

**STATEMENT FOR THE RECORD
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to the
APPROPRIATIONS SUBCOMMITTEE ON AGRICULTURE and FDA
U.S. HOUSE OF REPRESENTATIVES**

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NTEU is grateful to have this opportunity to submit this statement of our views on Fiscal Year 2024 appropriations for two agencies under the subcommittee's jurisdiction where the employees are represented by NTEU -- the Food & Drug Administration (FDA) and the Commodity Futures Trading Commission (CFTC).

Food & Drug Administration

The Administration has requested a 10 percent increase (\$372 million above the FY23 enacted level) for the Food & Drug Administration (FDA). The total FDA budget request is for \$7.2 billion of which \$3.93 billion would come from funds appropriated by Congress, \$2.5 billion from medical products user fees, and \$700 million from tobacco user fees. NTEU strongly endorses the Administration's request and urges Congress to fully fund the requested amounts.

The FDA workload is constantly growing and must grow as private sector growth continues in medical, pharmaceutical, veterinary and food production marketing. To hold back FDA would mean to hold back the innovations of the private sector in these critical and necessary products. That would not be in the interests of the health and safety of the American public.

FDA is a staff-intensive organization, with more than 80 percent of its budget devoted to personnel costs. FDA employees are among the most highly skilled and dedicated employees that will be found anywhere in the public or private sector. The agency needs to be able to recruit and retain skilled scientists, inspectors, chemists and other professionals. FDA certainly does not match the superior pay offered by the private sector, where these skills are very much in demand, but it does have a workforce committed to public service and public health.

However, FDA has a turnover rate two times the government wide average and 70 percent of the staff are retirement eligible. According to a recent Government Accountability Office (GAO) report, the crafts with the greatest pay and benefits differential from the private sector are scientists, physicians and regulatory attorneys. More broadly, there are hiring and retention problems with the professional and technical staff as well as those who work in medical product review. And of constantly growing importance is FDA's foreign inspection program. As we have told the Members of this Committee before, FDA has a hiring and retention crisis. Failure to overcome this crisis will mean a failure in the mission of FDA.

NTEU applauds the steps FDA has been taking to address this crisis. In listening to the employees at FDA, we find that the most effective initiatives are improved student loan repayment benefits, an expanded child care subsidy and telework. These initiatives can help retain skilled professionals while attracting new employees to service at FDA. Assuming robust implementation, these initiatives will achieve great strides in addressing the staffing crisis. We believe that the President's budget submission includes the resources needed to fully implement these initiatives and that the funding allocated in the request should be directed there. In addition, each of these initiatives also create cost savings that help to mitigate their costs, particularly in decreasing new employee training.

Telework and remote work provide the greatest opportunity for recruiting and retaining the best employees. While not all positions at FDA lend themselves to telework – chemists need to be in their laboratories and inspectors have always worked remotely as they move from facility to facility for their inspections – there are at FDA those who analyze text rather than substances or perform administrative or grants management tasks that are well suited for telework. In the coming years, FDA should re-evaluate the amount of space it leases at taxpayer expense and significantly reduce its footprint, savings tens of millions of dollars. Further savings are likely to be achieved when full time remote workers re-locate away from the FDA offices which are often in urban areas with high federal locality pay to rural and small town areas where the employee accepts a lower locality pay while at the same time bringing jobs and their paycheck to rural and small town America.

However, there are three issues where FDA needs attention:

Among the least desirable tasks of FDA Consumer Safety Officers (CSO) is carrying out overseas inspections. It has been very difficult to fully staff these positions even though it is essential that overseas pharmaceutical, medical and food producers be held to the same high standards that domestic firms are held to. To hold importers to a more lenient standard than American producers not only harms the health and food safety of American consumers, it is also unfair to American businesses.

Let me be clear. These inspection trips are not a vacation. They are typically three week trips overseas visiting multiple facilities in remote industrial zones in countries like China. All Grade 12 or above CSOs are required to be available for these inspections. It is hard work, where inspectors spend this time away from their families in a foreign country where both the facility and the government may be less than welcoming and not committed to the transparency the inspector seeks. Employees also have concerns about their personal safety. FDA needs additional funding to make these jobs more desirable. NTEU supports new funding for bonuses for inspectors and reduction of trips from three weeks to two weeks. Congress should also fund positions at FDA to serve as translators for the inspectors. Currently the translators are provided by the facility or maybe even the Chinese government. While this has been a much criticized arrangement, to date, Congress has not provided the needed funding for FDA to hire its own translators.

Recruiting and retaining the best and most highly skilled employees is not just a matter of compensation and worklife issues and FDA management needs to better recruit from parts of our

society that have not been well included in the FDA staff. In our call for improved diversity, equity and inclusion at FDA, this year, I would like to particularly highlight the missed potential of many high skilled military veterans. The Department of Health & Human Services, which FDA is part, has one of the lowest percentage of military veterans on staff of any federal agency. HHS is at 8 percent while 30 percent of federal civilian employees overall are veterans. NTEU believes that while FDA suffers significant staffing shortages, there are significant numbers of qualified veterans who would make superior employees at FDA. More robust affirmative steps should be taken to notify veterans of employment opportunities at FDA, recruit them and retain them.

Lastly, FDA is currently undergoing a reorganization of its food safety function. It would be useful for management to meaningfully consult with the union as it implements this reorganization.

Commodity Futures Trading Commission

NTEU is proud to also represent the employees at the Commodity Futures Trading Commission (CFTC). Every day, the work the CFTC does to protect consumers in the marketplace grows more complex. Having a vigorous free market requires that the “cops” detailed to that “beat” have the resources necessary to police the ever-growing marketplace and the advancing technological developments that enable both market expansion and market fraud.

For the CFTC, NTEU strongly supports the Administration’s request of \$411 million. This request is extremely modest and shortchanging this request would leave the market open to fraud and deceit. I would note that in FY 2022, the CFTC obtained orders imposing over \$2.5 billion in restitution, disgorgement and civil monetary penalties, more than five times over the budget request.

The Administration also calls for part of this request (\$116 million) to be funded by a new user fee, as is the case with other federal regulatory agencies such as the Securities & Exchange Commission. This was also asked for by the previous Administration. Fee funding brings a needed stability and predictability to these investor protecting agencies and reduces the federal deficit. NTEU strongly urges the adoption of the CFTC user fee and deficit reduction provision requested by both President Biden and former President Trump.

However, should Congress fail to authorize fees, the budget needs of CFTC remain the same and we ask however funded, the full Administration request be made available to CFTC.

Thank you for your consideration. NTEU appreciates the opportunity to present this statement.