CSREES was very appreciative of the stakeholder input that was received during the recent comment period. Based on these comments and other research and analysis conducted, CSREES has determined to issue two subparts for this Part: Subpart A, Designation of Veterinarian Shortage Situations, and Subpart B, Administration of the VMLRP. As recommended by the AVMA and the AAVMC, CSREES will solicit, via a notice (published in the Federal Register and on the CSREES Web site), the veterinarian shortage situations from the State animal health official in each state. Nominators will be requested to submit to a designated e-mail box a Form—CSREES XXXX, VMLRP Veterinarian Shortage Situation Nomination, which will be available on the CSREES Web site at

http://www.csrees.usda.gov/nea/education/in\_focus/vmlrp.html. Respondents will be required to identify the geographic location of the veterinarian shortage situation, as well as the area of practice. The area of practice includes private food animal science medicine (at least 80 percent of the practice), private mixed animal medicine (at least 30 percent of the practice dedicated to food animal medicine), food safety (identify employer and position), epidemiology (identify employer and position), public health (identify employer and position), and other (identify practice, employer, and position). The practice of private mixed animal medicine will only be considered for a veterinarian shortage situation in a rural area as defined in 7 CFR 3431.3. For the purposes of the VMLRP, CSREES is adopting the definition of rural area found in section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(13)(A)). Respondents will then be requested to address four additional questions about the objectives, activities, and risk associated with the situation/position not being secured or retained as well as past efforts to recruit for and/or retain this position. Finally, respondents will be asked to identify if, how, and why this position may be considered for a secondary loan repayment agreement for service in an emergency.

CSREES intends to solicit these nominations for a 60-day period. Shortly thereafter, CSREES will convene a panel of food supply veterinary medicine experts from Federal and state agencies, as well as institutions receiving Animal Health and Disease Research Program funds under section 1433 of NARETPA, who will review the nominations and make recommendations to the CSREES Program Manager. CSREES explored the possibly of including experts from professional organizations for this process, but under the National Agricultural Research, Extension, and Teaching Policy Act (NARETPA) section 1409A(e), panelists for the purposes of this process are limited to Federal and State agencies and cooperating state institutions (i.e., NARETPA section 1433 recipients). The VMLRP Program Manager will then review the recommendations and designate the VMLRP shortage situations. The list of shortage situations will be published in the Federal Register and will be made available on the CSREES Web site at http://csrees.usda.gov/nea/education/in focus/vmlrp.html. Upon designation of the veterinarian shortage situations, CSREES will publish in the Federal Register and on the Agency's Web site a Request for Applications (RFA) for the VMLRP with applications due within 90 days. This is the same length of time that the NIH provides applicants under its loan repayment programs. Applicants would then submit an application through the CSREES VMLRP Web site. A loan repayment service provider will work with the CSREES Office of Extramural Programs (OEP), the office responsible for administration and payment of all CSREES Federal assistance awards, throughout the application and administration of the VMLRP. Ineligible applicants will be notified. Applications from eligible applicants will be forwarded to CSREES. CSREES will submit the applications to a peer review panel comprised of food supply veterinary

medicine experts from the Federal and state agencies, colleges and universities, professional organizations, and other interested stakeholders. This peer review panel will review and evaluate applications from individual veterinarians and make recommendations to the VMLRP Program Manager. After the VMLRP Program Manager prepares the final list of potential awardees for each shortage situation, a second level review is conducted to ensure fairness and integrity of the process. This final list of potential awardees is forwarded to OEP for a final administrative review and execution of the VMLRP loan repayment agreements. As noted previously, Subpart B of this Part will provide the policies and procedures from the RFA through the closeout of the agreement, such as tax liability payments, reporting, payment schedule, and terms and conditions for the agreements. For the purposes of this regulation, CSREES is adopting the definition of "food supply veterinary medicine" from the Food Supply Veterinary Medicine (FSVM) Coalition Report entitled "Estimating FSVM Demand and Maintaining the Availability of Veterinarians for Careers in Food Supply Related Disciplines in the United States and Canada," and the "practice of veterinary medicine" from the Model Veterinary Practice Act (Approved by the AVMA Executive Board, November 2003, revised April 2007, November 2007). CSREES developed a definition of "practice of food supply veterinary medicine" to include the practices contributing to the production of a safe and wholesome food supply and to animal, human, and environmental health. This definition incorporates the legislative intent of VMLRP and the adopted definition of "food supply veterinary medicine." CSREES also adopted a definition of "food animal" for the purposes of this regulation so that it was clear to the public what is a "food animal," while providing flexibility to the Secretary to consider other "food animals," if appropriate.

USDA appreciates the efforts of the AVMA in compiling the Food Supply Veterinary Medicine Data Maps which can be found at http://www.avma.org/fsvm/maps/default.asp and will be encouraging States to use the data contained in these maps to justify their veterinarian shortage situation. Consideration of Stakeholder Input and Administration of the VMLRP CSREES considered and included many of the recommendations of the AVMA and the AAVMC in the development of the administrative provisions for the VMLRP. USDA is initially capping annual loan repayment of principal and interest of qualifying loans to \$25,000 and the payments for the additional tax liability incurred to no more than 39 percent of the annual loan repayments. This will allow CSREES to maximize the number of service agreements in accordance with the authorizing program legislation, while providing sufficient debt relief to attract potential VMLRP participants committed to serve in veterinarian shortage situations. However, these interim regulations allow the Secretary of Agriculture to adjust the cap under § 3431.13(b), if appropriate. Any changes in the caps will be addressed in the RFA.