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PRELIMINARY AGENDA

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ANIMAL DISEASE TRACEABILITY

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PUBLIC INDUSTRY FORUM

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On the 1st day of July 2010 from 8:06 a.m. to

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3:31 p.m. the following proceedings came to be heard at

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14320 Centre Station Drive, Fort Worth, Texas 76155.

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Proceedings were reported stenographically by Tonya

24

Perkins, Certified Shorthand Reporter in and for the

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State of Texas.

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1 PROCEEDINGS

2 MS. MILLIS: Good morning. I want to
3 welcome everyone. I see some familiar faces. Some of
4 you have attended some of the other meetings, and I
5 appreciate you joining us again. And I see some new
6 faces, and thanks for coming.

7 My name is Deborah Millis. I'm a USDA
8 employee, and my role here in today's meeting is to keep
9 everything on track and introduce some of the speakers,
10 answer any questions that you might have around the
11 logistics and the agenda.

12 Let me just take a moment to go over
13 what we're going to cover in the agenda today. Inside
14 your folder you'll have an agenda. Up first this
15 morning are some welcoming remarks from
16 Dr. Lisa Ferguson, and then we're going to hear from
17 Dr. Dee Ellis from the State of Texas, talking about the
18 importance of animal traceability. And we're going to
19 hear from one of the members of our regulatory working
20 group that's been working at developing the rule,
21 Dr. Becky Brewer.

22 In your packet you'll also see a sheet
23 that's blue. Those are the performance standards that
24 the working group has been putting together that we'll
25 be discussing in our breakout groups this morning, and

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1 then also in your packet are some copies of the
2 presentations that you're going to hear this morning.

3 A little bit later we're going to break
4 out into groups. You'll see on your tables there's some
5 labels - they might say cattle, swine, sheep, and goats,
6 or something like that - those are just for the purposes
7 of our breakout group to discuss those performance
8 standards relative to that particular species. And
9 you're welcome to sit at any table when that part of our
10 meeting happens.

11 And just out the door here are the
12 closest fire exits, and a little bit down the hall and
13 to the left, just past the sign-in table, are the
14 restrooms. During our lunch break today, I just wanted
15 to inform you that the restaurant here at the hotel will
16 be serving an Italian buffet of pasta and those kinds of
17 things, and that will be 7.95, and that includes
18 a beverage with that.

19 So if you should have any questions
20 about the meeting and how we're progressing, be sure and
21 let me know today. Otherwise, I'm going to turn the
22 floor over to Dr. Lisa Ferguson to welcome us today.

23 MS. FERGUSON: Good morning, everybody.
24 Thanks for coming out today. I appreciate everybody
25 being here. If other folks are like me and you were

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1 flying in through D/FW last night, it was sort of
2 entertaining coming in through the hurricane winds. We
3 had a brief diversion to Tulsa, but we made it here
4 okay. I understand they shut down D/FW at various
5 different points in time, so hopefully nobody else had
6 those issues.

7 Anyway, we're glad everybody could be
8 here. This is a cooperative, collaborative process. As
9 the secretary has submitted, we want to listen to
10 everybody. We want to build the traceability program
11 from the ground up from the local level, so we really
12 appreciate the collaborative efforts and everybody's
13 thoughts as we work through this process.

14 I look forward to a good meeting today.
15 Hopefully, we'll have some very good discussions,
16 productive discussions, and I think I'll leave it at
17 that and then turn it back over to -- am I turning it
18 over to you, Deb, or to Dee Ellis?

19 MS. MILLIS: To Dr. Ellis.

20 MS. FERGUSON: Okay. Dr. Dee Ellis is
21 going to go through a brief presentation about the need
22 for traceability.

23 MR. ELLIS: Well, thank y'all and good
24 morning. For those of you not from Texas, welcome to
25 Texas. I'm glad to have you here. I just want to start

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1 by saying I think we all need to have our thoughts and
2 prayers with our responders and our livestock producers
3 and the folks down in South Texas that are still under
4 the flood grass and have some serious issues. We have a
5 lot of state and federal personnel and local people down
6 there putting their lives in harm's way, and we've been
7 focused the last few days with that.

8 I'm glad to be here, and I'm glad y'all
9 made it. That's what some of the weather issues were,
10 so let's keep those in mind and be thankful that we're
11 all going to get some good rain out of it.

12 Well, I was asked to give the opening
13 remarks to this group, and it's an honor and privilege
14 to be here.

15 This is a -- I guess a tradition with
16 these groups that have been held around the United
17 States. Dr. Rich Breitmeyer, the state vet from
18 California, has given most of the others, and he's in a
19 dual capacity. Besides being the state vet in
20 California, he's also US Animal Health Association's
21 president. And so he didn't want to come to Texas, and
22 I was more than glad to do this. There's some more
23 folks in the room that were just as capable. I see the
24 state vet from Oklahoma, I see Jim from Mississippi back
25 there, and there's some others here.

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1 So I'm not an expert on this, but I am
2 here to welcome you and try and set the stage for open
3 dialogue. None of us have all the answers. And I'm
4 certainly not going to preach to anyone. I'm just going
5 to tell you I am in favor of animal traceability, and I
6 think we're going to, at the end of our day, so to
7 speak, come up with some good solutions that are common
8 sense and are based upon principles that will work and
9 also keep you guys in business. So that's really what
10 it's all about, public health, animal health, and
11 economics.

12 So I'll get started now. And this is
13 kind of a Texas bastardized version of the California
14 PowerPoint. It's kind of my PowerPoint and it's kind of
15 not, so bear with me, and we'll run through this. I
16 didn't want to lose the concepts and the principles that
17 Dr. Breitmeyer established from the beginning. And some
18 of y'all have heard this before from him, and so what
19 I'm going to do is just talk about why I believe and why
20 we believe animal traceability is important and try and
21 identify up front for you some of the problems, some of
22 the concerns, and maybe help drive some of the dialogue
23 as we move forward through the day with what hopefully
24 is a productive day for our USDA partners to take back
25 and understand where we're all at with this.

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1 We'll start with the animal health
2 concerns. I think one of the basic premises that
3 we're -- and, again, I'm going to wrap up with some
4 things that I believe are common ground, and I think
5 we're all -- I believe we're all on the same page that
6 the point of this is for animal health traceability for
7 disease, response, control, surveillance. This is a
8 disease program process to help us in the business solve
9 problems, whether it's TB or whatever. So I believe --
10 I believe that we need to remember that the focus is on
11 animal health issues.

12 Here's what we're dealing with from the
13 state vet perspective, and one of our biggest issues
14 right now in the United States is Tuberculosis. And
15 without a doubt, if we don't have a good traceability
16 system, we will never be able to solve this
17 long-standing disease that has probably killed more
18 people than any other disease except possibly Malaria,
19 in the world, and I think we need to keep that in mind
20 that this is a public health issue.

21 But the traditional programs, TB,
22 Brucellosis, import issues from countries that might
23 have BSE. Trichomoniasis now a new program, is actually
24 industry driven in Texas and many others of the western
25 states, and it's moving east. As we move forward with

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1 that new program, if we don't have some kind of
2 identification, those cattle will be hard for us to
3 manage the process beyond the early stages that we're in
4 now.

5 So, again, the main point is disease --
6 disease, surveillance, control. If we take an example
7 of TB, which I'm going to use as an example for, you
8 know, making my point -- and I'm not sure, I may be
9 preaching to the choir here, but if there's anybody that
10 doesn't believe this, we do have a lot of Tuberculosis
11 to deal with in the world, and it spills over into the
12 United States. And truthfully we have a low level of
13 endemic TB in our population in the United States,
14 primarily, in my opinion, the dairy population, but it
15 is in beef as well.

16 And you can see here that most of the
17 TB -- if you take Michigan and Minnesota out -- and
18 they're, in my opinion, different because they have a
19 wildlife component. They have a deer issue, which is an
20 ongoing daily threat to cattlemen, beef and dairy. Take
21 that out, and the rest of the United States, we're --
22 our TB program is based on slaughter surveillance.
23 Primarily in a slaughter, if you don't have a tag of
24 some sort in the animal's ear when it dies and they find
25 a lesion, then it's really difficult to trace the herd

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1 of origin.

2 You can see here in -- we've had seven
3 herds in recent times that we've not been able to find
4 the origin because of lack of ID. Luckily, the number
5 of TB cases are dropping, and some of that's directly
6 related to some changes in import rules and regulations
7 for Mexico cattle. They're no longer letting
8 Holstein -- Holstein crosses come in, and also just the
9 good work that's being done. Mexico is making
10 progress. They're nowhere near the conclusion of a TB
11 program, but they have some progress on a number of
12 fronts. But we're still finding a number of TB infected
13 animals each year at slaughter, and without IDs, we're
14 at a stumbling point in making good progress.

15 Here's just a map -- I think this is a
16 map of TB cases just in the last, let's see, since
17 October of '08, so less than two years. You can see
18 California, Texas have had dairy herds. I think we can
19 add Colorado to that. Colorado has a new infected herd
20 that I'll just - I don't think it's a secret anymore -
21 that they're going to have. Minnesota and Michigan, of
22 course, are dealing with different issues. But you can
23 see we've got beef cattle, we've got dairy cattle.
24 Basically, Tuberculosis is a national problem, and it's
25 at the top of the list.

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1 If you ask me what are my priorities as
2 state vet of Texas, I'd say, Well, that's in the top
3 three or four: TB, Brucellosis, completion of those
4 problems, fever ticks and some other things for us and
5 horse diseases, but TB is at the top of our list of the
6 problems in Texas.

7 And I've got a couple of examples here.
8 This is a -- we had an infected dairy, and we found it
9 last year in Texas. And this is just changing the
10 dynamics of the dairy industry. You can see what this
11 means now to have an infected dairy where you're trying
12 to trace movements.

13 And Texas has a mandatory ID program
14 for dairy, self-imposed, they brought this on
15 themselves, and we helped them with it. Our Animal
16 Health Commission passed the rules -- or rather the
17 enforcer of the rules, but it's a good example of a
18 program that's pretty well self-sufficient. The
19 industry wanted it, they realized the importance, and we
20 started about three years ago at the dairy program an ID
21 system for movement.

22 The problem is the dairy that we found
23 in Texas with TB went into business before the animal ID
24 program was in place, and so they bought a lot of
25 animals that didn't have tags so they didn't necessarily

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1 know where they came from. So what did that means?
2 That meant what we found last year when we found the
3 herd infected as it was trying to go out of business
4 tested positive by a private practitioner, who is a key
5 partner with us not only in disease programs, but
6 they'll be a key partner in our traceability program as
7 well.

8 When we got to talking to the folks
9 about what they bought and what they sold, we ended up
10 realizing we had over 5,000 heifers to find that had
11 come out of the herd, and they were spread out over 22
12 states. This is the way the dairy industry is now.
13 They -- you know, those dairy cattle can be in Kentucky
14 on one day and Texas on the next and New Mexico on the
15 next and go through three different markets in three
16 days. And y'all are aware of that.

17 So this -- the result of this, with
18 Texas having a mandatory ID program, we tested about 62
19 dairies in Texas. But I can honestly tell y'all if we
20 had not had an ID program, we would have probably had to
21 test all the dairies in Texas again. There was actually
22 a day I remember walking in and our epidemiologists were
23 looking at the data, and it was kind of like this times
24 10, just thinking we're not sure we can make sense of
25 this, but we were able to do that.

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1 But I do want to make that point:
2 Without a dairy program, we would have tested instead,
3 and this is the national figure, 75 herds in 100,000.
4 We would have tested all our dairies again at a
5 considerable expense to the industry. So it did pay
6 dividends, even though it's hard to believe that. But
7 when you have a four or five thousand head dairy, you
8 can go out of business.

9 Here's another example. California -
10 Dr. Breitmeyer presented this information for your
11 consideration - they had four dairies in the last couple
12 of years come down with TB, and they tested almost a
13 half a million cattle in 250 herds across the United
14 States. And, again, the ID system would have helped
15 them in California, would have helped all of us. We
16 received a lot of cattle in Texas from California
17 without identification, or they lost their
18 identification, and it's very difficult to go in a big
19 dairy and look for that.

20 So for the dairy industry, specifically,
21 this is a very important concept that has already paid
22 dividends. Because we began to -- they began to
23 realize, not only for disease but just for movement,
24 that health certificates, the age of electronic paper
25 documents that's in place already for the dairy folks,

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1 they're moving lots of calves to calf ranches, and the
2 ability to scan tags and input data into spreadsheets
3 and create electronic documents has been a huge help for
4 those. That is obviously the future for them.

5 In the immediate future, and I think in
6 the long term, it's going to be the future for all of
7 the industries that are affected. And you can see here
8 just a picture of our ID tags. And with these disease
9 programs, California and Texas and other places, we're
10 using these already. The government folks are using
11 this. The USDA has the software in place. There is a
12 lot of refinements that need to be made, but this is a
13 good starting point to show us all that with the effort,
14 focused efforts, that we can move forward to the next
15 generation of traceability.

16 The old way of doing business, and if
17 you look at dairies like this or if we look at any
18 CAFOs, whether it be a feed yard or it be a large beef
19 operation or even a small one, the old way we used to do
20 it, put a silver tag in there, write it down, you know,
21 turn the tag. Just lots of mistakes. And so the RFID
22 tag concept down the road is if we can get the kinks
23 worked out of the database, the software, the
24 confidentiality, the training, all those things is going
25 to be a God send to us with the future of agriculture

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1 and traceability concepts.

2 And so I believe -- I mean, it's

3 inevitable. We're headed in the right direction.

4 Besides animal disease programs -- and another thing, we

5 have other concepts. Obviously, traceability, tagging,

6 identification of animals is important, and you're

7 looking here at just some pictures of international

8 movements and interstate movements both.

9 Dr. Brewer is going to talk to you in a

10 little while about the state perspective on how do we

11 make sure -- how do we assess that our system works, and

12 it's going to come down to being able to not just put a

13 tag in an animal's ear, but also figure out what that

14 means, where it comes from, where did it go.

15 And, again, our first thought is

16 obviously the map I showed you earlier of the United

17 States that you saw for TB. But that's the point --

18 that's the point of having a system that tracks animals

19 as they move across the international borders and

20 interstate. The numbers -- you know, I tried putting

21 numbers here. Dr. Breitmeyer had some California

22 numbers. The Texas numbers have gone up and down. But

23 we get -- you know, the United States gets well over a

24 million feeder animals a year from Mexico. We get

25 thousands of spades, roping steers, breeding cattle.

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1 They all come across with tags.

2 The system in Mexico, you know, is not
3 bad. They have some good identification. Our challenge
4 is keeping it on the animals after they get to Texas or
5 they get to Oklahoma or New Mexico or wherever they may
6 end up. Our challenge, and that's why we're here today,
7 is to figure out how to incorporate these tags that are
8 on there when they come across the state or federal line
9 into a usable system years later when we realize we need
10 it.

11 Just to give you some numbers to scope
12 the situation in Texas. We had over 2,000,000 animals
13 that moved into Texas, that moved in last year. Right
14 now our permits -- you know, we do less permits than we
15 used to now that we've had some success with the
16 Brucellosis and some of the swine programs, but we
17 still, in Texas, have permits for dairy calfs,
18 breeding -- Mexican breeding animals, poultry, exotics,
19 and equine.

20 And also Mexican roping or exhibition
21 animals, we require a permit because we -- these animals
22 are of interest to us, and we track those and follow
23 those. And in Texas we do have entry requirements, and
24 that's usually what a permit is linked to. So about a
25 million -- almost a million of the animals that came

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1 into Texas were linked to a permit and some disease
2 program. And that's just Texas.

3 You can see here what's the brunt of
4 them. Well, it's cattle, mainly. I can say from the
5 Texas perspective we're -- you know, we're going to work
6 with every species as that industry comes forward.
7 We're going to take them on a step-by-step basis, but I
8 think realistically we're thinking in Texas beef cattle
9 is where we need to start because of the logistics.

10 Let's look here at the number. The
11 largest population is going to have the largest
12 problems, and that's probably where we're going to focus
13 at the beginning of this new generation is with the beef
14 industry and try and help them figure how to make things
15 work.

16 But you can see here the hog industry is
17 a little different. You know, they've got their silos,
18 and they have their commercial situation, which makes
19 them a little different. But obviously my biggest
20 thought right now is at the end of the day, not today,
21 but at the end of this, you guys in the beef industry,
22 the sale barn owners, the feed yard owners, managers,
23 cow calf producers, we really need to take a look at how
24 y'all market your animals, because it's not really set
25 up for the changes that USDA dropped on us on February

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1 15th, or whatever it was.

2 Short term, this may be what we start
3 with. That's my opinion. I'm giving you my
4 perspective. I think we know it works. It's cheap. So
5 these ear tags and the old way, that may be how we need
6 to start. I think if we try to get too aggressive
7 starting off, we can actually set ourselves back and
8 kind of fail, as the system started before. So I hope
9 we start slow and simple. But in the long run, is this
10 the best way to go? No, it's not. We're going to have
11 to move to the next generation.

12 But we have test tags. We have
13 vaccination tags. The problem with the Brucellosis is
14 we're feeling the success of the Brucellosis eradication
15 is impacting our animal ID program nationally, and in
16 Texas we've had a number of meetings with our cattle
17 industry about where do we go next.

18 And it's really -- you know, it's a
19 philosophical debate. You know, you want to celebrate
20 the successes, but realize same old program that we've
21 all cussed and discussed actually had some good points
22 to it. And we found that to be true in Texas, one of
23 which was traceability, one of which was that animals,
24 at least adults, are getting tagged and kept the
25 veterinarians at our sale barns.

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1 And so our industry and then folks here
2 from, you know, our major stakeholder groups are really
3 having some good discussions about where do we go next
4 with the ending of the traditional programs. But the
5 bottom line is the silver tag, the test tag, works in an
6 ID program. That's what our industry uses in Texas, our
7 dairy guys use it, and it works. It's a bookend
8 approach. We give them a free tag, and they put it in
9 the animal, and then we find them later at slaughter or
10 when we're looking to test them, we can usually make
11 sense of it.

12 And it's cheap, which is going to be
13 important as we start out, from my perspective. You
14 know, the Mexicans have IDs. Again, their IDs are not
15 bad. They use fire brands, like a number of our
16 states. They actually probably do a better job than we
17 do at slaughter. They read fire brands at slaughter.
18 They write them down. We don't do that in the United
19 States.

20 But the problem is those tags get pulled
21 off either intentionally or accidentally. And, again,
22 as I said, from the fire brand perspective, obviously a
23 good tool, strong tool. But our slaughter system is not
24 conducive to just relying on fire brands because they're
25 not reading fire brands on the hides at slaughter

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1 because of the speed of our rail lines.

2 So that's for the brand states is a

3 situation into itself, and Texas is not a brand state.

4 We have a strong brand program. We have a strong

5 leadership in that area, but we're not like New Mexico

6 and some of the other western states that require brand

7 inspections for movement. So, again, as y'all know,

8 that's a challenge.

9 These are all tools, though, and

10 obviously as we go through our breakout sessions today,

11 as we move forward with the national dialogue, I think

12 we need to be sensitive to all the options that are out

13 there. And at least at the beginning we're going to

14 have to do some sense of this and not be too aggressive.

15 This is not -- I don't want us to -- I hope we don't

16 pass up a good program, looking for a perfect program.

17 I think in a way that's what kind of killed the last

18 round of dialogue. If you get down too far into the

19 nick picking, nothing's going to happen, and we can't

20 let that -- that's not an option this time around.

21 So let's talk about the deficiencies in

22 the national program. Well, this biggest one is there's

23 no more Brucellosis testing. I think Texas and maybe

24 one other state still has -- Becky, in Oklahoma have

25 y'all stopped? Is it Arkansas that's still testing?

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1 There's one other state.

2 PARTICIPANT: Arkansas.

3 DR. ELLIS: Arkansas and Texas are the

4 only two states that are still doing Brucellosis

5 testing, so adult cattle in the other 48 states are not

6 getting tags put in their ears anymore. That's a gap,

7 that's a deficiency, that is going -- it's one of those

8 things you don't realize it for years later until the

9 three-year-old cow that gets sold without the tag and

10 she goes to slaughter when she's nine and has a problem,

11 it's been six years before you realize, dang, I wish we

12 had a tag in that cow's ear.

13 So in Texas we've been a little bit

14 insulated from that issue, and we're talking about it

15 now because of the funding problems and the success in

16 Texas. We're Brucellosis free. That's where I was

17 saying, our industry, we've had a number of good

18 discussions about what do we want to do? Do we want to

19 stop tagging animals or not at market? And obviously

20 it's not the consensus, but I think we all agree there

21 is a value to that.

22 And this may come back around to where

23 this new era for traceability concepts may plug this gap

24 before it completely stops, because I can tell you in

25 Texas it would be -- if we didn't have first-point

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1 testing and all the other disease programs that we've
2 dealt with that involve cattle, we would have been in a
3 huge disadvantage to make any progress in finding the
4 source of infection or the possible spread.

5 And, again, vaccination of Brucellosis,
6 same concept: There are still some states that require
7 vaccination. But the truth is if you're really free,
8 other than except Yellowstone, and really free of it,
9 how much longer are we going to vaccinate?

10 Obviously, I'm preaching to the choir
11 here, but when you -- you know, another problem with the
12 old tags is it's easier to put another tag in their ear
13 than read the one that's there, especially if the cow's
14 standing on her head or upside down or choking, you
15 know, tag her and let her out. And then record keeping.
16 Texas does have records. We require dealer records on
17 all animals that move -- all classes of animals. And,
18 again, I'm not sure that's the same across the United
19 States.

20 And the paper documents, the health
21 certificates, really a problem trying to write down.
22 The dairy folks found that trying to move a lot of calves
23 to calf ranches back and forth. You know, you have
24 hundreds of animals on consignment. Especially if
25 you're going to go the 15 digit tags, it's really

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1 difficult to document those. So we need a good, cheap,
2 dependable electronic database and software managing
3 system; and I think the USDA, from my understanding,
4 coming to the table, is going to support that. I
5 believe that their intention is to do that.

6 But that's going to be critical of the
7 success here is that the federal government does give us
8 the funding and the support at the state level and at
9 the industry level, because I don't -- I mean, to me,
10 I'm more worried about the computer things right now, to
11 be honest with you, than I am the other. Because the
12 scope of managing the data for the state of Texas is
13 almost overwhelming to us, and in talking with our
14 partners like Oklahoma, like Arkansas, Louisiana, we all
15 realize -- New Mexico, Kansas, I've had a conversations
16 with all the state vets, we realize our system's going
17 to have to communicate, going to have to share data.

18 And so what you're going to probably
19 start to see is a regional database, regional networks
20 of information sharing. Obviously, there will be some
21 confidentiality and all that. We can't have 50
22 different state database systems for managing this.
23 We're going to have to work together on it.

24 Here's an example of a program that
25 works in the sheep industry. It's simple. It's cheap.

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1 We give them free tags. They put them in. They've
2 actually got a prem number on there, as well as an
3 individual ID number on the tags. Yeah, is it perfect?
4 No. Texas has a scrapie review coming in in a few
5 weeks, and I'm sure they'll find some deficiencies.

6 But, again, this is an example of a
7 program where the sheep industry, for the most part, has
8 accepted and it's using the system, and we've had good
9 success with disease traceability for scrapie and the
10 scrapie program because of this. But, again, I think
11 one of the keys is it was cheap and it was simple.

12 Another example I'll give you is the
13 Texas Dairy ID Program, and we're really flexible. We
14 accept just about any kind of tag, at least up front we
15 do as official ID. Any tag is better than nothing, so
16 we've tried not to be too onerous on what we accept.

17 And the industry in Texas -- as I said,
18 a good example, an infected dairy last year, truthfully,
19 if we hadn't had this program, we would have had to test
20 all our dairies again. We did that in '03 and '04 and
21 it cost about \$80,000,000, and it would have probably
22 cost ten to twelve million dollars had we had to do
23 anything now.

24 And so this is a situation where the
25 system worked and saved the industry a lot of money, and

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1 we probably were able to find some animals we wouldn't
2 have. And we give them free tags. USDA provides the
3 tags. They kind of keep records and write down what
4 they're doing with their animals. It is a bookend
5 approach. We'll put the tag in there, and we'll worry
6 about it later.

7 Is it perfect? No. But at least we got
8 something started in the dairy industry in Texas. Now I
9 put -- this is the Rich Breitmeyer slide, and I left it
10 in here because I think from my perspective -- and I'm
11 not sure exactly what he said about this. Yeah, there's
12 other reasons why it's good to have tags in cattles'
13 ears, and, you know, he used the drug example here. In
14 my opinion, you know, I started off by saying this is a
15 disease traceability concept. This is the kind of thing
16 that there are going to be other benefits, but this is
17 also the kind of thing that's going to complicate our
18 situation.

19 And I know in the one meeting I've gone
20 to before there were concerns about -- with the
21 cattlemen about liability down the road, if they sell
22 animals and three or four or five years later someone
23 else has taken control and their tag is still in it.

24 So I think from this perspective, for
25 drug residue at slaughter and things like that, we need

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1 to be aware that, yes, these tags are going to get used
2 for other things. That's not why we're here today, in
3 my opinion. We're here to help the state vets and the
4 industry folks eradicate disease of significance to the
5 industry and to the public.

6 So what are the recommendations as we go
7 forward? What am I encouraging y'all to work on and us
8 work on? Let's remember this is a disease program
9 concept. That's what really matters at the beginning.
10 We're not talking about a source verification. We're
11 not talking about cool or drug residues or anything like
12 that. Let's just get started with something that will
13 help us protect you from diseases that can affect your
14 bottom line health and economics. That's why we're
15 here.

16 And if we can keep it simple, I think
17 we'll have some success. You know, I've mentioned the
18 gaps. I think we, as we have the breakouts, are going
19 to have to identify those and work together to fill them
20 and all move forward together. I am not preaching. I'm
21 going to tell y'all I don't know how to do this either.
22 I know it's important, but I know it's also important
23 that we keep in mind why we're here. And it's for the
24 public and for the industry, as well, and we need to
25 balance those.

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1 TB is the disease program of highest
2 priority. We need that now. We need a program right
3 now to where every dang cow has got a tag in her ear. I
4 keep talking about cattlemen, and I'll mention it one
5 more time. At least from Texas perspective, we're going
6 to focus on cattle first. If any other industry wants
7 to come forward, we'll be glad to sit down with them and
8 work with them. But we're not going to try and drive 10
9 programs at one time. We're going to focus on beef
10 cattle in Texas and move forward with that.

11 So we've got the tools. I think short
12 term, keep them simple, keep them cheap. Long term,
13 let's move to the next generation. Let's move to the --
14 let's move to the electronic age finally, but that's
15 going to take some time. And, truthfully, I'm going to
16 have to see if the USDA is going to support us because
17 we're not going to get the money for the technical
18 support from the feds.

19 Most of the states don't have the funds
20 to do this, and that's going to put us in a position,
21 going back to you at the industry levels, saying, what
22 do you want to do? Do you guys want to pay for this, or
23 do you want to slow it down? Because that's really our
24 only choices, because y'all know -- y'all, more than
25 anyone, are aware of the fiscal environment.

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1 So I'm speaking to the USDA folks here.
2 If y'all -- that is a key piece. If y'all don't support
3 the funding of the database, the software, the computer
4 side of things, this will fail.

5 I'm going to skip to the last slide and
6 just tell you I do believe we start today with a lot of
7 common ground, and we've had some discussions -- some
8 general discussions in Texas. We're really, obviously,
9 waiting on a little more information out of USDA. But I
10 think there's some common ground from what I've seen
11 talking to the feds, talking to the industry folks,
12 talking to my counterparts and the other state vets, and
13 one thing we've got to do is keep this economical. It's
14 got to be cheap and easy at the beginning.

15 It has to be state run with industry --
16 I'm know I'm working hand and hand with my state
17 counterparts here. This is not a mandate or dictate
18 from the government. It has to allow speed of commerce.
19 Whatever we do, we've got to be able to market these
20 animals and not subvert the system that we have.

21 Obviously, it has to complement the
22 existing disease programs, and maybe that's too soft of
23 a word, maybe complement's not the right word. It has
24 to make it work, because the disease programs are going
25 to fail without IDs. There's going to be phase-ins.

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1 There needs to be phase-ins.

2 There's going to need to be classes of
3 animals that are exempt, at least initially. The
4 slaughter animals, feeder animals, these need to be on
5 the table today. You need to talk -- y'all need to get
6 your message across to USDA. If you're in the beef
7 industry, you know, maybe we prioritize and breed the
8 animals moving interstate. Again, the purpose is
9 disease -- disease programs.

10 And, finally, I think we absolutely need
11 flexibility in all the types of IDs that we can use,
12 from electronic devices to fire brands, for those states
13 that want to do that, to traditional tags. We're going
14 have to be open-minded about this at the onset. Ten
15 years from now maybe we're all be electronic, but 10
16 years from now we'll have a lot better handle on how to
17 manage the data.

18 And, again, I'll just tell you I'm
19 really concerned about the data management because
20 that's going to lead directly -- when Dr. Brewer gets up
21 here and talks about state responsibility -- state
22 veterinarian responsibilities for tracing within certain
23 time frames, if I don't have the computer network to do
24 that, I'm probably, based on -- at least in Texas, if
25 you come in our office right now, we have hallways full

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1 of boxes of paper documents and have nobody to even look
2 at those, let alone query for movements. And so the
3 electronic age is going to be key to success.

4 And USDA, if you want to hold us
5 accountable at the state level, okay, fine, but give us
6 the tools to work with it. And you'll hear that from
7 Dr. Brewer, and that really worries me up front. Up
8 front my position is let's keep it cheap, put a tag in
9 them, and let's get this thing started and move forward.

10 And, again, I'm talking about cattle. I'm not focusing
11 on horses. I'm not focusing on backyard chickens in
12 Texas. I want to work on the industry that needs it
13 most because of the way you market your animals.

14 I believe that's the end of my talk.
15 I'll just say, Hey, man, open the gate. Let's get out
16 there and get to work. Let's see what we can do today.
17 I'm glad y'all are here with an open mind, and I have an
18 open mind, and let's see what we can do. And I look
19 forward to the dialogue with you guys as we move
20 forward. I don't think I need to answer any questions,
21 but I'll be around.

22 (Participants clapping.)

23 MS. MILLIS. Thank you, Dr. Ellis. And
24 up next is Dr. Lisa Ferguson with Veterinary Services.

25 MS. FERGUSON: Good morning, again. I'd

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1 just like to start off just by emphasizing that in the
2 animal health arena we have accomplished quite a bit
3 over the years through the collaborative efforts from
4 state, federal, and industry, all sides, and we're very
5 confident that with the new traceability framework we
6 can collaborate and cooperate and accomplish quite a bit
7 in that arena also. And we can come up with a very
8 good, very workable traceability solution that will help
9 us all in our animal health efforts.

10 So let me start off just by reviewing
11 our overall meeting objectives today. We'd like to just
12 review and clarify the traceability framework. I'll go
13 through some of that and review what the secretary's
14 announcement said and what the framework actually is.
15 We'll summarize the March traceability form that we had
16 with states and tribes. This was held in Kansas City in
17 mid-March, and we had some very good input to get
18 started there from our state and tribal partners.

19 We'll share concepts of the traceability
20 performance standards. That will be a lot of the focus
21 and discussion in our breakout groups is evaluating
22 those performance standards. We want some reality
23 checks and some input from you guys, especially from the
24 industry side: Will this work? Will it not work? What
25 would work better? And then we'll discuss and obtain

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1 feedback on those standards.

2 So let me go back to the secretary's

3 February 5th announcement of the new framework. This

4 not only set a new course for our approach to

5 traceability, but the secretary also described a series

6 of actions aimed at preventing the entry of animal

7 diseases into the US and strengthening our ability to

8 respond to animal diseases successfully.

9 These include strengthening our import

10 regulations, enforcing our disease control regulations,

11 and also more importantly, and Dr. Ellis emphasized some

12 of this, finding ways to provide more resources to the

13 states and tribes with traceability, but also do combat

14 emerging diseases.

15 Most importantly, though, and why we're

16 here today seeking your input, we want to implement a

17 flexible yet coordinated approach to animal disease

18 traceability. We want to embrace the strengths, the

19 expertise of states, tribes, producers, all the

20 industry, and empower all of us to find and use the

21 traceability approaches that work best for you. This

22 type of an approach, based on local efforts, states,

23 tribal nations but supported and coordinated with our

24 federal funds and resources, will allow those best

25 workable solutions to come up from the local level.

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1 We also want to develop appropriate
2 standards. Again, as Dr. Ellis noted, having these
3 types of standards are crucial in avoiding road blocks
4 that would impeded interstate movement, would slow
5 things down in commerce. That's not what we want to
6 do. We want to be able to set appropriate standards so
7 we don't have a 50-state patchwork effect, so we don't
8 have those effects. We want to be flexible, yet remain
9 committed to developing those types of common
10 standards.

11 I'd like to focus on the fundamentals of
12 this new approach. First, and the most important one we
13 heard loud and clear, this applies only to certain
14 animals moving interstate. Through listening sessions,
15 we heard many, many concerns about other movements, and
16 that is not the focus of this new framework. We do need
17 to address specifically what animals in interstate
18 movements would require -- or would warrant exemption
19 from this rule. We recognize that there are some
20 things, direct to slaughter, those type of things, which
21 might not meet all of the same specifics, but, in
22 general, we are looking at regulating the interstate
23 movement of all farm raised livestock and poultry.

24 Second, we've had successful
25 traceability through the ID methods used in our disease

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1 eradication programs: Brucellosis and TB. We want to
2 build on those.

3 Third, our priority is cattle. Again,
4 I'm sort of repeating a lot of what Dr. Ellis has said.
5 We have -- that's where we have the biggest void is in
6 the cattle sector. With our swine industry, with the
7 poultry industry, those industries really made a lot of
8 strides. They don't have those issues. Through the
9 scrapie program, the sheep and goat industry already is
10 pretty well established with traceability. So we have
11 our biggest void in the cattle industry, and that's
12 where we want to emphasize with our priority.

13 We want to get back to basics, have cost
14 effective ID. So these very basic methods, those little
15 silver tags, non-character, alphanumeric brite tags -
16 had pictures of them in Dr. Ellis's presentation -
17 that's an example. It's very simple, straightforward,
18 very inexpensive. Let's do this to get started. We
19 recognize that this is a pretty basic approach. Some
20 may want a greater level of traceability, even full
21 traceability, but we need to take some basic steps to
22 get there.

23 Using these cheaper tags, the little
24 brite tags, it will cost far less than the real high
25 numbers that we estimated for full RFID technology that

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1 we were talking about previously. This basic method
2 provides the greatest return on investment and really
3 remains most acceptable for many producers.

4 Once we have the basics in place, then
5 we'd like to make further progress over time. But I'd
6 also like to emphasize that we're really committed to
7 flexibility in this approach, and we'll allow for the
8 use of advanced technology. There are folks out there
9 that want to use RFID, and have used it, and it's been
10 very successful. That can be a component of this
11 program, but we are going to have the flexibility to use
12 various options.

13 The approach will put into place what
14 we've heard folks suggest all along, which is the
15 establishment of new regulations. So what we will be
16 doing is taking deliberate and transparent steps to
17 establish the framework for implementation. Our first
18 priority will be to publish in the Code of Federal
19 Regulations a new animal disease traceability section.

20 We'll go through the standard rule
21 making process, so this will allow for a substantive
22 time frame for public comment. We'll also be getting
23 input up front. But our intent is to publish that
24 section. Again, let me emphasize, this new rule will
25 apply only to animals moving interstate.

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1 We recognize that there are ID
2 requirements in some of our disease programs, and we'll
3 maintain those. What we're going to try to do is pull
4 those out and consolidate them in the new traceability
5 section in the regulations. It's important to
6 understand that any of those programs specific ID
7 requirements will supercede the new traceability regs.

8 In addition to reviewing the program
9 regulations, we recognize the two sections that I have
10 listed up here. Section 71.18 and 71.19 already have
11 some specific ID requirements. 71.18 is ID of breeding
12 cattle or sexually intact females over 24 months of
13 age. 71.19 is the identification of swine. So we're
14 going to look at those and consider how they fit into
15 this new section.

16 The new approach, as we stated earlier,
17 will be outcome based. These outcomes will be presented
18 and described as traceability performance standards, and
19 we'll have lots of time throughout the day to explain
20 these more fully. The rule will require that animals
21 moving interstate be traceable and that the animals be
22 officially identified in accordance with the CFR that
23 will provide various ID methods. Then our expectation
24 is that each state and tribe will develop traceability
25 plans at a local level, working with your local folks to

0036

1 meet the needs of producers.

2 Let me go through some of our
3 commitments. We recognize that states, tribes, industry
4 groups, other producers did invest heavily in the
5 National Animal ID System and worked hard to make it
6 succeed. There are lots of components of that that we
7 believe we can capitalize on, and we can pull out some
8 of those pieces to leverage our investment over the past
9 few years to support the new approach.

10 We are committed to maintaining the
11 current IT systems, and we will provide them to states
12 and tribes that wish to use them as they implement and
13 administer their traceability plans. We'd also support
14 the development of data standards and guidelines.

15 Again, to get back to the comments that
16 we've heard already, we need to ensure that we can all
17 communicate with each other as we develop these so we
18 don't have a patchwork of systems that will impede
19 movement. We are definitely committed to collaborating
20 with states and tribes in the industry to establish
21 performance measures and time lines that will be created
22 transparently through the rule-making process.

23 To do that, we have established a state,
24 tribal, and federal traceability regulation working
25 group to give us some input on this proposed rule to

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1 help us define those performance standards. We have
2 several working group members here; actually, they were
3 all in town over the past two days to have a working
4 group meeting. And we'll also hear from
5 Dr. Becky Brewer here immediately following mine, as a
6 representative of the working group.

7 We are also establishing an advisory
8 committee. If you haven't seen it yet -- actually, this
9 advisory committee has been established. We published a
10 notice calling for nominations on this committee. I
11 should have checked on this before I got up here. We
12 probably have copies of that announcement, so if folks
13 are interested in nominations for the secretary's
14 advisory committee on animal health, the nominations are
15 open until the first part of August. So we look forward
16 to getting that committee established and going to
17 provide input not only on traceability, but on other
18 animal health issues.

19 Finally, most importantly, we are
20 committed to help fund the implementation of this
21 framework. Let me digress briefly for a minute and talk
22 a bit about our initiative for VS in 2015. We've gone
23 through a strategic planning process and what we call
24 our VS 2015 Initiative. This represents our long-term
25 vision. We're adapting the mission and the role of VS

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1 to meet the animal health challenges through the 21st
2 century.

3 We're also adapting our programs, and
4 animal disease traceability falls into that in line with
5 this changing mission and role. We recognize that there
6 are many things out there that are driving us to
7 change. This includes changes in the animal ag
8 industry; changes in technology; emerging diseases, as
9 well as threats beyond disease; food safety concerns;
10 expanding international trade; and tightening budgets.

11 Expertise and core capabilities of VS,
12 they position us not only to meet animal health
13 challenges arising from these forces, but also to become
14 the national veterinary authority of the US.

15 Strong partnerships are a part of the VS
16 2015 Initiative, they are a part of our history, and it
17 allowed us to get where we are today, and it will allow
18 us to get into VS in 2015. These strong partnerships
19 are also part of our new approach for animal disease
20 traceability. We want to maintain these partnerships
21 with state and tribal animal health officials,
22 agriculture producers, veterinarian organizations, and
23 want to continue to strengthen our relationship with the
24 emergency management community at state and national
25 levels.

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1 I'd like to acknowledge and re-emphasize
2 again, we recognize that there's a lot of details that
3 we're still working on and we're trying to do our best
4 to work these out in coordination with states, tribal
5 nations, producers, local industry. We're confident
6 that this new approach and this new direction for
7 traceability address a lot of the issues that we've been
8 confronted with and that we've heard. We're confident
9 that this will achieve basic effective national
10 traceability, allow us to appropriately respond to
11 animal disease outbreaks without overly burdening
12 producers.

13 We emphasize yet again, this will only
14 apply to animals moving interstate. It will be led and
15 administered by states and tribals nations with federal
16 support. It will allow maximum flexibility for states
17 and tribes to work with their producers to find
18 solutions that meet their local needs. We will ensure
19 that traceability data is owned and maintained at the
20 discretion of the states and tribes and encourage the
21 use of lower cost technology.

22 We believe that this approach responds
23 to the concerns that we have heard about our past
24 efforts while still setting up a way forward that
25 respects and supports the working America's farmers and

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1 ranchers. The new approach will not be an unfunded
2 mandate. Secretary Bill Saxton made that ruling very
3 clear in an attempt to provide funding to the states and
4 tribes to help implement the approaches that we
5 develop.

6 This framework is focused on
7 traceability -- tracing capabilities; therefore, rather
8 than counting credits as registered, which we have done
9 in the past, we need to measure and document true
10 tracing capability. We will review the concepts of
11 these performance standards later in the morning, but
12 these are the key principles for documenting our
13 progress and the status of our new traceability system.

14 We need to show progress through
15 standards that are realistic and doable. We recognize
16 that we're not going to jump right into full
17 traceability immediately, but we do need to take these
18 steps and show some progress.

19 Little bit about fiscal years. This
20 current fiscal year, FY 2010, which we're in, we have
21 14.3 million with the carryover money to support our
22 activities. And FY 2011, the President's budget that
23 was sent forward to congress earlier this year, the
24 President's budget proposed 14.6 million. This budget,
25 congress is currently debating that, going through the

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1 appropriations process and going through markup funding
2 requests in the future, then, will hinge on how we
3 construct the traceability plans and how we make
4 progress moving forward.

5 Let me talk a bit about the working
6 group and the proposed rule. Our proposed rule will
7 contain the traceability performance standards. The
8 traceability regulation working group is providing us
9 input on the development of this rule. And the
10 objectives of the working group are shown up here
11 (indicating). And the objective there is to draft the
12 framework of a rule whereby states and tribes will be
13 responsible for their animal disease traceability
14 programs and where compliance to performance standards
15 directs interstate movement of livestock from the
16 geographic area each state or tribe is responsible for.

17 Here is a list of the state and tribe
18 working group members, and I'd like to acknowledge and
19 just thank the members of this working group. It's been
20 a lot of effort, and we truly appreciate everybody's
21 time. I'd like to recognize at least some of the
22 members that I've seen here: Dr. Becky Brewer is here,
23 and she'll actually be doing a presentation up next.
24 Dr. Jim Watson is here. Carry Sexton, I believe, is
25 here. I thought I saw her. Yep, in the back of the

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1 room. Brian Thomas is here also. And I believe those
2 are the ones that I have seen.

3 We also have many of our federal members
4 of the working group here also, and they'll be
5 supporting us through the discussions through the rest
6 of the morning.

7 Responsibilities of the working group:

8 In addition to providing input on the proposed rule,
9 they're working systematically through key elements of
10 this, including first and foremost the traceability
11 performance standards, but also protocols for evaluating
12 the tracing capability and compliance factors, issues
13 related to compliance with the new standards. These are
14 the crucial tasks. I think the working group has had
15 some initial confusion, but I think has really worked
16 through a lot of this and is making great strides.

17 While all of those elements are key to
18 our proposed rule -- again, let me emphasize that we
19 want to develop all of this collaboratively and
20 transparently between the industries. We are provided
21 updates on progress of the regulation working group,
22 progress of developing the new framework through many
23 different forums. We're doing updates on our website.
24 We're holding these public meetings. We have set up
25 industry specific conference calls industry sessions.

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1 We're in routine discussions with all of our state
2 animal health officials and tribal authorities.

3 We intend to make the content of the
4 regulation available for discussion before publication
5 is a proposed rule. In addition, we're also considering
6 input just on the development of the performance
7 standards as we move through this process. Feedback
8 from industry, specifically, again, through these public
9 meetings. We're also accepting written statements on
10 meeting the topics, the proceedings of the March
11 traceability forum. There was a federal register notice
12 out that described how you could comment on that
13 process.

14 In addition, the industry can provide
15 feedback through state and tribal discussions locally.
16 If you're registered, you can work with a working group
17 member. We're also doing tribal consultations and
18 working with national industry organizations and
19 groups.

20 Our general time line for this -- and
21 none of this is set in stone, actually, as we have found
22 out, as we're gaining -- gathering more and more input.
23 Initially, we had committed to publishing our proposed
24 rule in the winter of 2010, but with all of the input
25 we're gathering right now, what we're looking at is to

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1 publish this proposed rule early next year. Following
2 the publication of the proposed rule, there will be a
3 comment period of 90 days. Our goal after that is to
4 publish a final rule eight to ten months after that
5 comment period closes.

6 We also recognize that while it's
7 important to get the rule published, it may not be
8 workable to have things immediately -- or to have all of
9 that rule immediately implemented. So some requirements
10 may be phased in over time, and we're very open to
11 hearing input on how those phase-in processes could
12 work, what time frames would work, and what aspects of
13 the industry need to be phased in.

14 As noted, we're going to have lots of
15 round table discussions today, and this will be your
16 opportunity to provide your feedback on these consensual
17 standards and other related issues.

18 Thanks for your time and attention, and
19 I believe I am turning it back to Deb at this point.

20 PARTICIPANT: Could I ask a question?

21 MS. MILLIS: Sure. Although we will
22 have a little bit later in the day for some questions.

23 PARTICIPANT: I might forget it.

24 MS. MILLIS: I'll give you something to
25 write it down.

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1 PARTICIPANT: I can ask it. Basically,
2 the USDA's IT system is based on NAIS status IDs. I
3 mean, the whole databases are set up on that. So what
4 good will the IT system be to the states unless they
5 force people to register the premises?

6 MS. FERGUSON: Can we save some of that
7 discussion for later?

8 MR. BREWER: Yeah, I think we can answer
9 that. Write that question down, and we'll answer that.
10 But the idea is that the way that this is set up, you're
11 going to have three presentations, discussion at the
12 tables, and then they'll be a discussion and answer
13 time. So write it down and it will be addressed.

14 PARTICIPANT: Okay. Thank you.

15 MS. MILLIS: I want to take this
16 opportunity to introduce Dr. Becky Brewer, who is going
17 to talk about the work of the traceability working
18 group, and we will have an opportunity to ask these
19 questions a little bit later. After the break, I'm
20 going to be passing out some sheets where you can write
21 questions down.

22 MR. BREWER: I want to say how very much
23 I appreciate each and every one of you for coming to
24 this meeting. This isn't the first one I've attended,
25 but it is by far the one that is the best attended, as

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1 far as numbers go. And each of us who have worked so
2 hard on this, whether you want to say the bad NAIS word
3 and go back, or even go back to the original plan that
4 was put together by a species working group that had
5 another name, I think we all recognize the need, and the
6 fact that we're here to concretely and constructively
7 work towards the solution for that need is great. I
8 especially want to thank my Oklahoma guys who came. I'm
9 very, very glad you're here, and thanks for coming.

10 I think Dr. Ellis's visit with you was
11 an excellent presentation. He sort of got called in to
12 stand up for Rich, and he put a Texas perspective on it,
13 which meets our needs. Oklahoma, Texas, New Mexico,
14 that's the piece of it we need to look at. How is it
15 going to work for us? How is it going to affect us?

16 There are some basic things I want to
17 talk to you a little bit about before I start in the
18 presentation, and one of them Dr. Ellis brought up, and
19 that is the fact that this is animal traceability for
20 disease purposes. And the whole concept of disease and
21 animal health officials and producers is changing. We
22 have our mind set on how do we handle Brucellosis?
23 That's over here. How do we handle TB? That's over
24 here. How do we handle scrapie? That's right here.
25 Swine people, how do we handle PRV?

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1 And 9 CFR is written that way. The way
2 we run our offices, whether you're state or federal, are
3 focused that way. But times change, and moneys from
4 congress change, and 9 CFR is very prescriptive in it
5 gives us our guidance and how we deal with those
6 diseases. What's the next disease going to be?

7 We're a very mobile society. We're an
8 urban sprawling society. And as we have less and less
9 agrarian lands, we have a bigger interface with
10 wildlife, our cattle have a bigger interface with
11 wildlife, swine, etcetera. We don't know what that next
12 disease is going to be. We all practice to fight that
13 dreaded F-word disease, you know, foot and mouth
14 disease. We think about that all the time, but it may
15 be something we don't even know what it is. So we have
16 got to look at how do we address the disease in an
17 umbrella-type manner to make ourselves flexible. We
18 have to be able to respond, and we have to be flexible
19 and be able to respond quickly.

20 So what are the tools that we could put
21 in our umbrella to deal with whatever disease or
22 situation or disaster that we face? And traceability is
23 one of them. The ability to ID an animal. Every state
24 veterinarian here can tell you stories of how difficult
25 it is to do our job when we can't identify where an

0048

1 animal came from. Dee talked a little bit -- Dr. Ellis
2 talked a little bit about TB in dairy cattle. I would
3 dare say -- how many dairy people do we have here
4 today?

5 (Participants raise hands.)

6 MR. BREWER: How many beef people do we
7 have here today?

8 (Participants raise hands.)

9 MR. BREWER: All right. A majority of
10 us are beef people. Our positive herd in Oklahoma was a
11 beef herd. It was a beef herd on 30,000 acres, 1,400
12 cow-calf operation. The way this operator worked is he
13 kind of went and bought everybody's cull cows. That's
14 how he did business. He bought old cows, turned them
15 out with some bulls. You know, when they needed to buy
16 something, they'd pull off whatever calf they needed,
17 take them to the market. And then when these cows were
18 used up, he would sell them for slaughter.

19 So we were able -- we had an ID on our
20 positive cow that we had actually one that went to
21 slaughter and one in herd identified as positive, so we
22 had a positive herd. She had a Colorado tag, but she
23 was tagged as an infant. She was Brucellosis
24 vaccinated. We were absolutely unable to trace that
25 animal anywhere in the system. The farm that she was

0049

1 tagged in had been dispersed.

2 So we have issues. Not only do we need
3 the bookend approach, but we've also have to keep in
4 mind, how do we fill in those intermediate pieces? Many
5 of you have been through the listening sessions, and we
6 have evolved to the point where we are right now with
7 the secretary -- with secretary Vilsack saying, okay, we
8 heard you. We know you want something that is going to
9 be affordable. We know you want something that's going
10 to be fairly easy to do. We know you need to work at
11 speed of commerce. So this is the option we're going to
12 make available.

13 And we all need to get on the bandwagon,
14 and we need to say today, in your groups, what pieces of
15 this can we do in our piece of agriculture or what
16 suggestions can we make to make that better? Don't sit
17 there at your table later on this morning and this
18 afternoon and say, Oh, that isn't going to work. What
19 will work? Give us suggestions of how to modify and
20 what will work for you. Because every animal health
21 official in this room only has one mission and that's
22 for you to be able to do business and make a living at
23 doing business.

24 And sometimes we fuss and fight about
25 how to do that, but you have to know that's at the heart

0050

1 of everything that we do. So we have to be accountable
2 to congress. The legislative branch of our United
3 States government has said, If we're going to give you
4 this money, you've got to show us how you're getting
5 where you're going to get. And it has to be something
6 real, it has to be something measurable, and it has to
7 be something that's going to show that we are truly
8 making progress in this system. And that's what I'm
9 here to talk to you about.

10 I'm on the working group. The working
11 group had three subgroups. One of the subgroups was to
12 come up with performance standards, one of them was to
13 come up with what will be status and how do we measure
14 status, and one to come up with what will penalties be,
15 what will consequences be if the state cannot meet these
16 performance standards?

17 So we're going to go through just a
18 little bit about how we came up with these performance
19 standards, what our working group was tasked with. And
20 I think you've heard that more than one time. Our group
21 was tasked with coming up with a way that we can manage
22 identification of livestock on a state basis; being
23 compliant with performance standards that each state has
24 to live up to, so to speak.

25 So we come up with performance

0051

1 standards, methods of evaluating those, the
2 consequence ness, and some incentives for compliance.
3 You have -- you have to have some outcomes that are
4 measurable, and so that's what we were tasked with
5 doing; the outcome which is measurable, not the method
6 by which we do it. And one of these guys came up with
7 this miles per gallon sort of analogy. There's lots of
8 different ways you can get 30 miles to the gallon in a
9 vehicle you drive. If you drive a big truck, you just
10 have to drive really slow and keep it on the same RPMs
11 if you want to do that. If you drive a
12 little-bitty-electric-crossover-type vehicle, you might
13 be able to drive quite a bit faster and get there.

14 So what we have to do is look at what
15 tools do we have within each state to be able to achieve
16 an outcome, not how we get there. We're not measuring
17 the method by which we get there, but what is the
18 outcome of our methods?.

19 And Dr. Ellis brought up something
20 that's very, very salient to our conversations. We have
21 less money at the state level. Oklahoma received a 25
22 percent budget cut this year. And if we don't have the
23 technology to do the Cadillac way, then we have to count
24 pieces of paper. We have to sit and look at numbers.
25 We have to sit down and put in data. Some states have

0052

1 very sophisticated IT technology and have even
2 implemented mandatory ID. So they have a lot more in a
3 data system that can be electronically queried than
4 someone like Texas or Oklahoma.

5 So how do you come up with a performance
6 standard? You put together a measurable activity. And
7 we're going to go over those in just a minute. You take
8 a measure of that. Measurable activity: Kids growing,
9 you got the little thing on the door jam, you know, once
10 every two or three months you stand up and you get
11 measured. It's just as simple as that. And those are
12 our performance standards.

13 Now this is something that we do every
14 day in animal health. I get a call from Dennis Hughes,
15 the state veterinarian in Nebraska - and they have the
16 TB investigation - and he goes, You know, I've got an
17 animal with 73 brite tag, 73PHP9728. It's an Oklahoma
18 animal. I need you to be able to tell me, if you could,
19 where that animal originated. Well, right there, that
20 very first activity is our measurable activity number
21 one: being able to identify the state origin of an
22 animal within your state.

23 So this is an example of how you measure
24 that. Every time somebody calls you, you kind of put a
25 little clicker to it. 95 percent of the time you're

0053

1 asked to be able to come up with that information, can
2 you do it in seven days? That's the basis -- it's that
3 simple. The performance standards we're going to go
4 over are that simple.

5 So this is an example: Where was the
6 shipment originated? Where was the animal officially
7 identified? Two of our performance standards --

8 PARTICIPANT: Can I get some
9 clarification on performance standards just a minute?

10 MR. BREWER: Yes.

11 PARTICIPANT: If I ship a cow to
12 Nebraska, I have to ship that cow with good health
13 papers. When that cow goes into Nebraska, it's never
14 inspected. I spend money on those good health papers
15 and never get an inspection made on it either at our
16 state line there going into Oklahoma, or into Nebraska,
17 so tell me about measuring that accountability there.

18 MR. BREWER: Well, let's kind of get
19 through it. I know your question, and hopefully by the
20 end of this it will be accounted for -- the question
21 will be accounted for. Again, we have a format.
22 Please write your questions down so we can get through
23 these presentations to the time where we will discuss
24 that, okay?

25 MS. MILLIS: That will be the breakout

0054

1 session where we will be discussing those performance
2 measures and what they really mean and any questions
3 that you might have.

4 MR. BREWER: And I think when I'm done,
5 you might have an answer, at least partly, to that
6 question.

7 PARTICIPANT: I don't think we're
8 inspecting what we have now. That's my question. How
9 does adding some new measurement going to help what we
10 have now?

11 MR. BREWER: The measurements are not
12 for you. They're for me in the office. They're for
13 Dr. Ellis in his office. Those health certificates --
14 I'll take just one minute to answer just a little bit,
15 but we're not going to get in a long discussion because
16 we won't be able to stay on track and get done what we
17 need to do today. Those health certificates come in to
18 the office of every state veterinarian. We look at
19 every single solitary health certificate. It is not
20 designed for an inspection of your animal at the state
21 line as it enters that state.

22 Let's say my -- let's just say you're
23 from Oklahoma. Your veterinary writes your health
24 certificate. He or she has a deadline of time to which
25 that health certificate has to be submitted to the

0055

1 state. The state can review it and make sure that it's
2 accurate. If there are any problems, call that state
3 veterinarian -- I mean, the veterinarian who wrote it.
4 Then we forward -- you're going to Nebraska? We forward
5 your health certificate to Dr. Hughes in Nebraska. He
6 reviews it.

7 So those health certificates are
8 reviewed, each and every one of them. It's not designed
9 for you to be inspected as you cross the line. None
10 of -- you know, we do spot inspections, but nobody has
11 enough employees to stop every truck. The issue is that
12 your veterinarian makes a phone call to Nebraska and
13 says, what do I have to have to put cattle into the
14 state of Nebraska? And that's his or her job for which
15 he or she can lose their accreditation if they don't
16 meet those requirements.

17 Therefore you, by virtue of that
18 accredited veterinarian making that call and writing the
19 health certificate, have met the requirements to go to
20 Nebraska. And that is all that that's designed to do.
21 Not -- if you get stopped, you can say, Yeah, here it
22 is. It's going to be a spot check. But what happens
23 when those are evaluated is behind the line of what you
24 see.

25 Our criteria are going to be how quickly

0056

1 can we in our offices trace certain specific
2 categories. So let's get through it so you can kind of
3 get an idea of what that part is. It's not on you.
4 It's me, it's on Dr. Ellis, it's on Dr. Watson to meet
5 these traceability performance standards. They do not
6 relate to you as a producer in any way, nor are they
7 anything you have to do other than meet the current law
8 of how your animals move into a state.

9 So let's move forward. We have to
10 establish a baseline. It has to be meaningful. It has
11 to be achievable. We don't really have a baseline right
12 now of how long it takes us to do these things. We
13 could make a guess. I could tell you that when Dennis
14 Hughes called me from Nebraska on that particular case,
15 it took me two hours and 45 minutes to find a herd of
16 origin because I had to go to a file, check and see what
17 veterinarian that tag was issued to, go to his or her
18 file and then find that -- and go through her
19 certificates, knowing the age of the cow, and find the
20 certificate that had that tag on it.

21 So I just put a stopwatch to it, just
22 because I knew we were coming down this road. How long
23 did that take? That was pretty -- a really good one.
24 That was an easy one. They're not always easy. They're
25 not always that flip. Routine tracings, what will we

0057

1 use to measure these? What we do everyday, routine
2 tracings. We could also have an audit and have numbers
3 pulled off of the health certificate, numbers pulled off
4 of a test chart, a vaccination record chart, and trace
5 those and see how long it takes us to come up with
6 those.

7 Next question is, if we don't achieve
8 those performance standards, what then? And that's
9 something I really want you all to have some input on
10 today. We have some ideas out there and we can kind of
11 talk about it at the tables, but we don't want it to be
12 so heavy handed that states cannot continue to do
13 business and that state veterinarians do not have the
14 funds and the personnel with which to accomplish the
15 task.

16 So we don't want to see cooperative
17 agreement funding accessed or leveraged because you
18 cannot meet a particular standard, and we might even
19 want to have some incentives to compliance. But for
20 sure we need your input on that.

21 This is kind of redundant a little bit.
22 We've talked about these things. This working group
23 took their guidance from the first meeting we had in
24 Kansas City when Dr. Clifford was there with us, and
25 that was a gift. You don't realize how -- what a

0058

1 benchmark that was to have John Clifford come and spend
2 two days of time with us, because that's not something
3 at his level in management that normally happens. But
4 because he was on the floor listening to you, listening
5 to us, I think we're closer today to where we need to be
6 than we might have been had he not been there.

7 Also the tribal piece of this. A lot of
8 you out there who are producers may wonder why are
9 talking about states and tribes? Because we deal with
10 cattle owned by or owned on tribal properties. In
11 Oklahoma we have greater than 40 tribes. In the west we
12 have some tribes that are big enough they've got their
13 own state veterinarians. So it's very important to
14 honor that sovereignty and include those folks in our
15 discussions.

16 This is probably some key stuff right
17 here, because one of the things that we've been
18 discussing, and I think you've heard Dr. Ellis refer to
19 it, we need to start moving the boat down the stream,
20 but we have to look at how can we implement this so that
21 everybody has time to get on board.

22 And some exemptions are going to be out
23 there that we need to look at, and there's a variety of
24 types of exemptions. And we're kind of looking at those
25 and discussing those, along with some of the other

0059

1 issues that we just discussed, which is what are going
2 to be the compliance standards and what are going to be
3 the consequences for noncompliance.

4 So how do we trace animals today? This
5 is just a list of something that I do in my office,
6 Dr. Ellis does in his office, Dr. Watson does in his
7 office, really, weekly, and sometimes daily. Just like
8 my description I gave you from Nebraska, where did an
9 animal originate from? When we had our TB herd and we
10 had a Colorado -- I called Colorado, that meets one of
11 our traceability standards; then Colorado's got to go
12 find out where was the birth herd of that animal, or
13 where was that animal immediately prior to being shipped
14 or moving into Oklahoma. So those are things that we do
15 every day.

16 Our current capabilities, as Dr. Ellis
17 says, are inadequate. We have TB issues out there right
18 now today, and the majority of our TB traces we cannot
19 find those animals. In Oklahoma, the case that
20 Dr. Ellis discussed, the infected dairy, we had two
21 trace ends to that dairy, so we got tags off those
22 animals. We were able to find one. We found absolutely
23 no record of when that tag was put in the other one. So
24 if a tag's there, it's got to be tied to some document
25 or tied to some database that we can actually use.

0060

1 Here's kind of the basic general
2 thinking and the way this is going to go. The secretary
3 has said this is what we're going to do. We're going to
4 look at and require a CVI and ID for all livestock
5 moving interstate. Now if we stop talking right there,
6 I can point to you six guys right now that I know very
7 well who's going to stand up and cry foul and wave a red
8 flag.

9 But one of the things we have are some
10 exemptions, and we need to define those exemptions and
11 you all need to make comments on those exemptions today
12 as we're sitting around these tables. The exemptions
13 we're looking at are in two different large groups.
14 Exemptions to a CVI, what some people call a health
15 certificate, and exemptions to ID. Some IDs of
16 exemptions to a CDI would be people who have commuter
17 herd agreements.

18 In Oklahoma we have people who own land
19 in Oklahoma and own land in New Mexico. They move their
20 own cattle between Oklahoma and New Mexico for grazing
21 and for breeding. They're owned by the same person,
22 they're on lands that are owned by that person, so in
23 Oklahoma that's a commuter herd agreement. And we enter
24 into that commuter herd agreement with New Mexico, and
25 the Oklahoma state veterinarian signs off on that. And

0061

1 they do not have to have an interstate health
2 certificate to move back and forth, but they have to
3 have a current and an accurate updated commuter herd
4 agreement.

5 Every state has a little bit different
6 commuter herd process, and so those would be exempt.
7 Another thing that might be exempt are those animals
8 that move within a production chain. So if you look at
9 the way that commercial swine move or you look at the
10 way the commercial poultry move, they're completely
11 integrated. They move within a chain, they have
12 requirements they have to have, but not an ICVI. So
13 those are a couple of those types of exemptions.

14 Exemptions on official ID. Right now
15 probably feeders are the biggest issue. Do feeders need
16 to be ID'd? I will tell you exactly what Dee Ellis
17 said. Yes, they do. We have feeders with TB that we
18 cannot trace. We have feeders commingled with stuff
19 that goes back into the country, a practice that we have
20 to get out there to our stakeholders and our cattle
21 folks is just absolutely terrible by security.

22 Can it be done right now at the speed of
23 commerce? No. We move too many feeders. We've got to
24 have some time to kind of move this forward and prepare
25 for it. What's an option, perhaps? Feeders, maybe, are

0062

1 grandfathered in a year later after the rule goes into
2 effect. Perhaps something like feeders should have to
3 be identified with an official ID, but the accredited
4 veterinarian writes on that certificate, I've looked at
5 all the cattle, they have an official ID, and you don't
6 list those IDs.

7 You know, once we get to electronics,
8 that's a very simple thing. I've got a couple of my
9 markets that actually submit to us ID in all electronic
10 format. They utilize it off of the IT systems they have
11 set up in their markets. I will give kudos to the
12 Oklahoma markets right now, because over a year ago they
13 came to us and said, We're going to stop first-point
14 testing, let's work together and come up with a way we
15 can identify cattle, and we actually wrote rule. And
16 every market in Oklahoma writes down sexually intact
17 adult cattle ID and submit it to our state office at the
18 end of every single solitary run.

19 So it can be done, and you can work with
20 your markets. It just takes that kind of relationship,
21 and it has to be kind of mutual. There has to be some
22 give on each side. Those are a couple of ideas of
23 exemptions. We sort of talked about that.

24 There will be a status for states, and
25 it probably will be consistent and nonconsistent, and

0063

1 those are some things we can talk about also in the
2 breakout groups. The consistent and nonconsistent
3 language comes from the scrapie program, and folks who
4 oversee the scrapie program are a little bit concerned
5 that if we use consistent and nonconsistent status
6 perhaps that will be confusing, so we have to come up
7 with terminology that we're going to use.

8 What's going to happen if you aren't
9 consistent as a state, if you, within your offices of
10 your state veterinarian, cannot perform these measures
11 and meet the criteria? And that's yet to be
12 determined. One thing that's talked about is a list
13 that's on the web page that says Oklahoma is a
14 nonconsistent state when it comes to cattle, beef
15 cattle, and it's going to be divided up by species,
16 certainly. So if cattle are not consistent, it's not
17 going to hurt the movement of swine if swine is
18 consistent, or it will not hurt the movement of poultry
19 if poultry are consistent.

20 We haven't really talked about dairy. I
21 think we just talked about cattle as a whole. So it
22 behooves us to come up with ways that people aren't
23 going to get on our website, the USDA website, and go, I
24 don't know if I want to, you know, buy Oklahoma beef for
25 my restaurant chain. That's an unattended consequence.

0064

1 Okay, let's go through -- these are the
2 specific performance standards. Can you see those
3 okay? Because I can move if y'all can't -- if you
4 cannot see the slides. This is the first performance
5 standard. There's four. The working group actually put
6 together about 17 performance standards, and then in
7 these working group conference calls and face-to-face
8 meetings we had to realize we have to focus on
9 interstate movement. We can't make performance
10 standards for what happens inside a state, because
11 that's outside the purveyance of USDA.

12 So we sifted those down to the four
13 you're about to see, and then we have a list of about
14 seven that states can use as building blocks within
15 their states, if they choose. If they can do those
16 seven within their states, these become a piece of
17 cake. So that is a basically kind of way to get through
18 one, two, three, and four. Receiving state or tribe is
19 able to contact the state or tribe in which the animal
20 is officially identified. The reason that we put the 95
21 percent of the time in one business day is that
22 basically it's looking at the ID on that animal.

23 And we are not talking about
24 unidentified animals, because we can't measure
25 unidentified animals in this process. Every state past

0065

1 tag, brite tag, has a code. The first two numbers are a
2 state code. So any state can look and see 73 and that
3 state veterinarian says, This cow was tagged in
4 Oklahoma. And so that takes care of that.

5 They call me and say, Hey --
6 Dennis Hughes calls and says, I've got a cow involved in
7 a TB investigation, and it's 73 whatever whatever, that
8 meets that requirement. If it is an electronic ID and
9 it's an 840 number, in answer to the woman's question on
10 what good is that system, people choose to be in that
11 system either because the state has required it, like
12 Indiana, or because they choose to be in a QSA or PVP,
13 or they just like the idea of having electronic ID and
14 using the value of the program to manage their herd and
15 their business.

16 I can query that any day. I can query
17 only Oklahoma information, but I can query that any
18 day. If I go and query an 840 tag, that system tells me
19 where that animal originated from, so I make a phone
20 call. That's another quick and easy thing to do. We do
21 have a little kind of a problem with non-840 EIDs at
22 this time, but I think we'll deal with that in that they
23 are held by industry, and then you'd have to go to
24 industry to ask for that information. So we're working
25 through that in the working group and with industry as

0066

1 well.

2 So this is No. 1. No. 2, you can tell
3 by the fact it's got two phases, and it's 75 percent
4 within five days, it might not be as easy as Performance
5 Measure No. 1. The state/tribe in which an animal was
6 ID'd is able to ID the traceability unit in which they
7 were ID'd. Now, that's a lot of words. What's a
8 traceability unit? It's a farm, if the state chooses it
9 to be a farm. If the state chooses it to be a county,
10 it's a county. If the states chooses it to be the
11 state, it's the state, but ultimately it's the place
12 where the identification tag or device was put on that
13 animal.

14 So traceability unit is a premise. Not
15 a premise ID. It's a premise. It's my farm. It's
16 where I tag my cattle. It's a little bit more difficult
17 because I might be able to know it came from Oklahoma,
18 but the Oklahoma state veterinarian is going to have to
19 take the time to sit there and figure out where was the
20 tag applied. So that's why you have two different
21 phases that will have time periods on them and a little
22 bit more time.

23 Three: A receiving state or tribe is
24 able to contact the state the animal was shipped from.
25 What if it's been in your state seven years? So, you

0067

1 know, it was tagged in Oklahoma, but you don't put your
2 health certificates in an electronic database because
3 you don't have the money, you don't have employees, or
4 you don't have the database, how do you go back and find
5 where was the place that animal was shipped from?

6 We're working very hard in USDA and with
7 our practitioners in trying to get up to speed on
8 electronic health certificates. We have two things
9 available to us today: USDA's VSPS and the private group
10 Global Vet Link. And we will get there. And I think as
11 veterinarians get comfortable with how much faster and
12 how much more efficient and easy it is to do electronic
13 health certificates, what that does for us is have data
14 that is much more easily electronically searchable. So
15 this is No. 3.

16 No. 4, two phases, longer period of
17 time, little bit more difficult: The state or tribe
18 from which the animal was shipped is able to identify
19 the traceability unit from which it was shipped. So I
20 can say I know where it -- you know, it was shipped out
21 of my state, and the last place it was when it shipped
22 was National Stockyards, Glenn Payne, and that meets
23 this traceability standard.

24 So I know -- you've got a little chart,
25 I think, in your book that's blue that lists each of

0068

1 these standards, and we're going to kind of go through
2 an example. And every time I have presented this
3 example I think people have been more confused when I
4 got done than they were when I got started. So today's
5 going to be the day that that doesn't happen.

6 My friend Dave Schultz in Iowa, state
7 veterinarian, identifies an animal of interest. It
8 doesn't matter what it's for. Doesn't matter whether
9 it's an exercise for us to see how long it takes us to
10 do it, or it's a TB infected animal, or it's exposed to
11 TB infected animal, or it's a Brucellosis slaughter
12 trade, that doesn't matter. Now this part we don't know
13 yet, and I think that's what is confusing about this
14 slide. Everything that's going to go in these next
15 bullets we aren't privy to. We know this, and we're
16 going to know down at the bottom, but this is sort of
17 like reading the back page on a book before you finish
18 the book just so you can find out who murdered who.

19 So it was shipped from Iowa to Nebraska,
20 from Nebraska to Kansas, and from Kansas to Missouri.
21 Now in this exercise the two pieces we have, the next
22 step we're going to know it was ID'd in Iowa as a
23 problem animal -- you know what, I'm backwards, aren't
24 I?

25 MS. FERGUSON: Yeah.

0069

1 MR. BREWER: That's not the problem
2 yet. Forget that. It was ID'd Iowa, it went to
3 Nebraska -- now you know why everybody's confused when I
4 get done with this piece. In Missouri we know it's a
5 problem, so it's Taylor Woods in Missouri. How many of
6 you know Dr. Woods?

7 (Participants raise hands.)

8 MR. BREWER: We're not going to find out
9 if it was tagged in Missouri except between 8:00 and
10 5:00 on Monday through Friday.

11 Now, how do we measure that?
12 Taylor Woods, 8:00 to 5:00 Monday through Friday, is
13 going to call Dave Schmidt in Iowa, and he's going to
14 say, I've got a TB infected animal. What's he done?
15 He's checked the box for No. 1. The animal was
16 identified as a problem in Missouri, Performance
17 Measure 1 is call the state in which that animal was
18 identified.

19 And let's just say it had a brite tag
20 and the brite tag had the Missouri code --

21 PARTICIPANT: Iowa.

22 MR. BREWER: See, now you understand.
23 Do you get this? Am I confusing you terribly?

24 MS. FERGUSON: You're doing great.

25 MR. BREWER: Now Activity 2 is one of

0070

1 those hard pieces. Dave Schmidt in Iowa has got to find
2 out where the ID was put in. Remember my little example
3 of Nebraska? It took me two hours and 45 minutes to
4 find the herd in which that animal was identified. It
5 was a dairy herd. That's a good day. I have gotten
6 them that I never found where that animal was
7 identified, ever. That's a bad day.

8 Performance Standard 3, Missouri

9 contacts Kansas --

10 MS. FERGUSON: -- where it's shipped
11 from.

12 MR. BREWER: Right. But how long does
13 it take to find that out? You've got to have an ICVI,
14 or you've got to go to the owner and say, When did this
15 cow come to your place? Well, let's just say we're
16 lucky on that day and the owner says, you know, that's a
17 group of young replacement cattle -- heifers that I just
18 got in four weeks ago, Oh, yeah, and here's the health
19 certificate that came with it. That's a good day.

20 But what if it's the cow that came to
21 our infected herd in the Texas panhandle and probably
22 moved six years prior to that? That's the difficult
23 piece of that with what we have available to use today.

24 And Performance Measure 4 is Kansas
25 finds out where the animal was shipped from. So they

0071

1 have to go back to the stockyard, the farm, whatever was
2 the last point that that animal was with other animals
3 in that state, Kansas, before it went to Missouri.

4 Folks, those are the performance
5 standards. That's all they are. They are the
6 responsibility of the state veterinarian with the
7 additional help of the AVIC. Many of our AVICs in our
8 states keep some of our data in their databases. It's
9 not your responsibility in the field -- where your
10 responsibility comes in is to look at how can we get
11 these animals ID'd, how can we get more of them ID'd,
12 how can we get that recorded, and get it into these
13 databases so that's it's queryable.

14 Is that kind of understandable, even
15 being screwed up by me? Smile or something. Oh, I'm
16 glad I'm not a preacher. Can you imagine if I just
17 looked up and you're all asleep?

18 Compliance and consequences, things we
19 need to discuss today. Big issues, big question marks.
20 Let's talk about, at our tables, how we do that. I hope
21 that I answered those couple of little questions that
22 you two had. I think let's wait and get into the
23 discussion piece of that.

24 PARTICIPANT: I do understand your point
25 about the agenda. All I want to ask is something to

0072

1 related to clarify what the scope of the standard is so
2 that we can address it during the breakout sessions.

3 MS. MILLIS: And that's what we'll do
4 when we come back from our break, first thing.

5 PARTICIPANT: But what I'm saying is
6 this is a question that will apply meaningful input
7 during the breakout sessions. It would help to have the
8 answers.

9 MS. MILLIS: And we'll do a little
10 overview and try and understand that before we go into
11 those breakout sessions.

12 PARTICIPANT: Before we go into
13 breakouts?

14 MS. MILLIS: You bet.

15 MR. BREWER: Thank you all so much.

16 (Participants clapping.)

17 MS. MILLIS: So here's what's going to
18 happen next. We're going to take a break and come back
19 at two minutes after the hour, so that will be about two
20 minutes after 10:00 o'clock. When we return, a couple
21 of things are going to happen. We're going to have a
22 little review of what that standard is, and we're going
23 ask the folks doing that to explain Judith's question
24 about the scope of that. I want to make sure I get that
25 right. If I didn't get that right, you'll have a chance

0073

1 to ask it again.

2 And we're going to then break into
3 groups based on species, so this might require you to
4 get up and move to a different table, and we'll do some
5 work at those tables and have some lively discussion.
6 Following that discussion, we'll report back out to the
7 general group to hear what everybody is thinking is on
8 it and the kind of input that we're gathering; because
9 it's a great opportunity for USDA to get your input as
10 they work towards writing this regulation and writing
11 the performance standards that will help to measure how
12 well this regulation is operating.

13 So let's come back at two minutes after
14 the hour, and we'll see you then.

15 (Break taken from 9:43 to 10:03.)

16 MS. MILLIS: If I could get a show of
17 hands from the USDA folks, let's see where you folks
18 are, because we want to make sure you folks are
19 available to participants at this meeting. So make sure
20 you, as USDA folks, distribute yourselves amongst the
21 groups, please.

22 Now at each table I've put a list of the
23 questions, and I've placed a sheet where you can ask
24 additional questions. And as soon as everyone comes to
25 order and we're ready, I'm going to ask

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1 Mr. Hammerschmidt to kind of give us a little overview
2 of what the discussion breakouts are going to be.

3 So at each table there will be someone
4 there to help with keeping the discussion on track and
5 then another individual, or maybe the same individual,
6 to take some notes of the discussion that goes on. When
7 we're done with that -- when we're done with that, then
8 we're going to report out to the whole group. And I did
9 want to point out that we have a court reporter here to
10 today to capture everything on the record.

11 So, Neil, -- is everybody ready? Show
12 of hands of those who aren't ready. All right, Neil,
13 everybody says they're ready except for you. Go ahead.

14 MR. HAMMERSCHMIDT: I appreciate it.
15 I'm going to try to focus on some of these discussion
16 items, and we've had similar discussions at different
17 meetings and I think they work out pretty good. But as
18 we look at the first topic, and I realize -- I think we
19 all realize that the traceability performance standards
20 from a producer industry perspective is probably not
21 your hot button, but we would like to focus on those to
22 the degree possible. And usually that is accomplished
23 by talking about how some of the ID things would work
24 and things like that.

25 But I think as we head into that

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1 discussion, going back to Dr. Ellis's opening comments
2 about current gaps in traceability, especially as the
3 tables are assembled by species, this is where those
4 types of issues are most appropriately defined and
5 considered. Some of the gaps in certain species aren't
6 quite as obvious or significant as maybe some of the
7 other species.

8 We don't want to always go back to the
9 cattle issues, but I think, again, Dr. Ellis offered
10 some pretty obvious gaps in traceability due to the
11 voided animal ID. And so as we focus on even the
12 traceability performance standards, having that
13 acknowledged by each species would probably be important
14 to the discussion.

15 Overall merit and/or merit to your
16 species. That is the traceability performance
17 standards, are they applicable to the species that
18 you're discussing at your table? I think another
19 important aspect is the working group. And these are
20 preliminary standards, so we're here to solicit your
21 ideas. Are there other ones that are possibly more
22 appropriate to consider?

23 And, again, probably going back to the
24 gap and relationship with risk, are there certain voids
25 in traceability that maybe aren't quite as important

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1 because the associated risk of disease isn't as great as
2 other areas? So I still think we need to look at this
3 in a priority perspective so we can make sure that the
4 higher risk animal movement issues that are addressed
5 from a priority standpoint, making sure that we have the
6 traceability performance standards aligned there most
7 appropriately.

8 I think we went through the performance
9 standards quite well, so I won't duplicate those. But
10 again the overall principle is we're wanting to make
11 this an outcome based issue of measurement. We could
12 very easily measure how many animals are officially
13 identified, but we want to focus on the end result: What
14 is our tracing capability? And that's really what the
15 performance standards are all about. We won't go
16 through those. You saw the scenario that Dr. Brewer
17 walked through. Those are all in your packet.

18 So some of the specific questions are,
19 again, what are the priorities or population sectors
20 within the species needing the most improvement relative
21 to traceability to help us identify those and focus on
22 those? Will the performance standards that are listed
23 on that chart, do they address those gaps in
24 traceability?

25 What other traceability performance

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1 standards that focus on interstate movement need to be
2 considered. I think there's been a comment prior to the
3 break that maybe we need to evaluate and consider if all
4 of those that are on that table, four of them, do
5 actually fit the scope of the framework and pertain to
6 interstate movement.

7 Other members of the working group can
8 certainly speak up, but I think it's been the
9 interpretation, the sense of the working group, that all
10 four of those are applicable to the scope of the
11 framework in that they are focused on animals that have
12 moved in interstate -- across the state line. So that
13 in itself places them within the focus of the
14 framework.

15 When we talk about standards 2 and 4,
16 the state is asked to find the traceability unit, No. 2,
17 at which the animal was tagged; No. 4, the traceability
18 unit from which the animal was shipped from when it left
19 the state. Working group, I personally also feel that
20 those are in line with the interstate focus because the
21 animal moved has left the state, but also the
22 flexibility with the traceability unit that that's what
23 the performance standard says: Determine the
24 traceability unit. It's the state's determination if
25 that's a specific herd farm location or the state as a

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1 whole. So I think that flexibility keeps within the
2 intent of the framework.

3 What animals of your species should be
4 exempt? Again, we were talking about phased in to make
5 it workable, focus on some of those issues certainly
6 would be appropriate.

7 So, Deb, those are the questions that
8 we're trying to solicit some discussions. Certainly not
9 limited to those specific questions, but we really are
10 trying to have a discussion to increase your
11 understanding of the traceability performance standards;
12 but also from an industry standpoint, get your feedback
13 on their merit, their value, they're being appropriate,
14 practical, so you can actually help understand and
15 appreciate that we're looking at a performance-based
16 approach measuring tracing capability, leaving the nuts
17 and bolts of the how to more at the local level and
18 industry organizations, producers, will certainly need
19 to have those detailed discussions within their states.

20 And I believe a lot of the states here
21 have had those discussions on how are we going to do
22 that within the state regarding intrastate issues. Any
23 questions or comments? Deb, let them start the
24 discussion.

25 MS. MILLIS: And hearing none, we'll go

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1 ahead and start the discussions at those tables, and
2 remember what we're evaluating here is those performance
3 standards that will be used in the establishment and
4 monitoring of that regulation.

5 PARTICIPANT: Did you address
6 Judith McGarry's question so that when we start our
7 discussion we can have it clarified?

8 MR. HAMMERSCHMIDT: That was the
9 question I was trying to interject.

10 MS. MILLIS: Yeah, Neil was trying to
11 interject that, but Judith?

12 PARTICIPANT: I understand, Neil, what
13 you said about the idea that these standards, even 2 and
14 4, only apply directly to animals that move -- that
15 have, at some point, moved interstate, but my question
16 is this: Since 2 and 4 set out a standard for what a
17 state does intrastate, does the regulatory working group
18 have a practical solution for how you could ever meet
19 those standards by literally only tracking animals that
20 move interstate? Because so far no one I know has been
21 able to come up with an answer of how you can set a
22 federal standard for interstate activity that in
23 practice only applies to animals that have moved
24 interstate.

25 MR. HAMMERSCHMIDT: Thanks for the

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1 clarification. So we have -- the focus is on the animal
2 that has actually left the state. So let's say, for
3 example, we have an ICVI as a source of information,
4 only those animals that have the left the state who have
5 an ICVI on that animal that shows identification be on
6 that ICVI, and if the data for the location where the
7 animal was shipped from when it left the state, if that
8 animal was at a prior location within the state,
9 certainly from an animal disease perspective, the state
10 animal health officials, those that are here can correct
11 me if I'm wrong, would certainly want to trace that
12 animal back but that location to the next one.

13 But that's where our line stops. That
14 is, then, within the state's responsibility on how they
15 do that, what regulations they would have in place to
16 achieve that.

17 PARTICIPANT: Well, to clarify. So
18 let's use, actually, Activity No. 2, where the state
19 where the animal was identified has to trace it back to
20 the appropriate traceability unit. Since the state
21 never knows which, animals will ultimately be shipped
22 out of state - you don't know when an animal is first,
23 you know, getting identified which animals will be
24 shipped out of state and which won't - how could Iowa,
25 to use the example that was being used there,

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1 effectively trace -- meet the federal standard for
2 identifying the animal that was, you know, two years
3 later shipped out of state without having a full
4 intrastate problem.

5 MR. HAMMERSCHMIDT: So your question is
6 now on No. 1 in that case.

7 PARTICIPANT: Activity No. 2, where it
8 says: The state where an animal was identified has to
9 trace it back to the traceability unit.

10 MR. HAMMERSCHMIDT: Yeah.

11 PARTICIPANT: How do you do that
12 literally by only tracing animals that move interstate?
13 You don't have foreknowledge. This is what secretary
14 Johans brought up.

15 MR. HAMMERSCHMIDT: Again --

16 PARTICIPANT: Sorry. Senator.

17 MR. HAMMERSCHMIDT: -- Dr. Watson and
18 others, I think, will comment. So this animal that left
19 the state has an ICVI and that will be directly from
20 which a state could determine where that animal was
21 shipped from. That is not necessary for the states that
22 are within the state that never left.

23 PARTICIPANT: But that's Action No. 4.
24 Action No. 2 is when the animal's identified, not when
25 it was shipped.

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1 PARTICIPANT: I think the point is the
2 animal was only required to be identified just prior,
3 under this federal piece, at the point that it goes
4 interstate; so I think what you're implying is that
5 every animal in this state is always going to have to be
6 ID'd in case it ever goes go out of state.

7 The requirement is at the point somebody
8 decides to ship it interstate, at that point in time it
9 has to be ID'd, not prior to that.

10 PARTICIPANT: (Inaudible)

11 COURT REPORTER: I can't hear.

12 MS. MILLIS: Sir, could you repeat what
13 you're saying? And then I do want to get back so that
14 we don't run out of time to get into this regulation.

15 PARTICIPANT: If the point of this is
16 disease control, and this rule can only handle things
17 when it's actually moved out of state and so you don't
18 have this foreknowledge or past history, then how are
19 you stopping disease? I mean, all you've done is
20 created a bureaucratic layer to manage interstate
21 commerce of beef and cattle.

22 (Participants clapping.)

23 MR. HAMMERSCHMIDT: Those are the kinds of --
24 you know, you're basically -- my interpretation of that
25 is that you would expect some type of regulation or

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1 policy or something that'd be put in place that achieves
2 that traceability within the state back to achieve
3 disease traceability. From this the regulation
4 perspective, we're saying that's a state issue.

5 The intrastate moving -- tracking that
6 animal from that last location from which it left that
7 premises, if it had been at four premises within the
8 state prior to that, that still resides within the
9 responsibility of the state.

10 MS. MILLIS: Thank you, Neil. And so to
11 close out that part of it, and we can come back to some
12 questions later in the day, but the questions we're
13 focusing on here, and others that might arise at your
14 table, are what are the priorities or populations and
15 sectors, etcetera, within the species needing the most
16 improvement relative to disease traceability? Will
17 these traceability performance standards address the
18 current gaps in traceability? What other traceability
19 performance standards that focus on interstate movement
20 need to be considered? And finally, what animals of
21 your species should be exempt from the official
22 identification requirement?

23 And for the next 50 minutes, five zero,
24 we're going to discuss these at the tables and then
25 we'll come back to you and share that discussion with

0084

1 the larger room. If you're at a table and it's kind of
2 noisy around you, please feel free to move. There's
3 room up here. And go.

4 (Breakout discussions had from 10:18 to
5 10:57.)

6 MS. MILLIS: I appreciate that there's
7 still a lot of lively discussion going on. What I want
8 to do at this point is share some of the things that
9 you've discussed at your tables, that you've learned,
10 that you have more questions about. During this part of
11 the meeting, so that we can give this input to those
12 people working on the rule, on the regulation, we're
13 going to be speaking into the microphone. We'll go
14 around to each table.

15 And we want to make sure that our court
16 reporter can hear us, so I'm kind of checking in with
17 here and she's letting me know if we need to be louder
18 or softer or whatever. So what we're going to do is
19 we'll start at this table right up here. And who's
20 going to report out for your table?

21 PARTICIPANT: I will.

22 MS. MILLIS: You are, Scott? So we'll
23 start here with you, Scott.

24 PARTICIPANT: Hello, everyone. I'm
25 Scott Slusher (phonetic), and I'm going to represent

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1 some of the comments at this table. I think we had a
2 good discussion and a lot of comments and a lot of
3 concerns and things like that. I just want to touch on
4 a few things that we talked about.

5 One is that in pertaining to the
6 exemptions, that we definitely had some consensus that
7 feeder cattle will probably need to be exempted from the
8 rule, and also slaughter cattle, in particular direct
9 consignments slaughter cattle, will also be included in
10 the exemptions to the rule.

11 One of the other interesting points was
12 that trying to address the question, excuse me, about
13 how these performance standards are going to address
14 current gaps in traceability, and we were coming to the
15 conclusion, I believe, that states that don't already
16 have what was called first-point testing or cooperative
17 markets where cattle are ID'd currently, or states which
18 have those policies in place now but in the future may
19 not, it may sort of help them to establish a policy to
20 ID cattle.

21 One of the concerns -- I thought one of
22 the major concerns that was brought up was that
23 producers don't really want to be burdened with ID'g
24 cattle. They don't have the time to do it. They don't
25 necessarily have the ability or the time to ID cattle

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1 before they take them to market, and they don't
2 necessarily have the time to go to market a week early
3 in case of a large shipment to have the cattle
4 officially ID'd at that point. So that definitely could
5 be an issue with sort of helping to officially ID these
6 cattle.

7 Was there anything else that you guys
8 wanted to tell them about? Thank you.

9 MS. MILLIS: Thank you, Scott. And back
10 there (indicating).

11 PARTICIPANT: We went through the first
12 section, and there were some initial discussions and
13 concerns about whether this was even -- these
14 traceability performance standards were the right road
15 to be going down or whether we need to be looking at
16 other things like interstate -- sorry, not interstate --
17 international borders, border security, other measures
18 in animal and human health. You know, what were we
19 doing in terms of setting a performance standard?

20 When we were looking at the performance
21 standards, there was sort of a raw back and forth
22 discussion as to whether this was really intended just
23 as an information goal to where we use these performance
24 standards to measure how big of a gap we have. That was
25 a pro that several people brought up.

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1 The other side of it was the question of
2 why not just address the gaps we know we have? We know
3 we have gaps in tag retention. We know we have gaps in
4 collection of tags at slaughter. We know these are
5 problems. You know, the alternative is to address those
6 gaps and then look at measuring where we are in
7 traceability once we address the known problems.

8 On measurements, what else are we
9 looking for traceability? There was a comment of
10 wanting to know, especially in dealing with a brokerage
11 situation where there's a lot of commingling going on,
12 wanting to know where the animals are coming from and
13 where they're going to, and trying to figure out how to
14 accomplish that.

15 On additional traceability standards,
16 one of the comments was that we need to look internally
17 on how the system works on issues of confidentiality.
18 So while we're looking at traceability standards, look
19 at things like FOA exemptions, protections against
20 market misuse of this information, protection against
21 agency sharing.

22 So, for instance, using Texas as an
23 example, allowing Texas Animal Health Commission to
24 control information but not handing it over to the
25 comptroller, and how is this information going to be

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1 used and including that as part of the development of
2 the program.

3 On exemptions, I think it echoed a lot
4 of what has already been discussed: exempting slaughter
5 cattle, commuter cattle, phasing in potentially on
6 feeder cattle. One of the comments was looking at
7 currently established methods, and we kind of went
8 beyond how briefly, at this table - and I stuck my nose
9 in on that - and looked at programs like scrapie and
10 poultry improvement plan, and said, You know, we've got
11 programs that are working. Before we start layering
12 additional requirements on, let's rely on those existing
13 programs. It's not so much an exemption as it is not
14 increasing requirements over what's currently there.
15 Did I leave anything out? We're good.

16 MS. MILLIS: Thanks, Judith. And
17 another table in the back, please.

18 PARTICIPANT: We looked at the gaps, and
19 one of the major points brought up from the gaps is
20 origin to the first point of --

21 COURT REPORTER: He's cutting out.

22 MS. MILLIS: You're cutting out.

23 PARTICIPANT: Okay. They were looking
24 at the gaps. One of the gaps that was identified is the
25 animals that are from the farm reports to the first

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1 point where they're ear tagged. They consider that a
2 gap, and will traceability assist in that?

3 Also from the first point ear tagging to
4 where the animal's slaughtered, we consider that a gap
5 as well and we'll need to probably address that as being
6 a potential gap of traceability.

7 Some of the concerns was that feeders
8 and stockers should not be identified early on in the
9 program, maybe look at it a little bit later, but
10 concentrate primarily on the adult animals. And some
11 comments was that this should be driven by the market.
12 If the market wants it to be identified, it will be more
13 acceptable if it was driven by the market than state or
14 federal driven.

15 Was there any other comments or
16 questions? And also the last one, how long will USDA
17 provide funding for this program?

18 MS. MILLIS: Thank you, Terry. I
19 appreciate it. We're going to come up to this table
20 here. Who was going to speak for your table? Vince?

21 PARTICIPANT: Our discussions were, as
22 had been said previously, varied, but I think I can get
23 the highlights. It's very important to our discussion
24 here. First of all, there were questions raised about
25 data that was available to back up the percentages and

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1 time frames that were introduced in the earlier
2 discussion about the traceability measures. Also
3 questions were raised as to cost benefit of the program
4 and of traceability.

5 There was some brief discussion about
6 cost from the standpoint of cost falls in many different
7 areas. There's cost to the producer. There's cost to
8 the consumer. There's cost -- and so when you look at
9 the area of costs, it's just not simply one factor or
10 one type of cost that should be considered.

11 At this particular table it was
12 articulated that the feeling was that feeder cattle and
13 commuter cattle should be exempt permanently. Not a
14 phase in, but a permanent exemption to this traceability
15 program. There was also some discussion about who would
16 bear the costs of identification. It was articulated at
17 the table that the feeling of some in our discussion was
18 that the producer would primarily bear the cost of the
19 ID program and that that was a concern of some at our
20 table and during our discussion.

21 There was also a brief discussion about
22 where disease comes from and whether or not the disease
23 comes from large outfits. There was a discussion as to
24 whether or not there were a lot of disease coming in
25 terms of those feeder cattle that would be considered

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1 for exemption, and that they may or may not -- disease
2 would come from small producers or small areas. There
3 was a very brief discussion just about that.

4 No particular decisions or permanent
5 discussion point, just talking about where disease comes
6 from as part of this process and where we should be
7 focusing our efforts. In terms of the feeder cattle
8 exemption, there was also discussion that it was a
9 feeling that we must show that we have 100 percent
10 mastered the traceability for adult animals before we
11 started to even look at or consider any identification
12 of feeders or commuter.

13 I'll just ask the cohorts at the table, have
14 I covered everything?

15 MS. MILLIS: Thank you, Vince. And,
16 Dana, your table?

17 PARTICIPANT: We discussed that the
18 producer must be protected from liability for acts of
19 other cattle that have left their control. We also
20 discussed the consequences, and that if one state falls
21 out of compliance, we don't want it to hinder trade as a
22 nation as a whole. I'd like to see -- possibly see the
23 incorporation of sale barn back tax be used for
24 identification method.

25 We also discussed the use of -- or

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1 looking at other identification systems, such as state
2 scrapie and everything, TB programs, and look at the
3 failure rates of those programs before deciding what
4 kind of program we need to have. Because I know in our
5 own system the use of electronic IDs, we have anywhere
6 from a 5 to a 15 percent loss of ear tags. And what is
7 the acceptability of that going to be?

8 We want to make sure that we have an
9 acceptance level of non-tagged animals that go as a
10 group. And we want this to only affect sexually intact
11 animals over 24 months and roping steers. And I think
12 with the CDI for direct slaughter to -- the direct
13 slaughter of cows to be exempt from that as well.
14 Anything else, guys?

15 MS. MILLIS: Thank you. I'll go back to
16 the table right there (indicating).

17 PARTICIPANT: We kind of discussed --
18 we're a hodgepodge here. We have from no animals to
19 horses to goats to chickens and small miniature horses.
20 We kind of discussed the USDA's approach, and their
21 response was their main approach is to put out fires
22 into what specific regulatory requirements are in the
23 USDA program.

24 And in addition to the current standards
25 of trace back, what is required and why, we were told

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1 basically it was not meeting the performance standards.
2 And accuracy is their main goal of this program. The
3 veterinarian gentleman here said that the USDA has not
4 met -- has not been good at selling their program, and
5 they need to get better at that, but I don't think it's
6 working.

7 The majority of sick animals that was
8 discussed here and asked, the majority of sick animals
9 seem to be coming from across the border, which we said
10 more border securities would seem to be a way to go in
11 that regard. What was the USDA doing -- going to do
12 different than the government, in general? Most of us
13 in our experience knows the government is very
14 inefficient at all levels, so what would make this new
15 bureaucracy even more efficient than any of the other
16 departments in the government?

17 To test the system and traceability,
18 we -- Gio brought up the performance metrics. What
19 would be the performance metric for the USDA on this
20 traceability, and I think it was a good point that the
21 USDA wants to do this program nationwide, everybody, all
22 the states, yet you would be penalizing some of the
23 states that are running efficient trace back programs
24 and lumping them, basically, with the states that aren't
25 doing as good a program. So I think that issue should

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1 be addressed.

2 And what are the number -- and the
3 performance metric should be based on the number of
4 outbreaks, how many there are and the costs. And I'm
5 probably going to let Giovanni explain this further.
6 Hagen brought up why not use the existing culls for ID
7 data collection; that way you -- I can't read your
8 writing. Because people are familiar with an existing
9 process.

10 So border security was, I think, big
11 here. And from the horsemen's perspective, and my
12 consideration, was the fact of why are horses - the FFA,
13 the 4-H kids, required to put their animals in
14 competition - required to register their premise because
15 of the NAIS standards at the federal level. We were
16 saying the state's doing it, the national -- the federal
17 program isn't. But it's based on the federal program
18 standards, so that was brought up too.

19 Does anything here have anything that
20 was left off that you would like to add? Giovanni?
21 Hagen?

22 MS. MILLIS: Thank you. And we'll go to
23 you (indicating).

24 PARTICIPANT: Our group is kind of all
25 over the place as well. We did decide that we should

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1 limit -- in the very beginning limit the program to the
2 adult cattle, and then when that system is perfected,
3 possibly move onto feeder cattle. In the initial part
4 of it, feeder cattle and commuter cattle should be
5 exempt. We did have some -- quite a bit of discussion
6 on how the smaller groups might comply with this
7 traceability program.

8 We did talk about traceability
9 performance standards. We did believe that Standard
10 No. 1 and No. 2 could be performed with the methods that
11 are currently in place. Is there any other things we
12 need to address? We did talk about bringing in
13 electronic certificates of veterinarian inspection at
14 some point in the future. And also border security,
15 that was a priority also.

16 MS. MILLIS: Thank you. And we'll go to
17 the table back there that has the mike right now.

18 PARTICIPANT: We --

19 MS. MILLIS: We need you to do the mike
20 for the court reporter.

21 PARTICIPANT: This table has got three
22 tack guys and three LMA people and me. We were really
23 seeing a lot of problems in this thing. One of the
24 things with the LMA guys is the cost that they're going
25 to have to retool, revamp, to do all this tagging at the

0096

1 sale barns.

2 The other thing from what I really see

3 is -- in Olney, Texas, the first of May, you've got 150

4 trucks shipping at about 15 or 20 locations and one

5 vet. How the hell is he going to be able to write

6 health papers and inspect all these tags at all these

7 locations at one time?

8 The other thing that I wanted

9 clarification is that if I buy a set of calves and I tag

10 them, if I don't have where they were born, are they

11 eligible for interstate commerce? The way I understand

12 this, they are. But the main thing that we -- that I

13 really see is back to the -- is tag loss, and a lot of

14 these shipping pens are not designed to replace tags.

15 We'd have to rope these steers and put a tag back in

16 them. When they get to the feed yard, they're going to

17 go through a shoot the next day or the day after, and

18 they'll probably more than likely be held as a group and

19 those tags could be replaced there. Anything else,

20 guys? I guess that's it.

21 MS. MILLIS: Thank you. I appreciate

22 that. And on your tables you have that blank page for

23 questions, so that's a good question to add to the ones

24 that you asked, and we'll go to the table here

25 (indicating).

0097

1 PARTICIPANT: Quite a few of the topics
2 have obviously been covered. We can't impede commerce.
3 The system can't impede commerce. It should be
4 incentive driven versus penalty driven. That's very
5 important as far as acceptance by producers. Begin with
6 the breeding culls, and based on the performance -- or
7 the compliance levels of that system, we could add
8 possibly two years later the feeders, but it would
9 depend upon the success of the system.

10 There should be some type of cost
11 sharing, if possible, throughout the system for the
12 tagging, and that's really relative to EID tags, not the
13 brite tags. But we had quite a bit of discussion about
14 how the administrative or application cost -- initial
15 cost of the brite tag is very low, but then the
16 compliance and reading and data recording, etcetera,
17 throughout the system is going to be excessive.

18 So our group feels strongly that we need
19 to figure out a way to -- ultimately, this system's got
20 to be based on electronic IDs, and then protecting the
21 producer from liability. I think those were the main
22 points. Did I leave anything out?

23 PARTICIPANT: I think you pretty well --
24 everything I've heard today has been regulation,
25 mandates, and penalties. If anything like this is ever

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1 going to fly in our industry, it's going to have to be
2 incentive. The cost is going to have to be covered not
3 only now -- you know, I hear the tags are going to be
4 supplied, but that doesn't mean in two years they're
5 going to be.

6 The flat tags versus the electronic
7 tags, one area that I'm concerned about is the stress
8 level on the cattle. It's already been said that a lot
9 of pens aren't even set up to put the tags in. So if
10 you lose a tag, what's going to happen to those cattle?
11 You've added stress, you've added labor costs that we
12 won't get a return on.

13 So instead of talking regulations and
14 mandates, we need to be talking about what's incentive
15 to get the producers to do it.

16 MS. MILLIS: Thank you.

17 PARTICIPANT: I was --

18 COURT REPORTER: I didn't get it.

19 PARTICIPANT: I was pretty outnumbered
20 here. Everybody's from the USDA but me, and we're
21 talking poultry. I'm the only person in the whole room,
22 I guess, that does poultry. I really wanted to focus on
23 exemptions, because I think from a small producer and a
24 small animal owner's perspective that's one of the
25 things that I'm hearing that I'm most concerned with is,

0099

1 why do y'all care about my 43 chickens? And so these
2 guys and gals all reassured me that y'all really don't
3 care about my 43 chickens.

4 But what I wanted to stress was
5 exemptions should be, you know, if the animals are not
6 leaving the original owner, even if they're moving
7 intrastate -- if Jimmy Joe in the 4-H Club wants to take
8 his rooster to a chicken show in Arkansas and that
9 chicken is going to be basically in a cage or in his
10 arms or on a table being judged and go back home with
11 him, that kid should not have to have his chicken
12 shipped. Have y'all ever had to try to catch a chicken
13 anyway?

14 PARTICIPANT: Only at night.

15 PARTICIPANT: Exactly. Same kind of
16 thing would happen when you are taking a horse -- I also
17 board horses at my place for people, and, you know, if
18 they all want to go on a camp out to Oklahoma State
19 Park, they have to have a health certificate to board
20 with me, number one - I'm required as the owner - and
21 then they have to have a health certificate to go to
22 Point B, wherever that is across state line.

23 Now, if the owner of Point B does not
24 check that health certificate and make sure that
25 everybodys animals that are present at that Location B

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1 are clean, that's on them. That's not on the horse
2 owner who went through the hoops to have the vet come
3 out and give them a clean test.

4 One of the things that we also
5 discussed, though, is that there is not a consistent
6 health standard from state to state. What my state
7 requires and what your state requires may be two totally
8 different things, and there may be some diseases that
9 are not covered in the health certificate that my vet
10 gives versus what your state requires. So that was a
11 concern that there needs to be more consistency among
12 the states, what their requirements for disease is.

13 One of the other exemptions was animals
14 that are direct marketed. If I sell eggs to one of my
15 neighbors and my neighbor gets sick, he comes back to me
16 and says, hey, you sold me an egg that made me sick. So
17 you're direct marketing to the end eater, I guess -- I'm
18 sure there's a more eloquent way of putting that. But
19 if you're direct marketing to the person who's actually
20 eating the product, whether you're slaughtering chickens
21 or whether it's just eggs, it's easy to tell where that
22 animal came from. There's no ID chipping necessary for
23 that purpose.

24 The feasibility and economics of tagging
25 animals that are not intending to be sold or leaving,

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1 again, all my USDA friends here assured me that you do
2 not have to tag the animal at the point it is born or
3 hatched; that the tagging would take place at the point
4 when the animals were sold and/or leaving state lines
5 out of your ownership or out of your possession, I
6 guess.

7 The cost of the program, someone's going
8 to pay for it. We all know nothing's free. So USDA can
9 say all day long, we're going to give you these tags,
10 but we all know that we're going to pay for it somewhere
11 along the line. And so I would -- I went back to the
12 question and said, well, let's go back to this guy's
13 question that had the health certificate issue, why
14 don't we put a place on the health certificate for
15 tracking where these animals come from. The guys are
16 all telling me that the problem is not that it left
17 Point A and arrived at Point D sick, it's where was it
18 at B and C?

19 Well, my question was, if I got a clean
20 bill of health at Point A and it had a clean bill of
21 health when it left Point B and it had a clean bill of
22 health when it left Point C and it got to D and it was
23 sick, then who didn't do their job at C or B? And that
24 information should be reported on the back of the health
25 certificate where point A, B, C, and D was. Rather than

0102

1 implementing yet another tool or another project or
2 another department or whatever, how can we make what we
3 are doing now work more efficiently? Why are we not
4 using the tool that we have now, which would be the
5 health certificate and the ear tags?

6 Yes, I understand some of them are going
7 to fall out and what have you. There's -- fraud was
8 brought up, the potential for fraud, when they forged
9 ear tags or brandings or whatever. No matter what rule
10 or law that you put into place, somebody's always going
11 to find a way around it, so you can't use that as your
12 excuse for implementing a new program.

13 And then just to kind of go back to one
14 of the specific things. How will these traceability
15 performance standards address current gaps in
16 traceability? They won't if they're not enforced.
17 That's part of the reason it seems like we're having
18 problems now is we're not enforcing what's currently in
19 place.

20 Recordkeeping was brought up. If I were
21 to sell one of my chickens or my horse and it were
22 traced back to me, the tag or health certificate or
23 whatever, how long am I responsible for keeping those
24 records? I'm not able to speak on the longevity of
25 various diseases, so I don't know the answer to that

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1 question. Some of these diseases can apparently lay
2 dormant for long periods of time. Did I miss anything,
3 guys?

4 MS. MILLIS: Thank you so much. At this
5 point we're going to take an hour and 15 minute break
6 for lunch. Again, I'll remind you that the hotel has a
7 buffet here, and then there's some other little eateries
8 in the nearby area. And when we return here in an hour
9 and 15 minutes from now, a quarter to 1:00, we're going
10 to go back into some breakout discussions again. And
11 also we want to be sure we have your questions.

12 (Lunch break taken from 11:33 to 12:58.)

13 MS. MILLIS: Welcome back. I hope
14 everyone had a great lunch. In just a moment I'm going
15 to ask Neil Hammerschmidt to step up here and go over
16 the questions for discussion this afternoon in our
17 breakout groups.

18 MR. HAMMERSCHMIDT: Where is everybody
19 at?

20 MS. MILLIS: I think this is it, Neil.
21 I'll give you a microphone.

22 MR. HAMMERSCHMIDT: Okay, let's go ahead
23 and follow up on the next question. We talked about the
24 performance standards, and I think even though the
25 discussions are pretty broad, some of the, I think,

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1 points that came back through when we talk about even
2 something as basic as exempting feeder cattle, my
3 interpretation is that we're supporting identifying the
4 other part of the population.

5 And so some of those performance
6 standards I think can be readily achieved for those
7 animals that stay in the population because they've got
8 an ear tag that's traceable. It's got a state code on
9 it, so the Traceability No. 1 standard can be met. So
10 even though maybe we didn't reference some of those
11 traceability performance standards, I think some of the
12 dialogue reflected some of the capabilities using what
13 we have doing it better.

14 ICVIs. We need ICVIs completed more
15 fully to achieve some of the other performance standards
16 if we're going to know what state the animal left when
17 it came into a certain state. So indirectly I got the
18 sense that we were seeing -- at least where I'm sitting,
19 can see how some of the practices that we're supporting
20 at the field country level, if you will, will help us
21 achieve those traceability performance standards; first
22 and foremost getting more cattle, if you will, with an
23 official tag in them, and getting more animals moving
24 when appropriate with the ICVIs properly completed.

25 As we go down the road, we're going to

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1 be further down the road, but we'll also be wanting to
2 appropriately and accurately evaluate the state's
3 capabilities on them meeting these performance
4 standards. If we have the performance standards and
5 they're not measured accurately, they're probably for
6 not, is the point.

7 So it's really an issue the states and
8 ourselves will wrestle with a lot. But I think it's
9 also an issue for the producers in the industry because
10 you don't want to be bogged down with your animal health
11 officials doing very intensive test exercises to help
12 evaluate some of those issues, so I think there's some
13 issues related to the industry.

14 If you're a buyer of cattle from across
15 the country, do you care -- do you want to know about
16 the tracing capability of other states, and if so, what
17 should be the source of that information? The second
18 bullet is if a state doesn't meet tracing capabilities
19 down the road, what might be some of the incentives or
20 disincentives? And I think this is a very important
21 point to the industry as a whole. Because if your state
22 doesn't achieve the tracing capabilities, there might be
23 other steps, obstacles. I don't know, you'll have to
24 tell us what might be needed for cattle to leave that
25 state or livestock.

0106

1 So we're also looking at what happens
2 when a state or tribe doesn't meet the performance
3 standards, ideas you had, and it's been a challenging
4 discussion because they've been all over the board, to
5 be real honest: Just let it be, the marketplace will
6 take care of it, to if they aren't pretty significant,
7 there will not be an incentive for the states to meet
8 the standards.

9 So, again, be keen on getting
10 perspectives from you all in regards to what happens
11 when a state or tribe doesn't meet the performance
12 standards.

13 And certainly more at the local state
14 level, how can the industry contribute to the states and
15 tribes' capability of meeting these performance
16 standards? I think, again, as basic as complying with
17 the regulations for interstate movement gets us pretty
18 far down the road.

19 We're not going to break into the third
20 breakout group, but any other concerns, especially in
21 regards to the participation? Because at the end of the
22 day, if we, as a group, are supporting the advancement
23 of tracing capability for disease purposes in the cattle
24 sector, the level of participation is key, whether you
25 call it compliance or level of participation --

0107

1 PARTICIPANT: (Unintelligible.)

2 COURT REPORTER: I didn't hear that.

3 PARTICIPANT: I don't think you're going
4 to like the answer.

5 MR. HAMMERSCHMIDT: And that's fine.
6 Those kind of discussions is kind of the nix of the rest
7 of the discussions, and, again, whatever you think is
8 appropriate feedback, we're here to listen to that and
9 so feel free. Deb?

10 MS. MILLIS: Thanks, Neil. And we
11 really encourage you to give us that feedback, and also
12 to hear your ideas, ways that this could be approached.
13 Because I think that's really important. That's the
14 purpose of these meetings is to get your input and ideas
15 and solutions that you might also have.

16 So in our discussion groups - and you're
17 free to move to a different table if you choose to, or
18 stay with your same table - there will be a USDA
19 moderator at that table, and it will work the same way.
20 So after about an hour, so we're looking at 55 minutes
21 from now, we'll come back into this group -- excuse me?

22 MR. BREWER: Just Section 2, or Section
23 2 and 3?

24 MS. MILLIS: Sections 2 and 3. Again,
25 we have received back -- on those question forms, we've

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1 received a series of comments. If you have any
2 questions that you'd like answered before you leave
3 here, please be sure we get those. We've got some of
4 those sheets around, and we're happy to distribute some
5 more if you need some more. And go.

6 (Breakout sessions had from 1:05 to
7 2:08.)

8 MS. MILLIS: Let's take just a couple of
9 minutes and kind of tie up our thoughts at the table,
10 and then when you're ready, we'll report back out to the
11 rest of the group. Take about three minutes.

12 (Brief pause in proceedings.)

13 MS. MILLIS: We're going to pass the
14 mikes again and give you a chance to report out what you
15 found. So to begin with, we're going to go to that
16 table in the back (indicating).

17 PARTICIPANT: So we tried focusing as
18 best we could on the evaluation issue. We did digress
19 briefly again to the whole question of whether the
20 performance standards are the way to go. But focusing
21 on the evaluation, we talked about several things. One
22 was the suggestion to use real life experiences by the
23 agencies rather than trying to run test scenarios. Get
24 the agencies to start documenting. Have them actually
25 document how long it's taking to do trace backs.

0109

1 And a big piece of that is so they make
2 that information transparent. Instead of simply sharing
3 specific scenarios, worst case situations, best case
4 situations, have the information on all of the trace
5 backs available to people so that we can start doing an
6 analysis and have the state do the analysis.

7 Also have data available to the public
8 so we could think for ourselves, you know, what are the
9 high risk sectors, where are the trace backs failing?
10 Where are the problems occurring, what is the cost to
11 the state when it does fail, what are the cost to the
12 producers when it does fail, what would it cost to
13 change it so that we can start having a real cost
14 benefit analysis going on of which segments of the
15 industry need it or didn't need change, and what type of
16 change was needed.

17 For example, and I think that was
18 highlighted, one of the proposals that came up at our
19 table on implementing the standards was to require
20 mandatory ID at all the markets, as is happening in
21 Oklahoma. And there was a very clear split. There were
22 some people at the table who said, Oh, cheap, easy,
23 Bavonovich (phonetic) won't have a problem with it, and
24 then I hear the market guys starting to laugh.

25 We had the response, Well, do you

0110

1 understand how low a profit margin there is at the
2 markets? This is not that cheap. This is not that
3 easy. It's not necessarily a great idea.

4 So, you know, if we have the data, if
5 the data was shown as to what the costs were under the
6 traceability systems, we can start making more informed
7 decisions about where the problems needed to be.

8 This also provides a baseline, which was
9 something we kept coming back to. Looking and seeing
10 what is working and looking and seeing what's not
11 working. One of the proposals related to that was if
12 the state doesn't meet the standards, instead of doing
13 an issue of you don't get money or we cut the federal
14 funding, let's use the federal funding to do an audit of
15 the state and figure out where the problem was. Why
16 isn't it happening?

17 And, again, related to that was this
18 idea of trying to give enough flexibility for multiple
19 solutions. Where instead of setting here's what's going
20 to happen and you better meet the standard or else, we
21 say, you know, here's a goal. Let's try techniques for
22 a year, go back and do an assessment and an analysis,
23 see what's working, see what's not working, see if these
24 that we thought are realistic really are realistic, and
25 keep doing that feedback process, rather than setting a

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1 goal and just sticking to it no matter what. Does
2 anybody want to add anything?

3 MS. MILLIS: Thank you. I appreciate
4 that. And next up we'll go to this table (indicating).

5 PARTICIPANT: We kind of got off of the
6 chickens a lot, but we tried to follow the format a
7 little better. So addressing how the implemented
8 standards would be evaluated, we talked about currently
9 there are spot reviews in place for other types of
10 standards. And so we felt as though some kind of spot
11 audits or spot reviews would work. And then not just so
12 much a matter of how those results would be evaluated,
13 but who should report them, who should report what was
14 found, and we thought perhaps whoever compiled the
15 information and reported it would be the party
16 responsible for making those evaluations public, and
17 probably Internet somehow. We don't know exactly how.
18 Texas is 100 percent compliant, so everybody wants to
19 buy their cows from Texas.

20 But a lot of these other issues, how,
21 could the industry contribute to it, the cost and things
22 like that, we kind of came up with two words. It should
23 be market driven. If an animal is not tagged or traced
24 or clean bills of health, it's probably not going to be
25 as marketable, so it would end up being a more

0112

1 self-regulated process.

2 Some of the concerns -- which concerns

3 were greatest? Well, the exemptions break the system

4 down. We heard a lot of talk about certain types of

5 situations where exemptions were going to be granted.

6 If those exemptions are granted, then how is that going

7 to affect the rest of the industry? If the net problem

8 that we're trying to address here is disease control and

9 you exempt certain animals from this process that it's

10 supposed to control the disease, then how is that going

11 to affect the overall program? Prioritizing which

12 animals are at the most risk and addressing those

13 situations first before we do a shotgun approach.

14 And then the costs. If it's only a

15 program that's funded when there's a problem, once --

16 like here in Texas, these guys were telling me that

17 they're free of some of these things - I can't pronounce

18 the diseases that they talked about - but then the

19 federal money is going to go away, and so, again, it

20 becomes a market driven program. If you want to assure

21 your customers that your animals are disease free, then

22 you're going to pay to have your animals tested and

23 certified in one way or another.

24 So it's not just disease surveillance,

25 it's also a public safety concern that they're trying to

0113

1 address. And then we also said that somebody has to be
2 in charge of this industry, and I'm not sure where
3 exactly we were going with that particular point, but
4 that someone has to be in charge of the industry. And
5 if it's a federally mandated program upon the states,
6 you're going to have a lot of resistance from your
7 participants in the state. Because in some states, the
8 states represented at this table anyway, we don't have a
9 problem. Our animals are pretty well traced.

10 So I guess that becomes an issue in the
11 states that are not traceable, and people are -- again,
12 it's market driven. You're going to be less apt to buy
13 a product from a place where there's either problems or
14 where you can't back track that problem.

15 MS. MILLIS: Thank you so much. I'm
16 going to go over to this table (indicating).

17 PARTICIPANT: As a group, we kind of
18 ended up coming to a consensus on a few things, and then
19 I'll kind of go over those things and go back to some of
20 our earlier ideas.

21 As a group, we agreed that as for
22 testing we should have a set of parameters to develop a
23 standard to determine compliance, like a model which
24 evaluates based on a best practice system utilizing
25 certain criteria to -- utilizing certain control

0114

1 points -- or, excuse me, critical control points no
2 matter how each state addresses each point so long as
3 that point is being addressed.

4 We also said to look to the industry
5 organizations, the extension and university, to educate
6 producers on these requirements. And as a group, we
7 have a concern about how to handle the liability issue.

8 And this is kind of just a question to
9 throw out there for people to kind of be -- take notice
10 of, and it's: At what point is someone no longer
11 liable -- no longer liable of the kind of disease for --
12 like if somebody comes back and sues because TB broke
13 out or E.coli or something that -- and how long has that
14 cattle been in his possession?

15 Earlier, we kind of discussed if there
16 is a -- we do go through trace back -- trace back
17 process testing should not only test the ones with the
18 IDs, but the ones that lose the ID tags, and how long
19 will that take as well? Utilize academia for doing some
20 of the paper studies on these traceabilities.

21 And it also makes us kind of nervous on
22 trying to develop evaluation measures of a program that
23 the standards haven't been finalized yet and figure that
24 the information needs to be addressed from the USDA to
25 individual states only and not on a public basis.

0115

1 MS. MILLIS: Thank you. We'll go to
2 this table here (indicating).

3 PARTICIPANT: Everybody can go home.
4 We've solved every issue. No, I just wanted to hear you
5 laugh. I'll start at the end. Our most important
6 issues, there were three things that we noted. As you
7 may well guess from our report earlier, the concerns
8 regarding exemptions were a number one priority for the
9 discussions at this table.

10 Second to that, we're also making
11 certain that the work that we were doing that the
12 regulations were going to stay and only focus on
13 interstate movement.

14 And, third, but also very important,
15 that the regulations minimize the cost and effect to
16 producers.

17 Regarding some of the more specific
18 questions we were asked to address, looking at
19 evaluations, it was our suggestion that we look at how
20 many animals were not able to be traced and look at the
21 reasons why those traces fell through the cracks and
22 start there in terms of our processing for evaluations.

23 We agreed that there needed to be some
24 type of consequences for noncompliance. We didn't spend
25 a lot of time specifically saying what those

0116

1 consequences should be, but we just, in general, felt in
2 our discussions that there was -- that it was important
3 to have some consequences for not meeting the standards
4 or not following the standards.

5 One of the things that was mentioned was
6 some affect on the cooperative agreement funds, but not
7 necessarily to take them away; perhaps suggesting that
8 if there were issues or gaps for a particular state, say
9 in the next year's funding, that they had to focus on
10 using their funds to address the gaps or the problems
11 that they had that were identified in the previous year
12 that made them in a non compliant status.

13 We realize that funding is important to
14 the states, and taking the funding away does not help us
15 meet the goal of traceability, I think was the intent
16 and the feeling for our discussion. We felt, just in
17 general, that the comment was made that if there was no
18 recourse, then there would be no ability to make
19 corrections in terms of deficiencies in the traceability
20 standards.

21 It was very important in our discussions
22 that the information about traceability be made
23 available to the public. And not only just about the
24 traceability, there was also some interest in knowing
25 information about the cooperative agreements, what are

0117

1 included in them, what type of funding levels, and to
2 the extent possible that that information should be made
3 available and open to the public.

4 It was suggested that -- by some -- in
5 our conversation that they do have the ability to, you
6 know, request and get these things through the Freedom
7 of Information Act and so forth. But that it will
8 certainly be a whole lot easier just in terms of burden
9 on the public that is interested in having the
10 information and burden on the agencies, be it the state
11 or the federal government that have to provide it, if we
12 could just agree that certain information will be made
13 available, and folks could go out and check on the
14 Internet, or what have you, in terms of being able to
15 see that information.

16 There was some comments about states
17 wanting to be able to keep certain parts of their
18 information just within the state, but that was balanced
19 by another comment which was made that there was a
20 feeling that the states were receiving federal funding
21 to support these programs; that those were obviously
22 being federal funds that are from taxpayers and that
23 they have the right to be able to see and be aware of
24 that information.

25 There was some questions as to how the

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1 make up of the regulation working group was done. To
2 the extent we were able to share that information, we
3 did have some brief discussion about the fact that
4 there's recommendations that were made by
5 organizations. It wasn't just someone making a
6 hodgepodge selection of individuals to participate in
7 terms of the individuals that are maybe not the
8 regulation working group.

9 The question was raised as to whether or
10 not do states have concerns about the amount of
11 paperwork that they'll need if there is additional
12 paperwork to support the regulation? I think there was
13 an agreement or an acknowledgment that there would be
14 some additional paperwork that would be necessary, but
15 at the same time it was the state's hope that the USDA
16 would support databases like USA herds or provide other
17 tools to the state that would allow them to work towards
18 automating the information that they needed to collect
19 in order to work with traceability and thus make the
20 burden a little bit less.

21 And we talked about some examples, even
22 in some of our markets that were represented at the
23 table, how their use of technology has allowed them to
24 effectively make their markets more efficient in terms
25 of how they're able to deal with the amount of animals

0119

1 that come through and how they've also been able to use
2 that technology to also effect the prices that their
3 customers that are coming through are able to receive
4 for their animals that are going through the markets.

5 With regard to -- there was just a brief
6 mention about confidentiality; that that was also still
7 a concern that we did not need to lose sight of.

8 And lastly, that in terms of how an
9 industry may help in this effort, it was suggested and
10 agreed at this table that educate -- helping to educate
11 the producers about the process, about the reason for
12 traceability, what we were doing, was a key role that
13 industry could play in terms of helping to move these
14 issues along.

15 MS. MILLIS: Thank you.

16 PARTICIPANT: Hi there. First, I just
17 wanted to thank the USDA folks here who, you know, at
18 least in a lot of our cases, we didn't know really what
19 this program was about, and I think they helped fill in,
20 at least for me, some of the blanks when it came to
21 this.

22 In terms of what -- how this should be
23 evaluated against the standards, it seems as if the
24 goal, at least one of the main goals, is to track how
25 long it's going to take states in certain areas to go

0120

1 and respond to this. And eventually there will be a
2 report card or a ranking that's going to determine which
3 states are better at responding and which ones take
4 longer.

5 The goal I think in that case, and what
6 we discussed, was then there will be states that'll be,
7 you know, through PR, I guess, essentially of being
8 asked to go and improve that performance, and how that's
9 pushed down is going to be a big question.

10 Now what happens when people don't meet
11 the standards? People will have to invest more in terms
12 of their rationale. What I think we've come down to is
13 that this doesn't necessarily have to be a government
14 program. I mean, the reality is that the -- all of
15 these expenses will ultimately be felt by the industry,
16 whether it's through liability or whether it's through
17 putting the systems in place. And in some ways the
18 industry is getting a little bit of a free ride in doing
19 this because they're able to push off some of this
20 testing and not -- amongst the smaller groups.

21 I mean, the big guys at the top feel, I
22 think, pretty comfortable doing this because they can
23 get the states to go in and do it. You know, what are
24 the solutions to some of this stuff that's going on?
25 I think a lot of people are missing the boat on why this

0121

1 is happening. And we've talked about country of origin
2 labeling. Why do we not know that as consumers, and why
3 can we not quickly put the onus and the liability on the
4 people who are spreading the disease and so on?

5 Anyway, it seems like a lot of this is
6 onerous and maybe it's going to be expensive and that
7 maybe there's a free market solution to a lot of this.

8 It seems to me that someone here, entrepreneurial-wise,
9 should figure out a much faster and quicker way to do
10 this. Anything else I need to say?

11 PARTICIPANT: I'd like to say, too, that
12 the points Judith said we were pretty much in agreement
13 with, and our chicken friend over there had some very
14 good valid points that most of us here agreed with. I
15 can't vouch for you two guys, but those of us here do,
16 so...

17 MS. MILLIS: Thank you. And we'll go to
18 this table up here (indicating).

19 PARTICIPANT: Hello. Let's see here.
20 We obviously started out with the same questions you all
21 did. The first being, how do we -- how could the states
22 be evaluated against the standards? We thought that
23 utilizing the existing annual disease reports, TB,
24 scrapie, Brucellosis, that states already do would be a
25 good place to start, potentially just adding the metrics

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1 on the traceability standards.

2 Also utilizing actual trace facts that

3 occur in the states and adding, you know, the metrics to

4 those as well, and maybe perhaps including cooperative

5 agreement reports. So there was some discussion on

6 whether or not to do testing just for testing's sake.

7 What if a state doesn't have a trace back in their state

8 for that past year, or what have you? The consensus,

9 such as it was, was that it could be necessary, but it's

10 probably not required to do testing for testing sake.

11 Should the evaluations be made -- how

12 should the evaluations be made public, or maybe should

13 they be made public? There didn't seem to be a whole

14 lot of excitement about this question, frankly, at this

15 table. I don't think there was any reason to not make

16 them public, but there wasn't a whole lot of, you know,

17 concern about what data and how it should be presented

18 and things like that. And I think that's because maybe

19 we don't know what we're going to do quite yet. So that

20 question may be better answered in the future.

21 That also sort of applies to the next

22 question: What happens when a state doesn't meet the

23 performance standards? What do we do? And we talked

24 around this question a little bit, and we sort of came

25 to the conclusion of we're not sure yet. Maybe we

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1 should ask that question again in a couple of years. So
2 all of us will be right back here in two years, and
3 we'll talk about it then.

4 How would the industry contribute to the
5 states and tribes meeting it's performance standards? I
6 thought we had a pretty good discussion about this
7 point, and there seems to be some good traction going --
8 working with markets and sale barns as a starting
9 point.

10 But the states need some help from the
11 industry. They need help with funding, and they're
12 really going to need help with marketing and getting by
13 it with the producers to help spread the word about the
14 mission, really, which is disease traceability, to get
15 people thinking about it. And we're really going to
16 rely on industry's help to do that.

17 Then we started talking about what
18 general concerns we have. After all is said and done,
19 there was certainly still a big concern about making
20 sure that we have that exemption for feeder cattle and
21 also whether or not that was going to be a permanent
22 exemption or not.

23 The question is we don't -- we think we
24 know the answer to the first one; not quite sure we know
25 the answer to the second one yet. And then overall,

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1 other concerns, you know, how much is this going to cost
2 the producer? How much is this going to cost the
3 states? Is there a way we can make the tag's technology
4 available for free to the producers? That would
5 probably help with option of this.

6 And really overall is that, you know,
7 we're probably not going to get 100 percent consensus.
8 It's a difficult problem to solve. We need to make sure
9 we stick together and keep talking about this and make
10 sure we're focused on the mission, which is to increase
11 our ability to trace animals.

12 MS. MILLIS: Thank you. We'll go back
13 there (indicating) and then over here (indicating).

14 PARTICIPANT: Uhh -- now that I woke
15 everybody up. We -- the first thing we did is got an
16 answer to the lady's question a minute ago when we sat
17 down to start this, when she said if you think this is a
18 good idea. It was determined at this table by three LMA
19 guys and me, as a producer, that this is not a good
20 idea. The system we have today is adequate and doing a
21 good enough job.

22 Another thing that was discussed is that
23 we need to make sure and realize that all the costs of
24 this program is going to fall back on the cow calf
25 producer, mainly the small cow calf producer will

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1 probably be hit the hardest.

2 Brian just told us a few minutes ago --

3 three or four hours ago that funding for 2011 has been

4 cut. It looks like government funding is not going to

5 be here. If I've got to bear the cost of buying calves,

6 tagging, and a bigger cost of stress on the animals to

7 do it, I'm going to buy those calves cheaper. It's just

8 a fact of life it's going to happen.

9 As far -- we did stress again that

10 feeder cattle ought to be exempt if the program goes

11 forward, and that of all these standards, too, that it

12 needs to be added in there -- like on No. 1, 90 percent

13 notification within one business day. It needs to be

14 added, no tagged animals. If an animal has lost a tag,

15 then he does not fit into the metrics, or whatever the

16 correct word is, for doing the evaluation.

17 The sale barns guys are saying that

18 there are going to be significant costs involved. Some

19 of them are probably going to have to set up two

20 additional shoots to be able to maintain this, and the

21 speed of commerce to be able to get these animals tagged

22 before sale time and, you know, during sale time. And

23 is there anything else?

24 MS. MILLIS: Next table.

25 PARTICIPANT: We tried to follow the

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1 bullet points on the second item here as best we could.
2 We felt that the percentages and time period set forth
3 by the working group on a tagged animal were far
4 achievable. We felt the results of the evaluation
5 should be made public, possibly by the USDA, through
6 print or their web side. We've discussed the
7 possibility of having a three- to four-tiered
8 traceability accreditation system, much like the one for
9 TB or Brucellosis. Each state should have the ability
10 to appeal the lowering of their accreditation status.
11 They should have, say, six months to come up with a
12 corrective action plan before the state does see the
13 lowering of the status.

14 We talked about the possibility of --
15 the states possibly losing their status or losing some
16 of their exemptions. Felt like the industry should work
17 with the producers, extension, the state Animal Health
18 Commission, etcetera, of meeting these performance
19 standards. And if the state were to fall short in
20 meeting the performance standards, then the producers
21 and industry should play a part in developing a
22 corrective action plan before the status is lost.

23 So some members at the table are, I
24 guess, totally against any type of traceability
25 program. Is there any other comments y'all want to

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1 make?

2 PARTICIPANT: As the lone stranger at
3 the table, I felt like I was at a USDA meeting. Anyway,
4 I felt offensive to the words probation, punitive, and
5 performance standards. I don't know how you're going to
6 determine the punishment for people that don't comply,
7 unless it's through the price of the cattle.

8 MS. MILLIS: Ma'am, excuse, me, can you
9 bring that mike a little closer?

10 PARTICIPANT: Yeah.

11 MS. MILLIS: Thank you.

12 PARTICIPANT: Interested also in what
13 the cost of the budget will be to implement the program
14 and how many more jobs we'll need. We don't have a
15 report on that. And finally, if we increase the
16 efficiency of tracing the animals, does that mean we can
17 reduce the jobs at the USDA?

18 MS. MILLIS: Thank you. We'll go back
19 over to this table (indicating).

20 PARTICIPANT: We've decided that the
21 evaluation of the standards could be done through state
22 reviews, similar to (unintelligible) disease.

23 COURT REPORTER: I can't hear him.

24 MS. MILLIS: We can't quite hear you.

25 PARTICIPANT: Make sure that the

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1 standards that are applied to states equal to their
2 animal populations and the amount of commerce going on
3 there. Percentages may work there.

4 Results, we decided, probably should not
5 be public, at least initially. They should be shared
6 between state animal health agencies, much as the
7 results are right now for other disease programs, and
8 with the USDA.

9 We thought it was premature to concoct
10 penalties right now. The penalties can be at least
11 partially market driven, as some people at the table
12 said they are right now. And we might need to see
13 incentives and penalties associated with existing
14 disease programs and how those are going to play out in
15 the future with changes in status or something else for
16 other disease programs.

17 So as far as industry contribution, the
18 industry would probably form in a stakeholder group.
19 And it was discussed here that there would be an
20 unconditional cost share on tags or equipment, so the
21 industry would be paying for part of that.

22 As far as concerns go, we -- the table
23 didn't want to see too rapid an implementation period.
24 They're concerned, of course, about liability; impeding
25 commerce, especially physical limitations, whether

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1 that's trucking and loading or just moving a van through
2 your shoots and having personnel there to handle all
3 that.

4 They are concerned about
5 confidentiality, maintenance of -- and there's a
6 proposed maintenance of a private database. There are
7 also concerns about tag loss and how adjustments could
8 be made for that later in the system when the animals
9 had lost their tags, and that perhaps in some cases the
10 tag loss percentage would already be greater than what
11 the standards dictate.

12 What we could use in the future,
13 perhaps, is a representation of relevant findings from
14 past pilots that showed success in certain areas, even
15 though it may have been in a different time and
16 different system. There may be things to learn there.
17 And proposed including horses as an exception.

18 MS. MILLIS: All right. And we have a
19 little bit more information from this table up here
20 (indicating).

21 PARTICIPANT: I was real concerned about
22 making sure I got everybody's view. I wanted to go back
23 over the concerns that we had brought up originally,
24 since one of the questions was, which concerns were the
25 greatest concern to us?

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1 So keeping exemptions for those animals
2 that are either directly marketed or nonsaleable into
3 the food chain or not traveling interstate or traveling
4 interstate with the original owner staying attached,
5 essentially, to that animal, we wanted to make sure that
6 those exemptions were kept in place. And that the
7 language that is ultimately put into the legislative
8 process is kept clear and easy to read, not 57,000 pages
9 long.

10 The -- are we tracking just for the
11 reason of tracking, or is there a big disease problem
12 and that's the reason why we're doing this? We want to
13 make sure that we're not just adding another layer on
14 top of the programs that are already in place. Is this
15 really going to help the disease problem, or is it just
16 tracking for the sake of tracking?

17 MS. MILLIS: Thank you. And thank you,
18 everyone, for your informed discussion at your tables.
19 I'm going to suggest that we take a 15-minute break and
20 come back here in 15 minutes, and there will be an
21 opportunity to ask any questions.

22 Some of you on your tables have sheets
23 where you can record those questions, if you haven't had
24 an opportunity, and make sure I get those.

25 PARTICIPANT: Can we just keep going?

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1 MS. MILLIS: We can just keep going, and
2 if you need a break, you can go on your own. I'm happy
3 to keep going. I'm seeing nodding heads, so...

4 I know, John, you had a question that
5 was given to you.

6 MR. PICANSO: Thank you, Deb. This gets
7 to an earlier round of questions that were filled out
8 and presented back to us, and I'd like to try to answer
9 this question as best I can.

10 And the question is: As has been
11 brought up previously, the need for ID funding support
12 for the traceability program is imperative. As the
13 state veterinarian in Vermont, I strongly agree with
14 this priority. Will USDA be making any decision on this
15 front prior to publication of the final rule, or will
16 states have to wait another year to receive that answer?

17 And what I'd like to update you on, USDA
18 has a competitive contract that we're evaluating right
19 now and it is to bring in commercially available
20 products that already exist today out in the
21 marketplace. And the last week of July we're going to
22 bring in a team of both federal and state personnel to
23 do a technical evaluation of these products, and we will
24 be selecting one of these products to either host for
25 you or to put out in your state to assist in the states

0132

1 that don't have an IT infrastructure or software or IT
2 personnel to assist you in your animal health management
3 systems within your states.

4 And like traceability, the goal is to do
5 this kind of once and have my folks support all these
6 state veterinarians across the US in a fairly consistent
7 manner with a limited set of tools so we're not out
8 spending a lot of extra money. The secretary was very
9 clear that if we're going to do this state integration
10 and all these IT hookup things, we need to do it
11 quickly. And we felt that this was the best way to do
12 that is to go out to the commercial industry, see what's
13 there, do a technical evaluation, and bring those
14 products in and make them available to the state.

15 Our goal is to have this within USDA
16 turned on, powered up, by the end of September. That
17 does not mean that it will be fully utilized across all
18 states, but the contract is asking to integrate a lot of
19 these different systems that already exist today.

20 So it's another step where you had good
21 input for us, we dialed in, we listened, and we're now
22 pursuing very aggressively a time to market option for
23 the states that need further support. So I hope I
24 answered that well enough.

25 MS. MILLIS: Thank you. I'm going to

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1 turn the floor over to you, Neil, Neil Hammerschmidt.

2 MR. HAMMERSCHMIDT: Thanks, Deb. We got
3 a good list of questions, and we're going to kind of --

4 COURT REPORTER: I can't hear you. A
5 little bit louder.

6 MS. MILLIS: Pull the mike up.

7 MR. HAMMERSCHMIDT: I've got a good list
8 of questions, and we're going to go through this as
9 timely as possible. There might be others. First
10 question kind of reflects, you know, what if we have
11 these performance standards down the road and the
12 metrics are basically not met?

13 COURT REPORTER: I can't hear. I'm
14 having trouble hearing, I'm sorry.

15 MS. FERGUSON: Hold it right up, or turn
16 it up.

17 MR. HAMMERSCHMIDT: I think that the
18 idea of the performance standards is, again, meet
19 secretary's objectives of measuring capabilities,
20 tracing capabilities. At the end of the day animal
21 disease traceability will not go away. I think it's
22 just part of animal agriculture. Failure to meet the
23 performance standards will not conclude the program,
24 no.

25 Maybe Dr. Ferguson has other comments

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1 that she'd like to add to that interpretation.

2 MS. FERGUSON: Now this one isn't on.

3 MS. MILLIS: Do you have a green light?

4 MS. FERGUSON: I do.

5 MR. HAMMERSCHMIDT: We can hear you.

6 MS. FERGUSON: Okay.

7 MR. HAMMERSCHMIDT: No, we can't.

8 MS. MILLIS: You might need to turn the
9 volume up on that. We'll get a new microphone up to
10 you.

11 MS. FERGUSON: I really don't have that
12 much to add.

13 MS. MILLIS: Too late now.

14 MS. FERGUSON: I think Neil captured
15 things fairly well. Animal disease traceability won't
16 go away. It is a key component of animal health, and of
17 any response that we may need to do, whether it's
18 domestic diseases, emerging diseases, emergency
19 response, it's all a key component. Traceability is
20 crucial in any of those, so it won't go away.

21 We've laid out a framework. We'll see
22 how this goes. If the metrics aren't met, then clearly
23 we would need to reevaluate, and we'd be willing to do
24 that and come back again through a collaborative,
25 cooperative process to reevaluate what we need to do.

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1 MR. HAMMERSCHMIDT: Would you like to go
2 ahead with the second one?

3 MS. FERGUSON: Yes. Okay. The question
4 was: How will you control traceability from imports
5 from Mexico and other countries for disease control?
6 Actually in our import requirements already animals are
7 required to have individual identification. In some
8 instances they're required to have a brand and/or a
9 tattoo, depending on what country they're from. They're
10 also required to come in with specific animal health
11 requirements, and those need to be listed and tested to
12 on a certificate of veterinarian inspection.

13 So many of those components are already in
14 place for our imports. We do not intend to have more
15 stringent standards domestically than we have
16 internationally. Our commitments to SPS principles are
17 that, you know, whatever we apply domestically, we have
18 a full right to apply internationally also.

19 But let me just emphasize that we
20 already do have many of these components in place and
21 are active for imports currently.

22 MR. HAMMERSCHMIDT: Who will pay for the
23 cost of the electronic tags for the small farm with 20
24 to 30 head that can't afford electronic tags when large
25 farms only pay for one certificate? I think when we

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1 look at the issue of focusing on the breeding animals,
2 you know, I think there's confusion about the group lot
3 ID concept, especially in the cattle sector. That was a
4 provision that was understood that, in fact, the group
5 of cattle moved through the entire production chain, as
6 do some other species, that group lot ID would be
7 applicable if that took place.

8 I don't think it's very common and
9 certainly wouldn't be very common -- very unlikely in
10 the breeding herd, so the idea of a group lot identifier
11 isn't really applicable in a high majority of the
12 cases. So whether you're a producer with 1,000 head
13 plus or a smaller herd owner with 10, 20 head, really
14 the cost per head for the tag is the same. So I don't
15 see that solution of where the large producers wouldn't
16 be individually tagging applicable, given the framework
17 when we talk about focusing on the breeding cattle.

18 Possibly Dr. Weimers wants to cover the
19 next one?

20 DR. WEIMERS: Even --

21 MS. MILLIS: We need to have that for
22 the record, sir.

23 COURT REPORTER: I can't hear you.

24 MS. MILLIS: Can you locate a mike?

25 MR. WEIMERS: Even if it was applicable

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1 for cattle to move as a group lot, each one of those
2 individual animals would have to have a numbered tag,
3 right? They'd all have the same number? They wouldn't
4 all have to be individually numbered, but it would be
5 the same number?

6 MR. HAMMERSCHMIDT: The concept of group
7 lot ID probably originated from the poultry discussions
8 and the swine industry, but it was felt to make it a
9 possibility or an option in the cattle sector. The idea
10 of the group lot ID of this group of 100 pigs moving
11 through the production chain as a group for their entire
12 life, that group would have one unique number. And that
13 ID would not be on the animal, but that ID would be
14 referenced to that group of animals through the paper
15 recording process.

16 MR. PICANSO: The question that's
17 asked: Is USDA considering an exemption for the small
18 producers, FFA, 4-H, recreational horse owners,
19 etcetera. You know, the whole concept of traceability
20 is not based on the size of the operation or the type of
21 producer. It's based on are the animals moving across
22 the state line? Are they going to be commingled with
23 other animals at the other side? Is there traceability
24 back and forth? Could those animals be notified if
25 there is a disease event?

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1 The whole traceability system that we're
2 talking about today is really giving our animal health
3 officials, our epidemiologists, the tools they need to
4 do their job. Pure and simple. A well-identified
5 animal population that we know where they've been, we
6 can trace them, those are the tools we need. We need to
7 identify an animal and be able to know where it was at
8 what time.

9 We can deal with something other than
10 100 percent traceability for the life of the animal, but
11 at least we need the bookend approach we've been talking
12 about. So whether a person is a 4-H kid that shows in
13 the county fair or whether they take that same animal to
14 several different state fairs across state lines, those
15 are different issues. Probably the certification you
16 need to get into those fairs is maybe more stringent
17 than the requirements for interstate movement, so you're
18 probably already doing what needs to be done to satisfy
19 the requirements for traceability. And thank you for
20 doing that.

21 The idea of being a small producer or a
22 large producer, once you sell your animals into the
23 public marketing chain, they get mixed and go many
24 different directions, commingled with other groups of
25 animals, so the traceability of that animal, whether

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1 it's brought in as a group of five animals or a group of
2 100 animals, it's still -- the traceability is needed.

3 If you're only dealing with movements
4 within your state, and that's what you're concerned
5 about, you already have state regulations that govern
6 how your animals move in the state, and this won't
7 change that one bit. What you're doing today won't be
8 changed.

9 So I think that the requirements that
10 our 4-H and FAA kids are going to face probably won't
11 change a heck of a lot. You'll still have to come to
12 the show with a health certificate, check in when you
13 show up, make sure your animal is the same one that
14 was -- that's on the original papers, and good luck,
15 have fun at the fair, and do your best job.

16 The other thing that goes along with
17 this is traceability. I had kids, too, growing up in
18 these programs. One of the things that I tried to teach
19 them was the responsibility to the animal producer. And
20 one of the things we can teach them is things like bio
21 security, animal husbandry, best management practices,
22 responsibility of taking an animal and letting it enter
23 the marketing chain, being a good responsible producer;
24 and if there's something wrong, be able to say this is
25 what I did, and have the records and the documentation

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1 to show what you did with that animal. Those are the
2 things that we try to teach our kids.

3 So I would say that the -- at the local
4 level, the animals that don't move across state lines,
5 they're not included in this. But you will be still
6 working with the state for the state requirements and
7 the show requirements. Hope that answers your
8 question.

9 MR. HAMMERSCHMIDT: Dr. Dave?

10 MR. MORRIS: Thanks, Neil. My name is
11 Dave Morris. I'm with the national animal disease
12 traceability staff. I certainly want to thank everybody
13 for being here, and I also want to emphasize the
14 importance we consider in the veterinary services
15 relative to this gathering today. In fact, we have
16 Michael Doerrer, he's our chief operating officer within
17 veterinary services; John Picanso has been identified as
18 the chief information officer for veterinary services;
19 and Dr. Ferguson, as mild mannered as she is and
20 seemingly inconspicuous, is in the associate deputy
21 administrator's officer for National Center for Animal
22 Health programs and policy.

23 In addition, Dr. John Honstead from our
24 western region is over here (indicating), and Dr. Lenard
25 from our eastern region. And so, again, emphasizing the

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1 fact that your comments and concerns and input are being
2 well heard at the highest levels in veterinary
3 services.

4 With regard to the next question:

5 Because technology advances so quickly, the electronic
6 tags will be outdated frequently. What is your plan for
7 ensuring the tags are continuously compatible with the
8 new software so that they don't have to be
9 replaced/upgraded every couple of years to ensure
10 compatibility with the radio frequency system's tracking
11 and reading the tags? Backwards compatibility must be
12 ensured, but rarely is it. It isn't in the rules.

13 Kind of a broad question in some
14 regards, but would like to emphasize here the separation
15 of technology from a numbering system. For the purposes
16 of software, for the purposes of animal disease
17 traceability, for managing VS animal health systems, and
18 state animal health systems, it's capturing the number,
19 whether it's read visually or whether or not it's read
20 electronically, and incorporating that, whether it's
21 data from a health certificate, but put it into a
22 retrievable manageable animal health database system.

23 So in that regard, the number from
24 whatever technology that is providing for to which the
25 number is affixed on the animal is the number that's

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1 being associated for disease traceability purposes

2 Now, that said, the issue does become a

3 bit interesting because we've had clearly, as this

4 question indicates, newer technologies come on the

5 scene. We've had not only changes in radio frequencies

6 that have been presented to us, but also means by which

7 it has been presented.

8 For example, we certainly had requests

9 for DNA or biometric-type markers, retinal-imaging-type

10 devices. We've also had inquiries relative to Rumen

11 Boluses and devices that can transmit that number from

12 the Rumen pouch. We've had subcutaneous requests for

13 transponders and various species. So there is quite a

14 variation in terms of how that number is provided to

15 us. So the number going into the software for

16 traceability is what's important for the disease

17 management aspects.

18 Now, that said, I think the question

19 also comes to the issue of what if we do have multiple

20 frequencies? Certainly the livestock markets are here.

21 They're looking at low frequency technology. They're

22 looking at ultrahigh frequency technology. Certainly

23 there's some ultrawide band technologies as frequencies

24 that are out there, and we also have the technology of

25 metal ear tags. So in that regard, they have challenges

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1 before them in terms of how to involve the capturing of
2 that number for the various technologies that are
3 there.

4 So in terms of compatibility capturing,
5 the number shouldn't be a problem. In terms of
6 multi-frequency readers, there are some newer
7 technologies that are coming out that those products
8 might be available in the near future, and we hope as
9 that progresses that there are, indeed, some challenges
10 there. So I guess I will answer by saying, I don't have
11 all the answers just yet, but we feel we are trying to
12 progress in a logical manner and applying the resources
13 available to capture that number from whatever
14 technology in which that number is conveyed. Neil?

15 MS. FERGUSON: Well, we're going to step
16 a bit outside of animal disease traceability just
17 briefly.

18 And this next question is: Is it time
19 to institute the test by risk approach to monitor and
20 control the spread of EIA virus in horses defining low
21 risk to high risk regions in the country and base levels
22 of testing for the described regions?

23 This is a very good point, very valid
24 point. We are considering this. We're looking at what
25 our EIA regs have in place at this point in time, and

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1 we'll be making some changes to those regs. That's one
2 thing that's under consideration. We had a meeting, I
3 believe it was two weeks ago, with various aspects of
4 the equine industry to look at all of our disease
5 programs and to listen to them as to what they wanted us
6 to do with various programs and how they tried to see us
7 heading in the future.

8 So thanks for that suggestion. It is
9 under consideration. Neil? Dave?

10 MR. MORRIS: The next question is:
11 Wouldn't making the seller 100 percent liable for costs
12 of an outbreak force the industry to: No. 1, self
13 regulate; No. 2, slow imports of diseased cattle; 3,
14 reduce government bureaucracy; 4, put the onus on the
15 responsible party, not the taxpayer.

16 So, again, the question: Wouldn't
17 making the seller 100 percent liable for costs of an
18 outbreak force the disease to... That's a very
19 complicated question. Certainly, to realize that
20 probably from a biological standpoint accurately
21 determining the source of a disease which would be the
22 liability from a disease standpoint or a warranty from
23 selling that animal becomes highly complicated.

24 Dee reviewed the slides presented by
25 Dr. Breitmeyer from the state of California, and in

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1 reviewing those slides myself, I recognized that in one
2 example in one herd alone they found animals from 42
3 different states with state tags. Now, how many owners
4 they came from within those 42 states in that one
5 disease investigation alone was quite complex. It would
6 be very difficult for us to definitively say who would
7 be responsible, who would be liable relative to that
8 particular disease entry into that herd.

9 In terms of another example. In the
10 state of New Mexico, to help alleviate the Tuberculosis
11 outbreak in the last two or three years, I recall that
12 there were \$35 million of federal funds gone to that
13 state to assist in the elimination of that potential
14 herd disease problem. And as that progressed, certainly
15 if that herd were borne by the producer, obviously
16 somebody's going to be out of business and maybe even
17 more out of business for years to come with that kind of
18 a bill.

19 So it's an industry issue, and that's
20 the way we've approached it in the past. It's very
21 difficult from a biological and scientific prospective
22 to truly determine the source and knowledge of a
23 particular disease. I guess I've got the next one as
24 well.

25 The question is: How can we address tag

0146

1 loss and maintain speed of commerce? Large order buyers
2 ship many loads a day. Will a vet have to watch each
3 animal load on the truck to make sure each animal has an
4 ID? Can animals be shipped to be tagged on arrival;
5 that is, feed lot/order buyer (not enough vets in Texas
6 to do this).

7 I think one of the things we should
8 probably start with is to indicate that official ID in
9 the past, as this intimates, is that it had to be
10 applied by an accredited veterinarian or an official
11 capacity to apply those official USDA devices.

12 One of the things in the last several
13 years that we've used the 840 numbering system is to
14 allow that distribution of an official ID device to the
15 producer, and the producer then was able to apply those
16 official USDA devices. In the new framework, we've
17 suggested that the brite tags could be provided to
18 producers through the states at the state's discretion
19 and apply it as well.

20 So the concept here that we have to have
21 an accredited veterinarian apply the official ID devices
22 is not technically correct. Again, part of the new
23 framework is to continue the concept that producers can
24 apply official ID devices, whether that be the 840
25 numbering system, whether that be the national uniform

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1 ear tagging system, which is I call federal ease for the
2 brite tag, but not the Brucellosis tag. The Brucellosis
3 tag is to be affixed as part of the process of the
4 official vaccination with an accredited veterinarian, or
5 I guess in some states, a state approved technician.

6 So the question comes back, and as
7 discussed earlier in this decade, relative to if you
8 don't have 100 percent of the animals officially
9 identified, is that problematic relative to the speed of
10 commerce?

11 I do not have the exact answer just
12 yet. I think there are certainly some practical issues
13 associated with this, and we look to you to help us
14 resolve some of those issues as to how that can be a
15 functional system and still provide us adequate
16 traceability information.

17 So the short answer is, I don't have a
18 final answer on that, but it is something that has been
19 addressed and we'll continue to address it and come to
20 those resolutions. So hopefully that answers the
21 question as stated.

22 I guess it's John, right? Or Neil?

23 MR. HAMMERSCHMIDT: The question here:
24 For this rule, will interstate rule cover intrastate
25 needs? No. This is focused specifically on animals

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1 that move intrastate. You'll be needing to continue to
2 look at your local in-state regulations for intrastate
3 regulations.

4 If I buy a calf and tag him without the
5 original ranch of birth tag, are they eligible for
6 interstate commerce? So I buy an untagged animal within
7 my state, put an official tag on it, the answer would
8 be, I believe, yes. And I think I had John down for
9 that answer, so confirm that I'm right or wrong.

10 MR. PICANSO: I think what we're looking
11 at is the animals to move interstate will be officially
12 identified with an official identification device. So
13 if they are officially identified, they meet the
14 requirement for interstate movement. At what point they
15 need to be identified within the state, that's a state
16 decision. So if they have to be required just prior to
17 leaving the state, that's one thing. If they require to
18 be identified before they have any movement within the
19 state, that's a state decision.

20 So at what point they're identified
21 within the state is -- would be up to a state rule. But
22 we just want to see that when they moved from state to
23 state that they have official identification with an
24 interstate certificate of veterinary inspection, unless
25 exempt.

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1 MR. HAMMERSCHMIDT: Unless otherwise
2 exempt. Thank you, John.

3 The USDA's IT system for NAIS is based
4 on premises ID. How will the USDA's IT system support
5 the states traceability needs without mandatory premises
6 ID?

7 We're continuing to make all the
8 information systems available that we've developed over
9 time available to the states that wish to continue their
10 use. If they wish to continue the issuance of location
11 ID, premises ID, to location within their state, they
12 have the authority to continue to use our system or
13 develop a state-based system.

14 So it's certainly not necessary to have
15 mandatory premises ID to keep those systems up and
16 running. I think this is more of a comment than a
17 question.

18 As a small producer in Texas, we already
19 ID all our animals and would need to be exempt from the
20 system and have that written into the program. The
21 language can be such that it is easy to understand by
22 farmers and ranchers.

23 Again, I think it's a comment, maybe a
24 question point, about small versus not small producer.
25 And, again, I think Dr. Weimers explained it previously

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1 that it's not really the number of animals you have,
2 it's how you manage and market those animals. If they
3 move interstate, they are applicable to the concept of
4 this proposed rule. It's more how the animals are
5 moved. Mr. Picanso answered the other IT question, and
6 I think that covers some of the initial ones we got at
7 break time.

8 There's repeated reference to making
9 progress over time and moving towards electronic ID
10 assumes that low technology will not be enough. The
11 success of the scrapie program indicates otherwise.
12 Rather than simply marching down the path of the
13 electronic ID, will USDA do a careful analysis of each
14 step of the way to identify when we have achieved
15 sufficient cost-effective traceability, looking at all
16 aspects of the program (including not just the type of
17 ID, but issues such as agency efficiency, enforcement,
18 and barriers unrelated to the type of technology such as
19 tag retention.)

20 I think that's a good point to discuss a
21 little bit. We state quite frequently that this is a
22 very basic approach to get things started with what
23 producers are comfortable with, acknowledging that
24 advancement can be made over time. I think some of the
25 comments from the state veterinarian this morning

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1 supported that approach, but we don't have a long-term
2 transition plan from this technology to the next
3 technology.

4 I believe that, as the industry says,
5 they're ready to advance to other technologies over
6 time. APHIS VS will be receptive to that type of
7 feedback as we're ready to make progress over time. So
8 I think it's certainly going to be based on where the
9 industry is at as far as their level of comfort, where
10 their technology is for the cost of that technology. I
11 think all the points in the question will certainly be
12 taken into consideration.

13 MR. PICANSO: I might add that the
14 scrapie program identification system is perfectly
15 geared to scrapie because it identifies the farm of
16 origin at which point the animal would have been
17 infected. Scrapie is not transmitted as a disease from
18 animal to animal through the production chain as is
19 Tuberculosis, Brucellosis, and some of the other
20 diseases; that we might need have to interim
21 traceability from farm to farm. So it's perfectly
22 suited for scrapie because all they need to do is
23 identify the farm of origin.

24 Right now the system we're looking is a
25 bookend system. It would identify the farm at which the

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1 animals were tagged and the receiving state in which
2 those animals are found. So do we need traceability in
3 between? Yes. How are we going to get there in the
4 long term? We're going to have to deal for a while with
5 paper records and going through stacks of boxes in the
6 hallway that was described earlier and file cabinets
7 full of paper records and long hours of sale auction
8 markets, digging through records like we've been doing.

9 Terry Milligan over there has been doing
10 that for how many years, Terry? 20, 30 years? So it
11 can be done. It just takes a long time, and we've run
12 up against a lot of brick walls doing that. So we need
13 to transition over time. How we get there is -- remains
14 to be seen.

15 MR. HAMMERSCHMIDT: Thanks, John.

16 If an animal is officially ID'd only
17 when it leaves the state, then how does that address the
18 problem with multiple IDs? How can that work in
19 practice?

20 We can stop there and take that part of
21 the question. The animal is already officially ID'd at
22 the first premises, moves intrastate a couple of times,
23 and then moves interstate. It's already eligible to
24 move without being tagged again because it already has
25 an official tag on it. So there would not be a need to

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1 put a multiple tag on that animal, if I read the
2 question properly, or interpret it properly.

3 If this is the proposal, it needs to be
4 stated in clear language. The current proposed language
5 that the animal must be traced back to a traceability
6 unit does not limit the proposal in that way and leaves
7 it wide open to imposing a federal standard on all
8 intrastate animals.

9 Judith, is this yours again?

10 PARTICIPANT: Yes.

11 MR. HAMMERSCHMIDT: I think -- and,
12 again, we still might not be on the same page as point
13 of clarification, but I think her point earlier in a
14 discussion during the break or at lunch - you know, I
15 appreciate her point, and there might be other points
16 I'm still missing - that when we have a, quote, federal
17 standard and the State of Oklahoma says, I'm going to
18 trace to the herd of origin, that's their traceability
19 unit; another state establishes the state as their
20 traceability unit. I think your point is how can that
21 really be a true national standard in comparison to our
22 national standard.

23 And, again, from our efforts, the
24 working group efforts, the direction we've been given -
25 and I appreciate the comment - we've also been advised

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1 to focus on the animals that move intrastate, and within
2 the state it's their call and allow the flexibility for
3 the state to determine the degree of traceability they
4 want to achieve within their state. Hence, the
5 traceability unit has been established, and it does
6 allow the flexibility of its intent from the birth
7 premises to the extreme, the state as a whole. I'll
8 just stop there.

9 And, Judith, the other question, if we
10 want to talk this, you're certainly welcome to help us
11 understand the question.

12 If the goal of Activity 2 and 4 is to
13 double check that the official ID was actually issued in
14 that state (i.e., a double check on No. 1 and 3), why
15 not just say that? Is there another reason behind
16 setting a federal standard for intrastate traceability
17 of IDs and CVIs? If so, what is it? Is that your
18 question? Help us understand your question.

19 PARTICIPANT: So I was trying to get
20 more of an answer to follow up on a conversation that
21 the Dr. Weimers and I were having during the lunch break
22 where I was trying to understand why Items 2 and 4 even
23 exist. Why rather than 1 and 3, if the goal is to not
24 interfere with intrastate tracking, the goal is to not
25 set federal standards for what happens in state, why

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1 were 2 and 4 even included?

2 And the response from him, and I got
3 feedback from the working group as to, you know, is this
4 what you were thinking or is there something else, was
5 that the goal was to ensure that if -- to use the
6 original example, you know, Missouri contacts Iowa and
7 says this cow has your tag in it. I was able to confirm
8 that, yeah, sure enough that was an Iowa tag and there
9 needs to be some sort of documentation. So they need to
10 say, yes, we know that tag was issued in Iowa.

11 And it seemed to me that if that's the
12 reason, it makes a lot more sense rather than getting
13 into undefying terms, traceability unit, the sort of
14 confusion, ambiguity I see with setting that federal
15 standard to say, you know, the state where the animal
16 was officially identified must provide a record to show
17 that tag was, in fact, issued in that state, you know,
18 or the CVI.

19 If there's some other rationale behind 2
20 and 4, I'd like to understand it.

21 PARTICIPANT: The other thing we
22 discussed was that documentation would show where it was
23 identified, not just that it was a tag that was -- in
24 some cases it might say yes, that's a tag because we
25 have a record of those tags being sent to us from the

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1 Kansas City warehouse.

2 Another state might say, We know that's
3 our tag because it was issued to an accredited
4 veterinarian Dr. So and So. Another state may have a
5 record saying, We know that that's our tag because it
6 was applied by that veterinarian to this farm, and we
7 have that record of the tag applied in our database.

8 So that level at which that tag is
9 applied is what the documentation and the level that
10 would be supported by their traceability plan. And
11 that's what we're talking about, the traceability unit,
12 whether they have documentation that was traceable to
13 the state, the county, to the local farm unit.

14 MR. HAMMERSCHMIDT: I think another
15 point of clarification is we have an official
16 identification device. It's of no value if the tag is
17 not traceable to somewhere; i.e., if we took official ID
18 metal tags and threw them out there and you all picked
19 them up and put them in your cattle, it wouldn't help
20 traceability one iota. There's nothing there as far as
21 an information point to go to. So I think the intent is
22 to also have some type of information that allows the
23 state animal health official to associate that tag with
24 something.

25 If they have a record that takes them to

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1 where the animal was possibly tagged, or whatever they
2 set out, that's being tagged. And maybe we need to say
3 that more clearly. I understand your comment, if that's
4 the point you're making.

5 PARTICIPANT: That's one half of the
6 point I'm making: clarification would be good. The
7 other half is this. What there -- there seems to be two
8 different questions. What do we need within the state
9 for a state animal health authority to function? And
10 what needs to be a federal standard? Those are two
11 different questions. And what I understood when
12 secretary Millsap made his announcement in February was
13 untying those two.

14 NAIS had said all one big thing. We're
15 not worried about -- you know, the speech said basically
16 we're going to have one big national complete program.
17 Secretary Millsap's announcement in February - at least
18 to me and many others - read as there's going to be
19 state programs and there's going to be segments that is
20 covered by federal. And the federal program is not
21 going to be all encompassing.

22 I'm still trying to understand why
23 when -- and I, unfortunately, couldn't find the letter,
24 but I believe I have a letter that says, you know,
25 tracking stops at the state line under this new

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1 program. Where did 2 and 4 come from within the idea of
2 a federal framework?

3 MR. HAMMERSCHMIDT: We talked about the
4 recordkeeping process for official ID. There's also a
5 requirement or process value for ICVIs. ICVIs reflect
6 where the animal was permitted to move from and move to,
7 so really it's a measure of the application of that
8 ICVI. And the state should be able to determine that if
9 that animal left their state, what traceability unit did
10 the animal leave from, because there should be an
11 official documentation to do that, okay? That leaves a
12 very distinct, easy point of clarification and
13 connection to make, from how we see it.

14 Other members of the working group?
15 Dr. Watson?

16 DR. WATSON: I think it's two
17 functions. How did the tag -- where did the tag get put
18 in the animal, and how did the animal get from State A
19 to State B? So how did the animal get from State A to
20 State B is checking interstate certificates of
21 inspections. That's still a part of that interstate
22 movement, so I guess I don't understand.

23 One thing is we're looking at proving
24 where the tag came from, and then that state figures out
25 where it got applied, and then how did that animal move

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1 out of that state from where and to where across the
2 state lines. So they're all still interstate
3 movements. It's not intrastate.

4 PARTICIPANT: I won't continue to take
5 up everyone's time on this, but let me just say that
6 part of this conversation might be easier if there was a
7 definition, because I was at the Denver meeting and what
8 we heard the definition is it could be anything from the
9 state, to a region, to sub county, to a county, to a
10 premises.

11 When I talked to people at the Utah
12 meeting, they were told that it wasn't even necessarily
13 a geographic location. It could be a cowork of animals
14 could be the traceability unit. And what I heard here,
15 and what I'm hearing from you now, is basically it does
16 come down to an individual premise in terms of where was
17 the ID applied, or if it was shipped from, where was the
18 CVI done?

19 If y'all could do a clear definition
20 rather than using a term like traceability unit, these
21 conversations could be easier for us to think this
22 through.

23 MR. HAMMERSCHMIDT: Very good. And we
24 will have a definition of traceability unit on the
25 website as soon as possible. Thank you.

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1 MS. MILLIS: Thanks, Neil and John and
2 Dave and Lisa for responding to those questions. I want
3 to call your attention to a couple of things before we
4 close out the day.

5 One is there's been a lot of these
6 meetings going on and there's been a lot of information
7 about animal disease traceability, and out at the front
8 desk, as you signed in, there's a sheet. If you want to
9 leave your e-mail address and your name, that's how you
10 can find out more information about what's going on
11 here, and that can be mailed to you.

12 Another way to find out that information
13 is to go to the APHIS home page, which is APHIS.USDA.
14 GOV, and you click on the APHIS icon that's in the
15 upper-right corner, and you can submit more comments
16 around traceability, or you can e-mail your comments
17 directly to traceability at APHIS.USDA. So out on the
18 APHIS website there is a link so that you can tell APHIS
19 the concerns that you have.

20 And at this time, to close out the day,
21 I'd like to turn the floor back to Dr. Lisa Ferguson.

22 MS. FERGUSON: Thanks, Deb. I'd just
23 like to take the opportunity to thank everybody for
24 their time, for their thoughts. As I mentioned this
25 morning, let me just emphasize again, we have to have

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1 this be a collaborative process, and we really do need
2 everybody's input. We recognize that those solutions
3 need to come from the lowest level possible, and that's
4 what we're attempting to do.

5 So thanks for all of the discussion.

6 Deb brought up all the further opportunities for
7 comments. There's lots of information on the website I
8 would encourage folks to go ahead and submit additional
9 comments. We will also have further opportunities for
10 more discussion as we get more into the development of
11 the proposed rule.

12 So thanks everybody for your time, and
13 safe travels back home wherever that may be.

14 (End of Proceedings at 3:31.)

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1 REPORTER'S CERTIFICATE

2 This is to certify that I, Tonya Perkins, a
3 Certified Shorthand Reporter in and for the State of
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8 CERTIFIED BY ME on this the _____ day of
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14 Firm No. 45

19840 Cypress Church Road

15 Cypress, Texas 77433

(800) 882-3376