with the kinds of things that you asked them during that meeting to bring to you? Are we any further along here in February than we were last November in resolving this issue?

Mr. KINGSTON. Well, there has been a response and there has been movement and I do credit Dr. Buchanan for staying engaged in it. But, I don't think that the solution that they have offered is what the Committee wants at this point and that is basically a scholarship program. I believe, philosophically, that Congress wants to have the loan repayment program. I appreciate the USDA moving forward but I don't think that they are where they need to be at this point.

Mr. MORAN. Moving forward perhaps in the wrong direction. I will make those my words, not yours, Mr. Kingston.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

We are not going to hold you up a long time, Congressman Kingston, but could you share what is the support of the Appropriations Committee for the NVMSA Program? I know you are very adamantly supporting it and we appreciate that. Could you just give us a sense of how the rest of the Committee feels about it?

Mr. KINGSTON. Well, I can't speak for Chairman Rosa DeLauro but I do believe that she is very sensitive to rural issues. She has a great passion for rural economic development and rural well-being just as a general cause. I could speak with confidence that the Committee would continue to support this. I can also speak with confidence that the Committee is frustrated that after $1.8 million, we don't have anything yet; and I think the Committee

probably would lean to your leadership, that is if this Subcommittee says, "Don't fund it anymore," we are probably going to move in that direction. If you say, "Fund it according to these conditions," then we will do that. But there is no reason to keep appropriating money without your signoff.

The CHAIRMAN. Well, thank you very much. I appreciate that. I sense your frustration so we are going to thank you very much for coming and joining us today and we will stay in contact.

Mr. Hayes.

Mr. HAYES. Mr. Kingston, the University of Georgia, are they administering programs every day where they have scholarships and they track the students and once they become alumni they watch them closely so that they can hopefully get a donation out of them? Does there seem to emerge out of that model a way that the universities themselves perhaps could do this without the pain and delay that we are experiencing here today; just as a possibility or any other thoughts you might have?

Mr. KINGSTON. Well, I think that Dean Allen could probably answer that better, and what I might ask you, if you don't mind, I can follow up and answer that better and let her give you a description. I know that sometimes there is a link in the chain of sending somebody to an animal veterinarian for food animals. What can happen is, they will go to the CDC, they will get a broader education and then after years of continuing education they are going back and they say, "Look at the debt, I dug the hole even deeper getting this education. I need to settle down in a bigger town and do the cats and dogs instead of the horses and cows." I don't think the University of Georgia or any university would have any say-so in the matter even among parties of good faith who enter into some agreement. There is no contractual agreement that the student will go back to the rural community. But I do think that they do track them but they don't control them.

Mr. HAYES. Well, don't you think they could control them if the money was available? Then there is a choice by the student. If they want the money, you are going to go to wherever the need may be for 2 years in order to meet this obligation. If it is working well, 2 years doesn't solve the problems of that rural area but the university might send the next student there for 2 years. It looks like this could be done without a whole lot of trouble and the universities could do it.

Mr. KINGSTON. Well, I think one of the things that they are doing with that outreach program is identifying kids from rural areas who have been on the farm. I have found over the years that most people from rural areas eventually want to get back to that rural area. I think that not recruiting the kid from Atlanta and trying to send him to Folkston but recruiting the kid from Folkston and trying to get him to stay in Folkston is what they are looking at. I believe that they are being very proactive and responsible about that.

But I want to point out to you, Mr. Chairman, one of the things that we all have done in the post-9/11 world is look at everything from a terrorism standpoint. If you think about the Chinese toxic pet food that really sent a shockwave through America in the last couple of years, think what happens if there is some kind of a

chem-bio attack on our food supply and we don't have the veterinarians online out there being able to detect it early and come up with that fast solution to a planted hoof-and-mouth or an anthrax issue or something like that. I do think that there is a value added beyond just making sure that the horses and cows are taken care of.

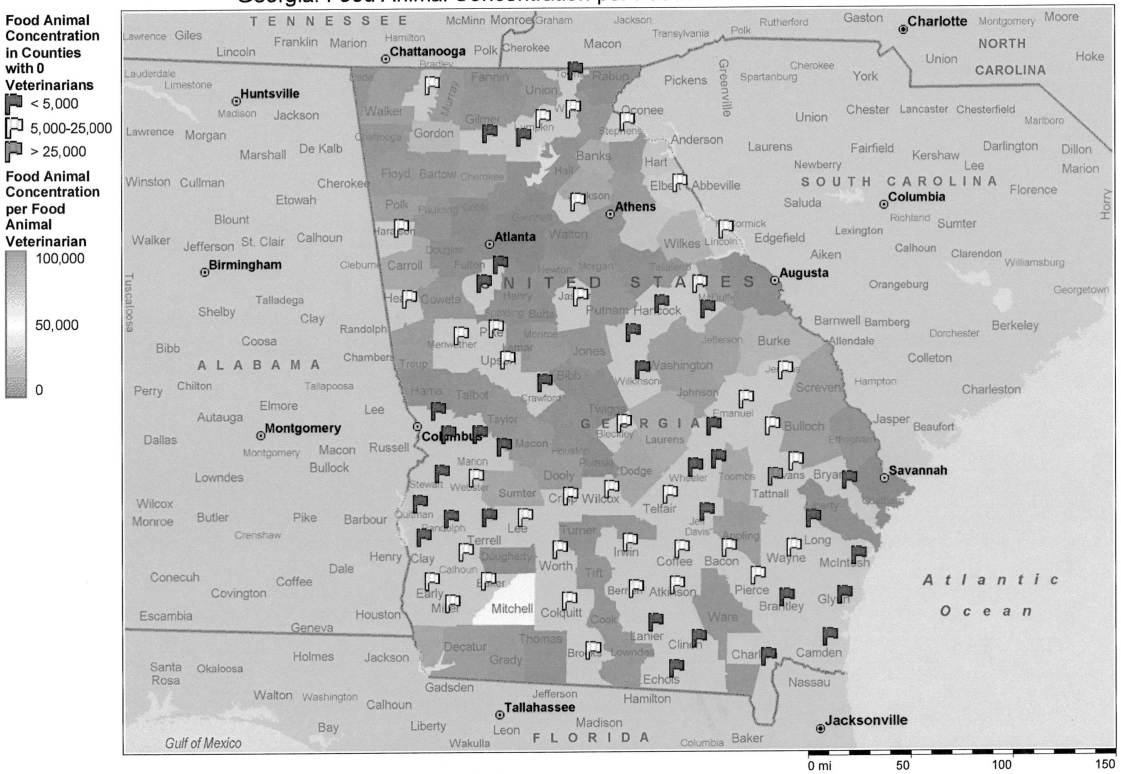
The CHAIRMAN. Thank you very much. We are going to release you at this time with the understanding we can talk to you some more as we need to, and we appreciate the challenge you have given to us. I think you get the picture as I see it and I appreciate it very, very much.

Mr. KINGSTON. Well, thank you very much, Mr. Chairman, and I look forward to continuing to work with you.

The CHAIRMAN. We look forward to working with you, and with that, you will be excused with our appreciation.

We invite the second panel to the table. Incidentally, for the Members up here, in your packets you have a map of your district showing the situation that faces you. I don't have a copy of yours, Robin, it is yours, and so on, but anyway, I want to thank staff and particularly Mr. Chandler Goule for making sure this happened. Thank you, Chandler. I appreciate it. We will be sure to take a look at it. Thanks for your help.

Georgia: Food Animal Concentration per Food Animal Veterinarian



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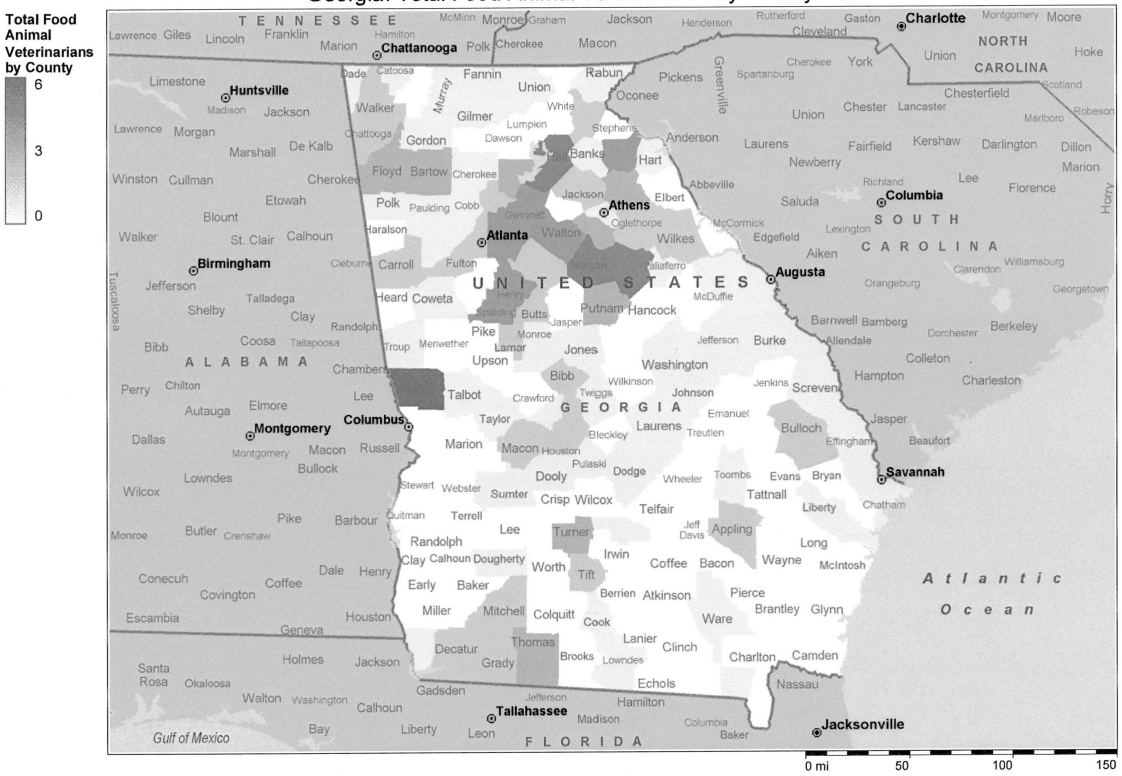
Georgia: Total Food Animal Veterinarians by County



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Georgia: Total Food Animals by County

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The CHAIRMAN. We thank you for joining us, gentlemen, and appreciate you being here, so we will just go ahead and start right off with however you want to do it. I think we will just recognize you, Dr. Buchanan, to make whatever remarks you would like to make and then we will proceed from there. So thanks for being here. We are anxious to hear what you have to share with us.

STATEMENT OF DR. GALE BUCHANAN, UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS, U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.; ACCOMPANIED BY DR. RALPH OTTO, ASSOCIATE ADMINISTRATOR, COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Dr. BUCHANAN. Chairman Boswell, Ranking Member Hayes and other distinguished Members of the Committee, I am Gale Buchanan, Under Secretary of Research, Education and Economics at the U.S. Department of Agriculture, and I really appreciate the opportunity to discuss the National Veterinary Medical Service Act with you this morning.

With me is Dr. Ralph Otto, the Associate Administrator for the Cooperative State Research, Education, and Extension Service, and Curtis Anderson, Deputy Administrator for Rural Utilities Service in the Department.

As the Under Secretary for Research, Education and Economics, I am responsible for four agencies charged in advancing science and agriculture. These are the Agriculture Research Service, the Cooperative State Research, Education, and Extension Service, the Economic Research Service and the National Agricultural Statistics Service. It is the Cooperative State Research, Education, and Extension Service that has been most closely associated with the legislation that we are discussing here today.

In December of 2003, the President signed Public Law 108–161, the National Veterinary Medical Service Act. Subsequently in November of 2005, Congress provided the initial funding for NVMSA in Fiscal Year 2006 appropriation for CSREES.

NVMSA authorizes the U.S. Department of Agriculture to pay principal and interest on educational loans of veterinarians who agree to work in areas of the country that are underserved by veterinarians and underserved disciplines in veterinary medicine such as food safety and public health and in underserved areas of the Federal Government that require veterinary services. The bill also authorizes USDA, in emergency situations, to enter into agreements with loan repayment program participants to provide services to the Federal Government in exchange for salary, travel, *per diem* expenses and additional loan repayment assistance.

Please let me take a moment to put the work of CSREES into context. CSREES accomplishes its mission almost exclusively through agreements of one type or another with land-grant universities and other universities, research foundations, not-for-profit entities, state, local and Federal agencies. This is significant and has direct bearing on our discussion today. Although CSREES has highly effective and efficient systems in place to execute and monitor agreements with organizations, it does not have corresponding

systems to administer loan repayments for individuals as required by NVMSA.

As enacted, the NVMSA authorizes USDA to administer a loan repayment program and such programs have never been the function of CSREES and would need to be created in order to do that. To do this would require considerable resources and substantial rulemaking in areas that are new to CSREES. They would need rules and regulations to address non-performance, verify applicant eligibility, verify debt of the veterinarians, background investigation to ensure no warrants or other debts, and so forth. In underserved regions of the country, it would also require procedures to be developed to keep that list up to date. Since we will be able to assist only a few veterinarians that are eligible, there will certainly need to be a justifiable and defensible selection process for loan repayment recipients. Based on the information and guidance received from the Department of Health and Human Services, which administers loan repayment programs for other occupations, these are just some of the new processes USDA would have to put in place. These issues have been discussed extensively within USDA and with representatives of the American Veterinary Medicine Association and American Association of Veterinary Medicine Colleges.

In considering possible implementation strategies, CSREES examined the cost involved with various alternatives and concluded that there were two general implementation options available in the short term. These were, one, to set up a loan repayment program that would address the private practitioners, and according to the Congressional Budget Office, HHS and our agencies, estimates for doing this would consume the appropriation; or, utilize existing authorities that are cost-effective, meet the intent of the legislation and maximize the funding that could actually be used for loan repayment. CSREES chose the second option as being the most practical and most expedient choice available in order to accomplish the intent of the legislation.

USDA recognizes and appreciates the intent of Congress to promote more private-sector food-animal veterinarians in rural areas and we are continuing to seek the best way to do so within the resources that are provided. I am aware of alternative proposals that may accomplish the original intent of Congress in passing NVMSA while also allowing CSREES to implement the program within the agency's current structure. One of the possible options is to target funding at veterinary students in the form of scholarships. The great majority of students of veterinary medicine currently studying in the United States are pursuing companion-animal curricula with plans to enter private practice in urban or suburban areas of the country to treat companion animals. Consequently, a program of financial assistance for veterinary students perhaps could be designed to provide them incentives for choosing to specialize in large and/or food-animal veterinary science.

I look forward to working with the Committee to examine the implications of various alternatives for NVMSA, and this concludes my comments. I want to again thank you for the opportunity to testify before the Subcommittee regarding this Act, and my colleagues and I look forward to responding to your questions, sir.

[The prepared statement of Gale Buchanan follows:]

PREPARED STATEMENT OF DR. GALE BUCHANAN, UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS, U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

Chairman Boswell, Ranking Member Hayes, and distinguished Members of the Subcommittee, my name is Gale Buchanan, Under Secretary of the Research, Education, and Economics Mission Area (REE), United States Department of Agriculture (USDA). I appreciate the opportunity to discuss the National Veterinary Medical Service Act (NVMSA) with you this morning. With me is Dr. Ralph Otto, Associate Administrator for the Cooperative State Research, Education, and Extension Service (CSREES), and Curtis Anderson, Deputy Administrator for the Rural Utilities Service.

As the REE Under Secretary, I am responsible for four agencies charged with advancing science in agriculture. These are the Agricultural Research Service (ARS), the Cooperative State Research, Education, and Extension Service (CSREES), the Economic Research Service (ERS) and the National Agricultural Statistics Service (NASS). It is CSREES that has been most closely associated with the legislation that we are discussing today.

In December of 2003, the President signed Public Law 108–161, the National Veterinary Medical Service Act. Subsequently, in November 2005, Congress provided the initial funding for the NVMSA in the Fiscal Year 2006 appropriation for CSREES. Consequently, USDA delegated the authority for this program to CSREES.

NVMSA authorizes the Department to pay principal and interest on educational loans of licensed veterinarians who agree to work in areas of the country that are underserved by veterinarians, in underserved disciplines of veterinary practice or in underserved areas of the Federal Government. The bill also authorizes USDA, in emergency situations, to enter into agreements with loan repayment program participants to provide services to the Federal Government in exchange for salary, travel, *per diem* expenses, and additional loan repayment assistance.

Please note that the Administration's FY 2008 Budget request did not include funding for this program. Nor did the Administration's FY 2009 Budget request, which was submitted on February 4th. However, we do want to make sure that the funding already provided is utilized as effectively as possible to support the goals of the program.

In that context, let me take a moment to put the work of CSREES into context. CSREES accomplishes its mission almost exclusively through agreements of one type or another with land-grant and other universities, research foundations, not-for-profit entities, and state, local, or Federal agencies. This is significant and has direct bearing on our discussion today. Although CSREES has highly effective and efficient systems in place to execute and monitor agreements with organizations, it does not have corresponding systems to administer loan repayments for individuals, as is required by the NVMSA.

As enacted, the NVMSA authorizes USDA to administer a complex loan repayment program. Such programs have never been a function of CSREES and would need to be created. To do this would require considerable resources and substantial rule making in areas that are new to CSREES. Setting up such a program would be costly in terms of both time and money. It would prolong implementation of the NVMSA and it would consume all of the funds appropriated for the act. No appropriated funds would be left for actual loan repayments.

Creating a new loan repayment program within CSREES would require hiring personnel with the unique expertise needed to process applications, verify applicant eligibility, verify the underlying debt, and conduct credit and background checks for outstanding warrants or debts. They would need to verify that the applicant is actually practicing in an underserved location or specialty in accordance with the terms of the loan repayment agreement and they would need rules and regulations to address non-performance. In addition, procedures would need to be developed to keep the list of underserved regions and specialties current.

Based on information and guidance received from the Department of Health and Human Services which administers loan repayment programs for other occupations, these are just some of the new processes USDA would have to put in place. Estimates from the Congressional Budget Office (CBO) support our assessment that the cost of initiating and administering the program would exceed the funds appropriated:

"H.R. 1367 would also authorize appropriations as necessary to cover the administrative costs of carrying out these programs. CBO estimates that administrative costs would be less than $1 million in 2004 and would total $3 million over the 2004–2008 period." (From the Congressional Budget Office cost estimate of H.R. 1367, dated November 12, 2003.)

In an effort to implement the program expeditiously, all of these concerns have been discussed extensively within USDA and with representatives of the American Veterinary Medicine Association and the American Association of Veterinary Medicine Colleges.

In considering possible implementation strategies, CSREES examined the costs involved with various alternatives and concluded that there were two general implementation options available in the short term. These were:

1. Set up a loan repayment program that would address private practitioners. According to CBO, HHS and USDA estimates, doing this would consume the entire appropriation, leaving no funds for actual loan repayment.

2. Utilize existing authorities that are cost effective, meet the intent of the legislation, and maximize the funding that could actually be used for loan repayment.

CSREES chose the second option as being the most practical and most expedient choice available.

CSREES then entered into a reimbursable agreement with the Food Safety and Inspection Service (FSIS) in Fiscal Year 2007 to use the Fiscal Year 2006 and 2007 NVMSA funds. This agreement allows FSIS to add loan repayment incentives to qualifying service agreements in order to aid recruitment of food animal veterinarians for designated hard-to-fill positions in food safety and supply, especially in rural communities. This action addresses two specific purposes of the NVMSA, which directs the Secretary to consider shortage-areas in public health, epidemiology, and food safety, as well as "areas of veterinary need in the Federal Government."

Meanwhile, the Department recognizes and appreciates the intent of Congress to promote more private-sector food animal veterinarians in rural areas and we are continuing to seek the best way to do so, within the resources provided. I look forward to working with the Committee on this program.

This concludes my comments. I want to thank you again for the opportunity to testify before the Subcommittee regarding the National Veterinary Medical Service Act. My colleagues and I look forward to responding to your questions.

The CHAIRMAN. Well, thank you for being here, and I want to say right up front, we are not looking for any adversarial, you know, head-on on this thing. We just want something done, and I appreciate your comments and I do appreciate your long history of serving. Thank you for that. I want you to understand that.

Dr. BUCHANAN. Thank you.

The CHAIRMAN. But you say you thought you met the intent. We don't think so, and I think you get that from listening to Mr. Kingston, myself and Mr. Hayes and the rest. We are just very concerned that after 5 years we are still at square one. I don't feel satisfied with that situation. There is still no money going to the graduating veterinarians and the shortage is building and we all know that it is. So maybe there wasn't enough money to do what you would have liked to have done, but it seems to me like with $1.8 million you could have started and we would be somewhere down the track. I would hope that we would have some comments about that.

Mr. Hayes, do you have any questions at this time? You do not.

Mr. Kagen? He does. Mr. Kagen, you are recognized.

Mr. KAGEN. Thank you very much.

First of all, Dr. Buchanan, thank you for your sacrifice by working as a public servant. I appreciate it, and I appreciate the work

that you are trying to do. I have some questions. You are a veterinarian. Is that true?

Dr. BUCHANAN. No, sir.

Mr. KAGEN. So you are a doctor of?

Dr. BUCHANAN. Plant physiology.

Mr. KAGEN. But certainly you are interested in plants being eaten by animals——

Dr. BUCHANAN. Oh, absolutely.

Mr. KAGEN.—by cows in Wisconsin. So in Wisconsin Veterinary Medical School, the predominance of the students are not men, they are women. There might be 67 out of 73 chairs occupied by women and they may not choose to go into the caring of larger animals. So have you considered that as one of the barriers to people not being interested in these grant monies?

Dr. BUCHANAN. Can you help me with that? I am not sure I can answer that.

Dr. OTTO. Yes, sir. We are familiar with the statistics regarding the gender balance in current veterinary students. Our sense is that if we looked at a scholarship option, and we are not necessarily advocating that, it is not part of our President's budget at this point. If we considered that as an option, we might be able to attract students into veterinary schools that otherwise would not be able to apply, would not have the funding. Point one, we think we would be increasing the pool of veterinary candidates. Point two, such a program would stipulate that upon entry, they choose a large or food-animal curriculum as opposed to specializing in companion animals. We all know women who are large-animal veterinarians. I don't think that is a particular barrier but I do think the costs involved certainly could be a barrier.

Mr. KAGEN. Well, if it is a cost issue, why is it that the President's budget would line out and zero fund this program?

Dr. OTTO. This program is a Congressional initiative that is not part of the President's budget.

Mr. KAGEN. All right. So if we put money in, you will execute?

Dr. BUCHANAN. Let me point out that obviously as Dr. Otto said, this is a Congressional initiative and not one of our budget. We know we are in tight budget times and we have had to prioritize. Of course we looked at all the requirements we have; of course, the CSREES has responsibility for research, education, and extension; and of course we have concern for all of the educational side for agriculture. The workforce development is a very critical part of our total portfolio. Certainly veterinary medicine is one of those important areas, but it is not the only area, so we have tried to look at that total effort. To be honest, in prioritizing things, this has not been one of our priorities, but it is something that we consider important, but there are a lot of important things that we can't address simply because we don't have adequate funding.

Mr. KAGEN. Your response may reflect a difference in our values and what we think is important. In my district, northeast Wisconsin, the 8th District of Wisconsin, I have the honor of representing 700,000 people and 500,000 animals. So I think our values may not be consistent with yours. But certainly, when the Congress has it in its mind to solve a real shortage problem by providing appropriations and funding for students to enter and come

out of veterinary school without profound debt, I would appreciate it very much if you would take our value system and implement it. That is part of your job, isn't it?

Dr. BUCHANAN. Well, of course, we have tried to address this, and of course, the legislation provided for three categories. The first one was for veterinarians in underserved areas, but also for veterinarians in underserved areas of veterinary medicine such as food safety, public health and epidemiology, and also the third area for underserved areas in Federal Government where veterinarians are used. And the approach that we took, and the second option that I pointed out, clearly identified two of those three areas in which we have made some effort and certainly have gotten a program underway to do that. Now, it doesn't address the third area but certainly two of the three areas that you identified in the legislation that was approved have been underway and we have made some progress in that.

Mr. KAGEN. Well, we may have a difference of opinion about the extent of the progress, but thank you again for the brief time I have had to spend with you. Thank you very much.

The CHAIRMAN. Thank you.

Mr. Moran.

Mr. MORAN. Mr. Chairman, thank you very much.

Mr. Secretary, thank you for joining us. Thank you for the personal attention and interest that you have taken in this issue. You and I have met and visited and you met with other Members of Congress. I guess my hope as a result of this hearing is that we get USDA's attention that you may have made progress in two of the three areas but we want you to make progress in the third. I think it is a bit disingenuous, that may be too strong of a term, but the Administration supported passage of this legislation. So, for us to get in a battle about whether this is a priority of Congress or a priority of the Administration seems to me to be a useless endeavor. I have seen the letter of Secretary Veneman urging the adoption of this legislation and encouraging Congress to pass it, and we did. I am troubled by the fact that USDA really took no action on this issue for 2 years. And then, as far as I know without any particular consultation with Congress pursued—to at least to some of us—what we would consider diverting from the crux of what we were trying to accomplish. The reality is, regardless of that history, and you weren't there then, but regardless of that history, we are at a point in which we are not accomplishing the goals that I think both of us share. There is no question that there is a tremendous shortage of veterinarians in rural America in large animal practice. That has consequences for the agricultural economy, for my farmers and my ranchers, and it has a significant consequence to the food safety and homeland security of our country. So in a sense, although I am disappointed about the way we got here, that is not my major point of the day. The opportunity that I hope to have is now what are we going to do. I would again say that the idea of a scholarship program in my opinion does not advance the cause that we are seeking. I continue to be interested in USDA implementing a loan repayment program for those who graduate from schools of veterinary medicine and serve in underserved areas. So what I hope would come from this hearing is not

to repeat the history but to say, "Okay, here is where we are, Congress wants this done, we agree it is a noble endeavor. It is something that needs to happen both for the security of our country and for the economy of our farmers and rangers, here is USDA's proposal." So rather than all the reasons why we can't do what we have asked you to do, my question would be, is there no opportunity for USDA to implement a loan repayment program for veterinarians serving in underserved area? It is always frustrating I assume to you as a head of a department, an agency. It is frustrating to me as a Member of Congress to always hear why we can't do what needs to be done when we recognize it needs to be done. Any ability to give us advice of how we do a loan forgiveness program?

Dr. BUCHANAN. Well, let me first respond that I thought that the three areas that were mentioned were all important, and of course, the CSREES addressed two of those and they really addressed the other one because for the emergency side, that was included too as part of it. But all I can say, Congressman, is that certainly we look forward to working with you in any way we could to try to find a solution, and I am like you. Rather than what happened in history, I would prefer to look at what can we do with the future and we certainly would look forward to working with you to try to find a solution.

Mr. MORAN. Well, I appreciate that, and you may look at states. Kansas has implemented in 90 days a veterinary loan repayment program in which we are repaying the debt of ten veterinarians who serve in an underserved area. We are dealing with ten people with very few resources. My guess is that if I calculate the math, a Department of Agriculture program may be about 100 veterinarians at that million dollars and my guess is, my hope is that it doesn't take a significant amount of personnel and tremendous amount of oversight to deal with a loan forgiveness program dealing with about 100 veterinarians across the country.

I see that my time is expired. I thank the Chairman and Ranking Member again for allowing me the opportunity to participate in this panel.

The CHAIRMAN. We appreciate your comments very much.

Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman. I apologize for stepping away briefly. I was wondering if you could reflect on the issue that a lot of industries are seeing retirements and how much are we seeing the changes in veterinary school enrollment. Do we need more vet schools? I know there aren't too many across the country. Could you speak to that issue?

Dr. BUCHANAN. I really can't answer that. Dr. Otto, do you have any numbers on that?

Dr. OTTO. We do not have specific numbers with us. We could certainly provide that information for the record. We will say that we are aware of the aging problem of veterinarians. We are aware of the shortage issue associated with large and food-animal veterinarians and can absolutely provide detailed information for the record if that is desirable.

Mr. SMITH. I appreciate that, and I know that as we have this issue before us, I mean in the realm of food safety, we are finding

out more and more. As Mr. Kingston noted, with the terrorism issue as well, that the issue is pretty complex and so I would appreciate your endeavor to reach a resolution. Thank you.

The CHAIRMAN. Well, thank you, Mr. Smith.

Mr. Hayes, anything?

Mr. HAYES. A couple quick questions. Thank you, Dr. Buchanan, for you and your folks being here today. My question is, what are you going to do and when are you going to do it?

The CHAIRMAN. You just asked my question. Thank you, Robin.

Dr. BUCHANAN. Well, we are continuing the program that we started with FSIS that certainly addressees two of those areas. We are still going to look forward to working with you to whatever approach we might take in the future.

Mr. HAYES. I think it is pretty clear that we are not at all satisfied with what you all are doing, and I am asking you again what are you going to do different? Are you going to call the university at North Carolina State and ask them for a suggestion or in Iowa or in Kansas or in Nebraska and get this thing moving? Working with us is fine but working with us is not the issue. Getting the money spent to get rural veterinarians is what we want you to do. We want some more excitement, we want some more enthusiasm and especially we want some action. Anything foggy about that?

Dr. OTTO. No, sir. That is very direct and clear. Congressman, we have talked with a number of universities. We have had fairly extensive conversations with constituent groups. We have a number of ideas. Speaking parochially from the point of view of CSREES, and this is where the appropriation was lodged by the Congress with my agency, we have extensive authorities to work with universities. The legislation that we are addressing prohibits us from doing that. It says specifically, "the Secretary must enter into an agreement with a veterinarian." That cuts us off at the legs twice. One, we don't work with practitioners. Our mission is to advance education, research, and extension. We work with students. We could probably do that. We work with universities. We could absolutely do that, make funds available competitively for the same programs that are being cited here by Members of your Subcommittee. But the legislation as written prohibits us from doing that. We just can't. And that is the major problem.

Mr. HAYES. Well, that is very good information. Chandler and other staff, we can change that. We all know what we want to do. It shouldn't be that hard to do it. If that is a problem, Mr. Chairman, I am sure we can provide that and it shouldn't take 4 years to get over that hump. I yield back.

The CHAIRMAN. Are you suggesting we go to a different agency on this issue?

Mr. HAYES. Well, I just heard him say that because the way the law is written, they can't deal directly with the university, they have to deal with the student. They don't know how to do that, so if the university is the way you think we ought to go and that will get the job done, and we can provide in law a correction that removes that hurdle, I am more than willing to do it.

The CHAIRMAN. Are you suggesting we ought to go to some other agency than you?

Dr. BUCHANAN. I am not suggesting either that or that the law be changed. I am pointing out these would be options.

The CHAIRMAN. What would you desire from us to allow you to do what we had in mind to get this problem met; not taking away as there are other needs as well. But, for this particular need, what would you need from us. Dr. Buchanan or somebody, what do you need? Or would you rather not deal with it? I am a little confused here.

Dr. BUCHANAN. Well, as I pointed out, we would work with you——

The CHAIRMAN. Well, you have said that but nothing has happened. So here we are at this stage, and I think Mr. Moran made it pretty clear what we are asking. We would like to move on this and get something going. It seems to me like it would be easy enough to recommend that you go out to the teaching universities with some kind of a grant and let us get going and get more veterinarians. But if you don't want to do that or if that is not a good idea, please tell us so.

Dr. BUCHANAN. Well, as we tried to point out that clearly, and I am not saying that because putting a scholarship program into place would require a lot of things and that is just an idea. But clearly I think that looking at the long haul, this would be a way of addressing the problem. You can go to any university and you have so many different scholarships that are designed for certain purposes. Someone will want to advance animal science and they will endow a scholarship for someone to major in animal science. Now, that is a rather general approach, but used in many different areas, so the concept is one that is well tested in academia. I think that the point that has been made earlier that this would be a way of recruiting students into large-animal veterinary medicine. I know as was already pointed out, a majority of the students that start in veterinary medical science are looking to go into companion-animal practice simply because that is the most lucrative. But if you started out with students that, say, wanted to study veterinary medicine—but let us say their economic means won't let them. If you were to promise them that they could go and get their tuition paid and their room and board and that, if they would sign a contract to practice veterinary medicine in a certain area. I think that that in the long haul would be a most logical way of doing it.

The CHAIRMAN. Well, I think Mr. Moran was suggesting that there are some models out there.

Mr. MORAN. Mr. Chairman, if you would yield?

The CHAIRMAN. Sure.

Mr. MORAN. I think one of the questions that we need to resolve, because it seems to me that USDA wants to head down a path of scholarships and the question becomes, does that satisfy those of us who care about that program. From my perspective, I am still in favor of loan forgiveness if the veterinarian chooses to practice in an underserved area. But I think when Dr. Otto talks about the ability to enter into a contract is limited due to, as the Secretary says, when the legislation says that the Secretary has to enter into a contract with a veterinarian, that is a problem. If we pursue the scholarship program that may be where we are talking about amending the language. So again, I would only point out that the

crux of this issue is, do we want USDA to come to us with suggestions about how to pursue a scholarship or do we want to insist that they implement a program of loan forgiveness. I would guess that the answer of what USDA needs from us is probably different, depending upon whether it is a scholarship program or a loan forgiveness program. I would defer to staff. I may not be precisely right but my guess is, you have to answer that question before we know what legislatively would be helpful to USDA. Thank you, Mr. Chairman.

The CHAIRMAN. That was a good discussion.

Mr. Hayes.

Mr. HAYES. Thank you, Mr. Chairman.

Dr. Buchanan, we met with some of your folks in November and talked about this issue and the idea of the scholarship, and we are hung up on "wordsmithing" here. We are talking about getting veterinarians into rural areas to treat large animals, and we can call it loan forgiveness, whatever the result may be. But if some of your folks could refer back to our meeting in November where you advanced the idea of doing the scholarship thing, is that the position of the Department now? Is that how you want us to pursue it?

Dr. BUCHANAN. Well, let me say, sir, this was only an idea and of course probably if we worked on this idea, we would allocate the money on a competitive basis to universities such as North Carolina State and Kansas and institutions. Then we would have the stipulation as to how they would do that. I believe what Congressman Moran was saying was that they have a similar type of program already in place at Kansas State. I think that these institutions that have this kind of program already have in place the mechanism to deliver the students. Our job would be to allocate the money to colleges of veterinary medicine on a competitive basis, which is certainly within the purview of what we do all the time with many of the allocations of money that go from CSREES. So I think this would be a very workable approach. While I am not saying that is something we can do, it is certainly something we can pursue. But I just think that in looking at how scholarships work throughout academia, this would be a way of addressing the problem. Now, that won't address the problem in the short run. It will take 4 years or 5 years to really start getting students out of the pipeline. But those schools that have been forward looking, like Kansas State that already have a program in place would simply be able to utilize the mechanism that they already have in place and it would simply augment that.

The CHAIRMAN. So are you telling us that you would recommend that we do something like that and get this moving as quick as we can? Because the shortage is severe.

Mr. HAYES. If I may, if the Chairman would yield, the Department sent up language after that meeting suggesting this. Does that language reflect what Dr. Buchanan is saying now? I mean, you can't get finished until you get started. It sounds like outputs and we are interested in outcomes, so does that language that you sent up, would that get the job done?

Dr. OTTO. Congressman, that was sent up as a concept development at the request of Members of Congress. In our judgment, it

is probably workable. It is not something that the Administration is requesting.

Dr. BUCHANAN. And I need to emphasize that that is not a proposal that we are making. I think you understand that.

Dr. OTTO. Mr. Chairman, if I may, on a number of occasions, questions have come up and suggestions relevant to other models in government. The HHS program for the National Health Service Corps comes to mind where they provide loan repayment and debt forgiveness for a wide range of health and health safety occupations, everything from midwives to physicians to osteopaths to clinical social workers. This is a program that is up and running. We approached HHS very early on. We asked, could we partner with them and have them cover a loan repayment program for veterinarians. Their response was to ask us immediately how much funding was available. We told them. They said that would not begin to cover the costs simply of merging a USDA program into theirs. I have looked at their program in detail. Just the application package runs 78 pages of instructions. It is very complex and yet it is a good program. They have it in place already, and if a witness can be permitted to ask a question, why would this not be a logical place for this program, given that we have the Veterinary Workforce Expansion Act already targeted at HHS? Wouldn't this be an ideal companion piece? It just would seem to me to be very cost-effective.

Mr. HAYES. You just answered your question. It is a 78 page form and it is a bureaucratic governmental nightmare. Why can't we do something simple? And if Yogi was here, he would say, "It is *déjà vu* all over again," 77 pages for animal ID on a voluntary basis. You sent us language and I think I hear you saying we are not supporting that. You have told us today that there is a legislative hurdle to do what we want to do. Can't you all get your heads together, Congressman Moran and whoever, and I think, Mr. Chairman, hopefully the gentleman that is going to testify next, we will quit this circular questioning, may be able to answer it. But if we can help you all find an answer, are you all ready to move and get it done?

Dr. BUCHANAN. Let me say that the idea of the scholarship is simply an option that we are simply suggesting as an option. Clearly the reason of those complex rules and regulations is, when you start handing out money to individuals, I can see so many challenges and I can understand why we have such long rules and regulations. For example, just one of the issues that you have to have is, there certainly will always be more recipients that are deserving and meet the basic qualifications than will be money available, so how do you select from those worthy recipients to get the money? So there has got to be very definitive rules and regulations that we need to address. But to also follow up, we certainly are ready to move ahead at the direction of the Congress. We will do everything we can because we basically agree, there is a challenge out there. But I also have to add in the same breath we have a lot of challenges and we are trying to prioritize the whole effort of research and education in agriculture.

Mr. HAYES. Again, thank you, Dr. Buchanan. We appreciate your presence. There has got to be a solution. It can't be that hard to find. Let us go after it.

The CHAIRMAN. Before we close, does anybody else want to join? We have to vote but we have another minute or 2. Okay. Can I ask you that you will continue this dialogue with our staff and with us and let us see if we can't find some simple way to get to the point? I think Mr. Moran and Mr. Hayes made their points very well and I have tried to see if we can't find a solution. We are not satisfied. You know that. And we have talked clear around the circle of all this stuff. Now, let us just stop that and go back to your suggestion, Dr. Buchanan. What can we do? Tell us plain and simply what to do to get veterinarians in the field of large animals. That is what we need to do. We are way behind.

Dr. BUCHANAN. Congressman, I certainly would agree that we will look forward to working with you and try to find a solution. My philosophy has always been to don't worry about the past but try to——

The CHAIRMAN. Well, I appreciate that. So I am requesting of you, I am asking of you if you will go back, put your heads together and send us something that you think from your best expertise that would get to this problem. Would you do that?

Dr. BUCHANAN. Yes, sir.

The CHAIRMAN. Thank you very much. We are glad to have had you with us today. We are going to take a short break now because there is a vote on and then we will come back as soon as we get past this voting and take up the next panel. Thank you very much.

[Recess.]

The CHAIRMAN. I think we will go ahead and start. Congressman Hayes will be joining us very shortly. He said we can go ahead and start with your testimony and the record and so on, Dr. Hammer, but we appreciate you being here. For those of you in the audience, this is Dr. Gregory Hammer, a Doctor of Veterinary Medicine. He is the President of the American Veterinary Medical Association from Delaware. We appreciate you being here. I suspect you are a very, very busy gentleman. Drs. Thompson and Reynolds from out my way speak highly of you and we appreciate that. They were very pleased that you were going to be able to be here today, and I just wanted you to know that from your colleagues in Iowa. So with that, we welcome you, Dr. Hammer. Thank you for coming and we are anxious to hear what you have to say.

STATEMENT OF GREGORY S. HAMMER, D.V.M., PRESIDENT, AMERICAN VETERINARY MEDICAL ASSOCIATION; STAFF VETERINARIAN, OWNER/PARTNER, AND CORPORATE OFFICER, BRENFORD ANIMAL HOSPITAL, DOVER, DE

Dr. HAMMER. Thank you, Chairman Boswell. I appreciate the opportunity to be here, and for Mr. Moran, I also grew up in Kansas, in Bonner Springs, Kansas, where my family still lives. So I am very familiar with the 103 counties in the State of Kansas.

So again, thank you, Mr. Chairman and Members of the Subcommittee for giving the American Veterinary Medical Association the opportunity to speak in support of implementation of the National Veterinary Medical Service Act. I am Greg Hammer, Presi-

dent of the AVMA, and I am a small-animal and equine practitioner in Dover, Delaware.

The AVMA represents more than 76,000 veterinarians engaged in every aspect of veterinary medical science. Many of us are food supply veterinarians working to ensure the health and safety of our nation's livestock. These food supply veterinarians are the guardians of our nation's food supply and they will be the first medical professionals to diagnose and contain diseases in animals that may spread to humans. These zoonotic diseases are increasing as we have seen most recently with the spread of highly pathogenic avian influenza, or bird flu, from Asia, to the Middle East and now onto Europe.

Today we are facing a shortage of food supply veterinarians. Their absence in many underserved and rural areas of our nation negatively impacts animal health and welfare and constitutes a significant threat to our nation's public health. The National Veterinary Medical Service Act, or what is sometimes referred to as NVMSA, was signed into law by President Bush in December of 2003 and is a loan repayment program for veterinarians who pledge to practice in a variety of underserved areas including food supply veterinary medicine. The Act also creates a reserve corps, a veterinary national guard, if you will, that will answer the government's call for assistance in the event of an animal disease emergency or disaster.

NVMSA has been law for more than 4 years and it received initial funding more than 2 years ago yet the Act has languished. Why, we ask? Because its rules remain unwritten, rendering the program nothing more than a paper tiger, powerless and ineffectual. This is unacceptable. The AVMA is committed to solving the workforce shortage in food supply veterinary medicine. The formation of the Food Supply Veterinary Medicine Coalition in 2004 shows how strongly the AVMA and many other organizations feel about solving the problem. The Coalition sponsored a study published in 2006 that indicates that while projected demand for food supply veterinarians will increase 12 to 13 percent between now and the year 2016, supply is projected to fall by four to five percent per year. The AVMA also convened a National Veterinary Medical Service Act Advisory Group in 2004 to address fundamental issues such as how a shortage would be defined, the objectives of the program and who would be eligible for the loan repayments, all in an effort to assist the United States Department of Agriculture in implementing this program.

Educational debt is one of the biggest obstacles standing in the way of students pursuing a career in food supply veterinary medicine. That debt has increased by a whopping 35 percent since the National Veterinary Medical Service Act was signed in 2003, 35 percent. The Act once implemented and operational will help defray some of this debt, making food supply veterinarian jobs in some of our most underserved geographic areas more attractive to the prospective job candidate.

Much remains to be done, however. We are still waiting for USDA to fulfill its responsibility and answer our calls for written rules and implementation of NVMSA. Over the past 3 years Congress appropriated funds for the Act. However, much of that fund-

ing has been redirected to Food Safety and Inspection Service veterinarians through a preexisting loan repayment program previously funded by FSIS. While the AVMA is grateful for the government assistance this program receives, the monies going to FSIS were supposed to go to NVMSA, which still awaits implementation.

Last year the USDA granted the Cooperative State Research, Education, and Extension Service authority to implement NVMSA. We have learned, however, that that service says it does not have the capability to administer and develop the program. As a response to the USDA's inaction on NVMSA, the United States Senate has called for amendments to the Act in the 2007 Farm Bill. We support these amendments.

The amendment calls for halting the transfer of money away from NVMSA and they underscore the importance of limiting the application of funds for their original intent, which is support of rural large and mixed animal veterinary practices. The amendments also provide a deadline by which USDA must promulgate the rules of the Act.

Mr. Chairman, Members of Congress and President Bush realize that they can play a role in relieving this shortage of food supply veterinarians by passing and signing into law NVMSA. You fulfilled your responsibility. Now we ask that USDA fulfill theirs. We ask that the USDA go on record about what resources they need in order to implement the Act. If they need money for the program, tell us how much. If they need staff to develop and implement the program, tell us how many. If they need help in writing the rules, ask us for assistance. The AVMA stands ready to assist in the development and implementation process in any way possible.

In closing, the problems that the National Veterinary Medicine Service Act will address worsen each and every day the program remains nonfunctional. This has all the markings of a crisis if we don't act now.

Thank you, Mr. Chairman. I would be happy to answer any questions that you or the Committee might have.

[The prepared statement of Dr. Hammer follows:]

PREPARED STATEMENT OF GREGORY S. HAMMER, D.V.M., PRESIDENT, AMERICAN VETERINARY MEDICAL ASSOCIATION; STAFF VETERINARIAN, OWNER/PARTNER, AND CORPORATE OFFICER, BRENFORD ANIMAL HOSPITAL, DOVER, DE

"I know of no pursuit in which more real and important services can be rendered to any country than by improving its agriculture, its breed of useful animals, and other branches of a husbandman's cares."

GEORGE WASHINGTON,
1732–1799,
U.S. General,
President,
Letter, July 20, 1794.

Thank you, Mr. Chairman and Members of the Subcommittee, for giving the American Veterinary Medical Association the opportunity to speak in support of implementation of the National Veterinary Medical Service Act.

I am Dr. Gregory Hammer, President of the AVMA and a small animal and equine practitioner in Dover, Delaware. Prior to entering private practice, I held the rank of Captain in the U.S. Air Force as a Veterinary Medical Officer from January 1974 to January 1976.

The American Veterinary Medical Association represents more than 76,000 veterinarians engaged in every aspect of veterinary medical science. Among other things,

we ensure the well-being of our nation's pets, we protect human health through the control of zoonotic disease, we conduct research into animal and human health, and we help preserve endangered species. Many of us are food supply veterinarians, working to ensure the health and safety of our nation's livestock.

Food supply veterinarians are the guardians of our nation's food supply—from poultry and swine to dairy cows and beef cattle—and they will be the first medical professionals to diagnose and contain diseases in animals that may spread to humans. These zoonotic diseases are increasing, as we have seen most recently with the spread of highly pathogenic avian influenza—or Bird Flu—from Asia to the Middle East and Europe. The exponential spread of infectious disease makes rapid diagnosis necessary if the disease is to be controlled.

Today, we are facing a shortage of food supply veterinarians. Their absence in many underserved and rural areas of our nation negatively impacts animal health and welfare, as well as public health. Not only is the food supply vital for obvious reasons, the economic activity generated by the food supply industry is also critical to our country's economy.

The American Veterinary Medical Association is committed to solving these shortages. The formation of the Food Supply Veterinary Medicine Coalition in May of 2004 shows how strongly the AVMA, and many other organizations, feel about solving this problem. The members of the Food Supply Veterinary Medicine Coalition are: the Academy of Veterinary Consultants, the American Association of Avian Pathologists, the American Association of Bovine Practitioners, the American Association of Food Hygiene Veterinarians, the American Association of Small Ruminant Practitioners, the American Association of Swine Veterinarians, the American Veterinary Medical Association, the Association of American Veterinary Medical Colleges and the United States Department of Agriculture's Food Safety and Inspection Service.

The Food Supply Veterinary Medicine Coalition has embarked on an aggressive mission to help curtail the shortage of food supply veterinarians. The Coalition funded a Kansas State University study to determine the extent of the shortage and how it impacts the American food supply. The study, published during the summer of 2006, indicates that, while projected demand for food supply veterinarians will increase 12 percent to 13 percent between now and 2016, a shortfall of four percent to five percent per year is projected.

One of the most recent developments toward helping solve the food supply veterinarian shortage is the creation of a section on the American Veterinary Medical Association website that highlights this situation. This website is part of our effort to help spread the news that food supply veterinary medicine is at a critical juncture and deserves national attention. The entities helping in this collaborative effort are sharing information, building coalitions, lobbying for legislation and trying to recruit more students into the food supply field.

Perhaps one of the most revealing programs undertaken by the Coalition is a series of maps created by the AVMA that provide a unique look into the state of food animal veterinary medicine and how a lack of practitioners is hitting some areas of the country much harder than others. By painstakingly comparing data from the AVMA and the United States Department of Agriculture, we were able to pinpoint the hot spots in each state were few—if any—food animal veterinarians reside or have a practice located. The maps also identify counties where veterinarians may be located but their numbers are insufficient to support the concentration of food animals located in that area.

What we found is that the ratio of food animals to food supply veterinarians in some states—like Wyoming—is fairly well balanced. It's a different story in other states, however. Take South Dakota, for instance, where more than a dozen counties have more than 25,000 food animals but no food animal veterinarians.

The National Veterinary Medical Service Act, which President Bush signed into law in December 2003, is a loan repayment program for veterinarians who pledge to practice in a variety of underserved areas, including food supply veterinary medicine. Under the law's current language, these veterinarians would receive debt forgiveness if they provide their services to geographic areas of need, areas of veterinary practice that are in need, areas of veterinary need in the Federal Government and other areas deemed appropriate by the Secretary of Agriculture.

The Act also creates a reserve corps—a "Veterinary National Guard" if you will—that will answer the government's call for assistance in the event of an animal disease emergency or disaster.

While the National Veterinary Medical Service Act has been law for more than 4 years, its rules remain unwritten, rendering the program nothing more than a paper tiger, powerless and ineffectual. What is most frustrating is that, while the law has been in place since 2003, the writing of the rules and the implementation

of the Act have languished since its passage and even since it received its first funding more than 2 years ago.

This is unacceptable.

A few states, including Kansas, Ohio, Louisiana, Maine, Pennsylvania, Missouri and North Dakota, are picking up the ball that has been dropped by the Federal Government and are approving—and implementing—student loan repayment programs for veterinary school graduates who agree to serve in areas where food supply veterinarians are needed.

The AVMA also convened a National Veterinary Medical Service Act Advisory Group in January 2004 to address fundamental issues such as how a shortage would be defined, the objectives that such a program would meet and who would be eligible for the loan repayments—all in an effort to assist the USDA in implementing the program.

Our nation's 28 accredited veterinary colleges currently graduate about 2,500 veterinarians each year. According to a recent report by the Bureau of Labor Statistics, veterinary medicine ranked 9th in the list of the 30 fastest-growing occupations for 2006 through 2016. It is estimated that jobs for veterinarians will increase by 35 percent in the next several years.

While some of that growth will be matched with the addition of new graduates into the workforce, there is no doubt that food supply and public health veterinarian jobs will be difficult to fill. There are about 8,850 U.S. veterinarians working in the food supply field. Around the turn of the 20th Century, virtually every veterinarian was a food animal veterinarian. Today, only about 17 percent of veterinarians work in food supply, while more than 70 percent of veterinarians work with companion animals. This trend is likely to continue as veterinary school graduates enter the workforce.

Of the 2007 veterinary school graduates who chose to begin work in the profession directly upon receiving their degrees, only about 14 percent chose food supply veterinary medicine, while more than 41 percent chose small animal practice and about four percent chose equine practice. Reducing this employment pool even further is the fact that about 37 percent of graduates decided to pursue advanced study programs.

One of the biggest obstacles standing in the way of students pursuing a career in food supply veterinary medicine is educational debt. It is estimated that the average student debt for a veterinary school graduate now exceeds $106,000. That debt has increased by almost 35 percent since the National Veterinary Medical Service Act was signed into law in 2003.

As these figures illustrate, it is no easy task earning a degree in veterinary medicine. Even more obvious is that it is very costly to become a veterinarian. Upon graduation, most of these newly educated veterinarians must find a job that not only meets their daily living expenses, but also helps them pay down their student debt. This can be a daunting task, especially when we consider salary levels for new graduates entering the workforce. The mean starting salary for new graduates was about $57,969 in 2007. Those veterinarians entering large and mixed animal practice were compensated below that average.

The highest paying jobs in each of the practice categories are typically determined by geography, which more often than not dictates the level of salary. Jobs in many rural areas, where food supply veterinarians are in the highest demand, often pay less due to demographics and other economic conditions. The National Veterinary Medical Service Act, once implemented and operational, will help defray some of this debt, making these rural areas—and these food supply veterinarian jobs—more attractive to prospective job candidates.

With the mean age of food supply veterinarians hovering around 50, many practitioners will be considering retirement in the not-too-distant future, placing an even greater burden on the profession and our society.

Mr. Chairman, as stated in the invitation to attend this hearing, our purpose here is to "review the National Veterinary Medical Service Act." I hope I have laid the groundwork for why we believe fully funding and implementing this legislation is so important.

Much remains to be done, however, and the AVMA has questions about why it has taken so long for the United States Department of Agriculture to answer Congress' call to action.

A letter from then-Secretary of Agriculture Ann Veneman to Representative Bob Goodlatte dated July 29, 2004, states, "As the front line of defense in the war against animal diseases, USDA is keenly aware of the serious need for veterinarians in certain geographical and practice areas. In addition to the areas mentioned in the bill, USDA has been working with the American Veterinary Medical Association to identify other areas of veterinarian shortage." While this is indeed the case—that

the USDA has worked with the AVMA to identify areas of veterinarian shortage—most of that data came from work done by the AVMA and its staff. Now we are waiting for the USDA to fulfill their responsibility and answer our calls for written rules and implementation of the National Veterinary Medical Service Act.

Written responses dated June 22, 2006, from Dr. Gary Sherman, National Program Leader of Plant and Animal Systems, to questions posed to the USDA about the status of the Act leave us more frustrated than satisfied about its future.

Dr. Sherman stated in one response that "substantial progress" has been made "to develop a veterinary educational loan repayment program consistent with the spirit and the letter of the NVMSA." We, however, at the AVMA have not received any details as to what "substantial progress" means.

Another response states that the "NVMSA Working Group within USDA CSREES has developed a series of white papers describing potential programmatic strategies for implementing NVMSA." We at the AVMA have not received a copy of these white papers, nor has the working group shared their content with us.

It was also stated that the NVMSA Working Group "has developed a two-phase draft strategy, the first of which is anticipated to lead to distribution of awards as early as fall of 2006." These distributions are going to Food Safety and Inspection Service veterinarians through a reprogramming of funds to a pre-existing loan repayment program previously funded by FSIS. While the AVMA is grateful for the governmental assistance this program receives, the monies going to FSIS were supposed to go to the National Veterinary Medical Service Act, which still awaits implementation.

In another response, it was indicated that the USDA is working on a "longer-term strategy that provides a mechanism to obtain validated veterinary workforce needs estimates for the various sectors identified in the Act." We respectfully ask where that work stands, especially in light of the fact that the AVMA supplied much of the data from the Food Supply Veterinary Medicine Coalition study and the food supply distribution maps mentioned earlier in my testimony—and in light of the fact that the data has generated significant support from many others in the scientific and government communities.

Apart from these unanswered questions, we also have other concerns.

The USDA last year granted the Cooperative State Research, Education, and Extension Service authority to implement the National Veterinary Medical Service Act. We have learned, however, that CSREES says it does not have the capability to administer and develop the program. We question this because it is our understanding that CSREES has rule writers on staff. If that is the case, we must assume they have a management analyst on staff who can lead the rules-writing process. If CSREES does not have a management analyst, they are free to ask other agencies for help in the rules writing.

As a response to the USDA's inaction on NVMSA, the United States Senate has called for amendments to the Act in the 2007 Farm Bill. We support these amendments. The amendments call for halting the transfer of money away from NVMSA to FSIS. They underscore the importance of limiting the application of funds for their original intent—support of rural large and mixed veterinary practices. And the amendments provide a deadline by which USDA must promulgate the rules of the Act.

Mr. Chairman, and Members of the Subcommittee, veterinary students are, by their very nature, dedicated to the care of animals. They are also keenly aware of the many critical roles veterinarians play in our society. But while many of these veterinary students are aware of the career opportunities in food supply veterinary medicine, there are many societal factors involved in their decision as to where to practice medicine. Perhaps the biggest factor in their decision is the salary they can earn to provide for themselves and their family. Members of Congress and President Bush realized that they could play a role in making that decision a bit easier by passing and signing into law the National Veterinary Medical Service Act.

You fulfilled your responsibility. Now we ask that the USDA fulfill theirs.

We ask that the USDA go on record about what resources they need in order to implement the National Veterinary Medical Service Act. If they need money for the program, tell us how much. If they need staff members to develop and implement the program, tell us how many. If they need help in writing the rules, ask for assistance.

The AVMA stands ready to assist in the development and implementation process in any way possible. I believe we have already shown our commitment to doing so by detailing our involvement in the process through both the written and oral testimony I have provided to you today.

In closing, the problems that the National Veterinary Medical Service Act will address worsen each and every day the program remains nonfunctional. This has all

the makings of a crisis if we don't act now and implement the National Veterinary Medical Service Act.

The CHAIRMAN. Thank you, Dr. Hammer. I think you have hit the nail on the head. Were you here for our earlier panel discussion?

Dr. HAMMER. Yes, sir.

The CHAIRMAN. Okay. Then I won't refer to that, and I think you understand what we discussed there at that time. Maybe for the record, your definition of "underserved area" would be helpful. I think I know what it is but I would like you to describe an "underserved area." I think you pretty well told us what the impact is of it.

Dr. HAMMER. I think an "underserved area" is anywhere where you have enough people asking, "Where is my veterinarian and how far do I have to go, and why aren't they there when I need them in an emergency." The AVMA has done several studies. Our most recent one that you have the maps of before you of your individual states shows 25,000 food animals and no veterinarians at all in that county. It is a county-by-county map of the United States and I think it is very, very frustrating to look at the middle of the country and see how many red flags are up there. So an underserved area is every one of those red flags, and it is very frustrating when we can't put veterinarians there. When every week I get a student that asks me when are we going to get this program in effect, and I have new graduate veterinarians that have debts that want to go into mixed-animal medicine but the obstacle of the debt, they can't do it. They have to go where they can pay their debt, and it is very frustrating.

The CHAIRMAN. I appreciate that. You probably heard Mr. Hayes and I talking about it too. It seems to me like we have professional schools of veterinary medicine in my state, your state and the rest of us actually, those that have them out there that are ready to promulgate and get a program going that would help. Do you have any comment on that?

Dr. HAMMER. Yes, sir, I do. There are a number of schools that Mr. Moran spoke about in the State of Kansas. That is the legislative help that has come from the state legislatures. There are a number of veterinary schools that have brought forth different programs to encourage more of their students to go into food supply and specifically rural veterinary medicine. We have a public now that is raised further and further from the farm, that knows less and less about farm animals. They are not as comfortable when they come from an urban area and so they are a little uncomfortable in going to those food supply-type jobs. And we are just hoping that the opportunities that we are giving them in the schools and the opportunities that Congress has given by enacting the NVMSA and funding it will help.

The CHAIRMAN. Well, it seems that large-animal veterinary medicine is a little more challenging in some respects. That is where you can make the argument on the small animal, but when you are dealing with a bull, cow, or a horse, it is a little bit challenging, to say the least. I just feel that there such a need, or we wouldn't be having this hearing, that we have just got to encourage those that are interested and come from that sector. As we discussed ear-

lier, they would be more inclined to go back if they had some help, and they do take a deficit in what they can earn *versus* going into the urban area and doing small-animal health, as we all know.

Dr. HAMMER. Yes, sir. The biggest obstacle is that debt, and I agree with you, it is a little more challenging. The only time I ever got knocked out was putting an 800 pound bull in a squeeze chute and it caught me right there.

The CHAIRMAN. Yes. Been there, done that, so I understand.

Mr. Hayes.

Mr. HAYES. Thank you, Dr. Hammer, and we appreciate you being here.

Dr. HAMMER. Thank you.

Mr. HAYES. It just doesn't seem that complicated, does it? I was doing some math and——

Dr. HAMMER. No, sir, it doesn't. That is why it is so frustrating.

Mr. HAYES. I was never that good in math, but 29 vet schools, that is $62,000 is what is on the table right now. You could go that way. It occurred to me, Mr. Chairman, as you were speaking, there is an agency called USDA Rural Development. They give out grants and loans every week. I hope they know how to do it. So that is another option. But again, Dr. Hammer, I think it is very clear that the people that know the most about it are always the ones to deal with the veterinarians themselves through your organization who could provide immediate input as to how potential students would like to implement the program. Then the universities, 29, maybe there are only 20 that are interested but if we put those facts on the table and then quickly move to do what we plan to, deciding what areas are underserved, USDA has a rule book right now that defines which areas are eligible. So that is not a hurdle that exists, and them saying how the money had to be administered, if the problem is how the law is written, we can change that real quick. So again, whether it is a loan that will be repaid, as Mr. Moran has discussed it, or a scholarship, it doesn't matter. We have all identified a need and money to fund it so we have two out of three. All we have to do is decide how. So again, your input and pressure from that side of table would be helpful. I know we are ready to move. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Mr. Smith.

Mr. SMITH. Thank you, Mr. Chairman and Dr. Hammer. I appreciate the fact that Chairman Boswell said that you hit the nail on the head, given your last name, but that was pointed out by Mr. Moran to me.

I appreciate your information prior to this session here. If we could maybe elaborate on the numbers out there and quantify need. It is disturbing to me when I feel that there are, and I am not as familiar with the veterinary education, but when there are qualified students wishing to enter a field and because of the extremely limited seats available they are turned away, whether it is dentistry, whether it is other points of the medical profession. Do you feel that we have enough seats for those interested and qualified students wishing to pursue a career in large-animal veterinary medicine?

Dr. HAMMER. No, sir, I do not feel that we are producing enough veterinarians every year. The 28 veterinary schools that we have in the United States are basically working with a 30 year old infrastructure. There has been no money put into those infrastructures for over 30 years. We are graduating the same number of veterinarians as we did almost exactly 30 years ago and obviously the demand has gone up. So it is a demand across the board, not just food supply. It just happens to be that food supply is very much in the forefront. One episode of hoof-and-mouth disease in this country, I know you remember what it did to the United Kingdom. One episode of hoof-and-mouth disease in this country would cost $34 billion. Veterinarians are the first line defense for that. Without those food supply veterinarians being out there to watch for those diseases in the rural areas, it can get a foothold much quicker. So that is why we are so concerned.

Mr. SMITH. Thank you. And if you know approximately how many applications are received compared to those seats granted to those applicants?

Dr. HAMMER. That varies. It varies with the school but I believe, I don't think there is anybody here from the American Association of Veterinary Medical Colleges now, they could tell you, but it is about ten to one. I think that probably is a general rule of ten applicants to one seat.

Mr. SMITH. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. You are welcome. Thank you.

Mr. Moran.

Mr. MORAN. Mr. Chairman, thank you.

Dr. Hammer, thank you for joining us. I am impressed by your résumé. My only sadness is that despite being a native Kansan and a graduate twice of Kansas State University, you live in Dover, Delaware. We would love to have you in the State of Kansas.

Dr. HAMMER. I got back there with the Air Force and I forgot my ruby red slippers and couldn't get home.

Mr. MORAN. I appreciate your service to our country and I see that if you had remained a Kansan, we would also perhaps have a better shot at a position as a speech language pathologist, also professions that we desperately need in our part of the country.

Dr. HAMMER. Thank you.

Mr. MORAN. Let me ask just a couple of questions. On the process of how we got where we are, has the Department of Agriculture dealt with you and your association? Have they come to you seeking advice in implementation of this program?

Dr. HAMMER. I think there has been some communication. Certainly we have continued to give our input to this over the last few years. I can speak personally to one meeting that we had when Secretary Johanns was still the Secretary that I attended. It was about an hour-long meeting. It was very frustrating for just a practitioner, one who doesn't work with bureaucracy all the time. I kept saying, "Well, it is all here, why can't we just do it, somebody make the first step," and so we have continued to give information when we are asked. We are a little frustrated at our office here in Washington that deals with USDA and in our effort to inform and edu-

cate that they haven't been looked at more favorably when we did bring information.

Mr. MORAN. Mr. Hayes mentioned my interest in a loan program. Do you have an opinion or wish to explore with us and further this concept of scholarships *versus* loan forgiveness? Do you have a preference and a belief as to which one may work best in bringing and retaining large-animal practice vets to rural underserved areas?

Dr. HAMMER. Yes, sir. Thank you very much for asking that. We feel at this point that a loan repayment program would work much better than a scholarship program, and I can give you an example. I have a girl that worked for me that is now at Oklahoma State University College of Veterinary Medicine and she thought she wanted to be a small-animal veterinarian, companion-animal veterinarian. She is now in her third year and has decided, and I am really glad that she wants to work on all bovines, on cattle. Had it been a scholarship program she would have applied for it in her first year because she wanted to be a companion-animal person then. By her third year, those scholarships would not have been available to third year students. So we are looking at a debt and a loan repayment really of graduate veterinarians. I think perhaps too much focus here is on students. We are really looking at the graduate veterinarian. Now, they are most likely recent graduates so they can pay down that debt but if it takes scholarship programs, we will do whatever needs to be done so we can get this thing off square one. But, we would prefer a loan repayment program.

Mr. MORAN. Well, I share that opinion and your example is one reason that I share that opinion. I think many times entering the professional school you have a different idea of where you want to be than where you may end up. We may lose lots of students that rural communities could then recruit because they didn't take out the scholarship from day one. As they begin to graduate and see the amount of debt that they have to pay on their student loans, it's a pretty good inducement to connect with the community that has an opportunity for service that allows for repayment of that debt.

Let me follow up on Mr. Smith's question about schools of veterinary medicine. I want to take a slightly different direction. Your testimony is pretty compelling about the lack of investment in schools of veterinary medicine. That is a damaging statistic that it has been 30 years since we have invested in our schools. Is there no effort underway to expand the size of classes in veterinary schools across the country, and if the answer to that is no or not much, what is the impediment? Is it just such a costly program? I assume that state universities don't, "make money," educating a veterinary medical student.

Dr. HAMMER. That is a multifaceted question. First of all, there are 28 veterinary schools that are supported by 26 states. When I say we have not invested in an infrastructure, that is by the Federal Government. The Federal Government has not invested in veterinary medicine for over 30 years and it has strictly been the states. So we are asking——

Mr. MORAN. Excuse me for interrupting, but what did the Federal Government do 30 years ago that we are not doing now in that investment?

Dr. HAMMER. Enlarged the number of veterinary schools and also enlarged the capacity.

Mr. MORAN. So there was a role at one point in time that the Federal Government played in expanding or creating schools of veterinary medicine?

Dr. HAMMER. Yes, sir. As a matter of fact, at Kansas State when I graduated in 1973, they were in the middle of that building program which was a shared program between Kansas and the Federal Government. They also built two or three new schools at that time. Now, that is the last investment that has been there. So it is very much a crisis because it is not just food-animal veterinarians, as I said, that we are short on. All of the schools at this point are at their absolute maximum capacity inside their walls for educating and graduating veterinarians. So it is not a matter that they are not trying to fulfill the demand, because, obviously, if they could they would produce the supply of veterinarians. That is what our job is to do with our 28 veterinary schools. But they just don't have the faculty and the inside-the-walls space to do it. We are hoping that the workforce expansion grant in the farm bill will be a solution to that and we would hope and like very much your support. It is way past overdue and something that we need also.

Mr. MORAN. Mr. Chairman, do you mind if I ask another question?

The CHAIRMAN. You have more time.

Mr. MORAN. Thank you, Mr. Chairman.

Let me make certain that I understand. Your "30 years" is about Federal investment. Are there state investments in schools of veterinary medicine? Are any programs now expanding? The sister or companion university in Kansas, Kansas University, I visited in the last month. They are asking the state legislature to double the size of their school of pharmacy. We can go through the whole list of professionals that we have a shortage of, and the demand is there. Students want to enroll in the school of pharmacy and the capacity is not there. And so Kansas University is trying to meet the needs of a state like ours with doubling the size of the school. Is that kind of program occurring in this country in regard to veterinary medicine?

Dr. HAMMER. No, sir, there are no schools that have the funds to increase their capacity any more. I mean, when I say 100 percent, they are at 100 percent.

Mr. MORAN. So no Federal investment but also no state investment in expanding the scope or the size of the class?

Dr. HAMMER. Less and less state support all the time, which is why tuition is going up and up and has gone up 35 percent since this Act was initiated. It has gone up 35 percent. The average tuition is now $35,000 to $55,000 and that is an increase over the past 5 years of 35 percent. And because of less state support, they have to increase the tuition. The veterinary professional, the veterinary doctor is the absolutely most expensive medical professional to educate, mainly because of complexity of medicine, complexity of anatomy, all the different species we work on including humans.

We also are responsible for human health, public disease and zoonotic diseases that are transmitted from animal to man.

Mr. MORAN. Thank you very much. Mr. Chairman, you have been very generous with me today and I value that and appreciate it.

The CHAIRMAN. Well, we appreciate you being here, Jerry. Thank for you coming and participating in this very important matter.

Mr. Hayes, any questions?

Mr. HAYES. Would the gentleman from Kansas yield for a question?

Mr. MORAN. I have no time but I am happy to yield to the gentleman from North Carolina.

Mr. HAYES. In listening to your very persuasive, as always, argument and listening to the good doctor, it came to my attention at the break that there is a loan program within these buildings and it is available to members of the staff and it is one page in length. Is it possible that we could as a result of these meetings let the folks down the street know that that process and that application form is available? What do you think of that idea?

Mr. MORAN. Mr. Hayes, I have been pleased with your comments throughout this hearing today and you seem to just have the commonsense approach that there is a way to do this, and I had never thought about Rural Development. USDA has programs, and somebody earlier also said they are making loans to farmers all the time. There ought to be an ability to fashion something that is not so complex. I was completely surprised by the suggestion that a program with 78 pages of instructions is a role model. So again, I do think that what I said earlier in my questions with Dr. Hammer about the necessity of deciding whether we want to concede the point that it ought to be a scholarship program as compared to a loan forgiveness program, that seems to me to be the initial discussion or conclusion that we need to reach, and then we try to figure out how we cause this to happen. And Dr. Hammer has mentioned the farm bill. When we get to conference, the Senate has provisions related to this topic in their version of the farm bill, which gives us an opportunity, I hope in short order, to address whatever we need to do legislatively.

The CHAIRMAN. Good discussion. Thank you.

Mr. HAYES. Thank you, Mr. Chairman, and in his spare time I am sure Chandler could check and see how——

The CHAIRMAN. I just gave him the look. He has his instructions.

Well, I appreciate it, Dr. Hammer. I wasn't trying to do a play on words earlier, but I will take credit for it if they want to give it to me.

Dr. HAMMER. I thought it was great. I will get you a tee shirt with that on it.

The CHAIRMAN. We appreciate you being here and the fact you came early and heard the other discussion, because I think that will be helpful to us as we try to deal with this. And I like your statement that you made when you were meeting with the Secretary in a previous meeting sometime back, "Let us just get off square one and get going, the need is there." And it seemed to me like it was pretty clear the intent of the Congress when we wanted to address this and it has just been circled around, if you will. So

with that, I appreciate it very much and I think we will bring this to a close. Do you have any closing statements you want to make?

Dr. HAMMER. No, only that I forgot to tell Mr. Hayes that my son went to the University of North Carolina in Chapel Hill so I also contributed funds to North Carolina when I was there. But thank you very, very much for giving the American Veterinary Medical Association the opportunity to comment. I hope it was helpful.

The CHAIRMAN. Mr. Hayes, we will recognize you for any closing remarks you might like to make.

Mr. HAYES. Again, Mr. Chairman, I think it has been very productive. We will use the information as you always do to, as Larry the Cable Guy would say, "Get 'er done."

The CHAIRMAN. Okay. Once again, we want to thank you for being here and thank everyone that has participated today. I think we have learned some things we need to do. I think we obviously agree that the shortage of production-animal veterinarians currently exists and this shortage could have devastating effects on our nation's food supply. The number of practicing large-animal veterinarians is decreasing due to poor economic incentives. As a result there has been worsening of the current shortage of food-animal veterinarians. Many universities across the country including mine in Iowa State University College of Veterinary Medicine provide their students with state-of-the-art skills and knowledge. However, in order for these veterinarians to have a future ensuring our nation's needs, we must provide the veterinary graduates, and what you said very well, Dr. Hammer, with the financial opportunities they need.

So with that, we will bring this to a close. Under the rules of the Committee, the record of today's hearing will remain open for 10 days to receive additional material and supplementary written responses from witnesses to any question posed by a Member of the panel.

The hearing of the Subcommittee of Livestock, Dairy, and Poultry is adjourned. Thank you very much.

[Whereupon, at 1 p.m., the Subcommittee was adjourned.]

[Material submitted for inclusion in the record follows:]

QUESTIONS SUBMITTED TO DR. GALE BUCHANAN, UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS, U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

Question 1. Of the funds appropriated for the National Veterinary Medical Service Act (NVMSA), how much was used to repay the loans of FSIS veterinarians that were hired before and after the transfer of funds?

Answer. On June 6, 2007, a $750,000 reimbursable agreement was executed between CSREES and FSIS. None of the funds had been committed to anyone hired by FSIS prior to June 6, 2007. Since that time however, FSIS has committed $150,000 as hiring incentives to veterinarians for loan repayment.

Question 2. In a November 14, 2008 letter to the Chairman Peterson, Dr. Buchanan outlined a laundry list of reasons why implementation would be difficult. Many of these listed barriers to implementation appear to be core or common functions of the USDA, including:

a. rulemaking; application processing; certify the legitimacy of the applicant and their debit;

b. perform a credit and reference check of the applicant;

c. perform background criminal checks and citizenship verification;

d. develop and maintain a list of underserved areas; verify that an applicant works in an underserved area;

e. create rules and regulations for a breach of contract and maintaining legal services;

f. and to create an audit system for the entire program.

Which of these functions can be done within the USDA currently, and what functions does the USDA need to develop?

Answer. To our knowledge, none of the other agencies in USDA, each with its own legislative and regulatory authorities, has a program that achieves all of these common core functions.

CSREES has experience in rulemaking, especially as it applies to financial assistance going to universities. Similarly, CSREES has experience in processing applications leading to various financial assistance instruments that provide funding to universities.CSREES does not have systems or personnel that deal with:

- conducting citizenship verification;
- performing credit checks;
- cross referencing candidates with other Federal agencies (including the Internal Revenue Service) to identify any other existing Federal debt or participation in other Federal programs;
- verifying existing debt including the determination that the debt arises from an approved source (i.e., not from a candidate's family);
- the creation of rules and regulations for a breach of contract;
- addressing individual contract breach.

In general, all of CSREES' existing staff and systems work through agreements with universities and other organizational entities. CSREES has protocols in place for these entities to provide many of the certifications required for sound fiscal and programmatic management. Likewise, procedures are already in place to perform reference checks and provide legal services and CSREES could certainly develop fiscal audit procedures.

Although CSREES can utilize Economic Research Service data and data supplied by veterinarian constituent groups to identify shortage areas, CSREES has no field staff to verify that participants are working in the area specified by their agreement. CSREES also has no mechanism through which to identify employment opportunities in these areas. In summary, the process involved is complex and would require significant time to implement and considerable infrastructure and resources to support.

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