

REPORT OF THE COMMITTEE ON IMPORT-EXPORT

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The Committee met on October 21, 2012 at the Greensboro Sheraton Hotel, Greensboro, North Carolina, from 12:30 p.m. to 4:30 p.m. There were 14 members and 33 guests present. The chair opened the meeting, reviewed sign-in sheet locations, agenda items and availability of copies of resolutions.

Review – European Union (EU) Trade Issues

John Clifford, USDA-APHIS-VS

Dr. Clifford reviewed the status of trade with the EU regarding swine exports to and through the EU. United States Department of Agriculture (USDA) has submitted a draft export health certificate for swine exports to the EU Commission. The sticking point in the negotiations is vesicular stomatitis testing. There are many trade issues that need resolution from both the USA and the EU and they will require coordinated negotiations and agreements to resolve.

Activities of APHIS' National Center for Import and Export (NCIE) for FY2011

Bob Bokma, Joyce Bowling, Export products NCIE; Magde Elshafie, Import products and by-products, NCIE

Drs. Bokma, Bowling-Heyward, and Elshafie reviewed NCIE activities regarding export of products and animals and import of products and by-products. A summary of their presentations is included at the end of this report.

USDA Re-Organization and Electronic Health Certification Pilot Program

Joyce Bowling, Export animals NCIE

Dr. Bowling presented an overview of the planned re-structuring of USDA and an electronic health certificate system for exports. A summary of the presentations are included at the end of the report

African Swine Fever (ASF) - A Local Perspective

Kazimierz Tarasiuk

Dr. Kazimierz Tarasiuk presented an overview of the ASF incursion and on-going outbreak in Russia. A summary is included at the end of this report.

Committee Business

The Chair received a letter from the President of LEA (Livestock Exporters Association). The letter was to be read to the committee. This did not occur in the business meeting. It is included at the end of this report.

The Committee reviewed and approved two resolutions for consideration by the Committee on Nominations and Resolutions:

1. The United States Animal Health Association (USAHA) urges The United States Department of Agriculture (USDA), Animal and Plant Health Inspection Service (APHIS), Veterinary Services (VS) to eliminate the requirement for a culture for *Mycobacterium bovis* on histopathologically negative tissues and to return to the tuberculosis (TB) directives of VS Memorandum 592.102 dated October 29, 1993.

There was lengthy discussion and comments from regulatory officials and industry. Issues reviewed were risks and consequences to exporters, trading partners, the disease prevalence, regulations as found in the Council on Foreign Relations (CFR) and Unified Methods and Rules (UM&R) and risk assessments to justify changes in the policies of USDA.

This resolution passed with 6 in favor, 2 against, 3 abstentions.

2. The United States Animal Health Association (USAHA) urges that USDA-APHIS-VS attempt to replace through negotiation the terminology Scrapie Flock Certification Program in any existing protocols when negotiating health

protocols and replace it with language that the animals/flocks conform to the requirements of the National Scrapie Eradication Program.

This resolution passed with no discussion by a vote of 9 for and 2 abstentions. The full resolution is attached at the end of the report.

National Center for Import and Export (NCIE)
Export Animal Products Staff
FY 2012 Activities
Bob Bokma
USDA-APHIS-VS-NCIE

The Export Animal Products group (EAP) conducts activities that foster the export of animal products, including development of policy pertaining to export, clarification of the requirements of other countries, and management of the inspection and approval of facilities that export certain commodities to certain countries. In order to assure consistent policy and compliance with the requirements of other countries, EAP works in collaboration with other agencies, such as USDA Food Safety Inspection Service (FSIS), the Food and Drug Administration (FDA), and National Oceanic and Atmospheric Administration's (NOAA) Seafood Inspection Program, among others. EAP cooperates with Agricultural Marketing Service (AMS) for the certification of dairy products and shell eggs. They collaborate with the Trade Support Team, Foreign Agricultural Service (FAS), the Office of the US Trade Representative and with foreign officials, providing expertise and technical support during negotiations concerning animal disease requirements. Finally, EAP negotiates directly with counterparts in foreign governments to seek access, as well as OIE-consistent and favorable conditions, for diverse animal product commodities intended for use in animals, for further processing, or for human consumption.

NCIE export staff officers continue working to eliminate bans and restrictions due to several animal diseases including bovine spongiform encephalopathy (BSE) and avian influenza. Significant gains include the following:

The following are some specific examples of work done during FY 2012, among many others:

- Canada: EAP worked to regain access for bovine blood for animal feeding.
- China: EAP was successful retaining the market for fish meal (certification by Department of Commerce's NOAA) and the market for dairy commodities.
- Colombia: EAP increased access for poultry meat and other fresh products sourced from regions that have affected with low pathogenic avian influenza.
- El Salvador: EAP was able to gain access for bovine meat sourced from animals over 30 months of age.
- European Union (EU): EAP continually worked with both central EU authorities and individual EU countries to retain and expand exports of animal by-products estimated to be worth approximately \$500,000,000 annually.
- French Polynesia: EAP achieved access for animal feeds.
- Japan: EAP retained and expanded US exports of poultry products to Japan by getting Japan to lift avian influenza restrictions on six States and also finalizing a protocol with Japan which for the first time would allow for regionalization of the US for highly pathogenic avian influenza. The regionalization would mean that Japan would not ban the entire US for commodities such as eggs and poultry meat if HPAI were confirmed in only a portion of the US.
- Korea: As a result of EAP action, tallow is now an acceptable bovine ingredient in US exports.
- Mexico: EAP worked with Mexico to streamline their requirements; gained access for food preparations containing up to 2% meat products, as well as for additional bovine meat commodities as long as the source animal is less than 30 months of age. The breaker eggs market to Mexico has been opened and a requirement for placing sealed containers of shell eggs has been removed.
- Taiwan: EAP retained the market for milk and milk products to Taiwan.
- Vietnam: EAP opened the market for bovine bone-derived gelatin, porcine bone-derived gelatin, bovine or porcine hide/skin derived gelatin, bovine blood for technical use, and fetal bovine serum for technical use.

A database of export certificates shows that some 79,754 export certificates were issued by Animal and Plant Health Inspection Service (APHIS), Veterinary Services (VS) for products during Fiscal Year 2012 (through September 13, 2012). These numbers demonstrate that milk and milk product was the most significant (37.5%). A large proportion of this commodity is milk for human consumption exported to Mexico. Other commodities ranking high were hides and skins (14.1%), pet foods (14.1%), animal feeds not including pet foods (8.5%), blood products (7.8%), meat and bone meals (3.1%), and animal fats (3.0%). These data also include certificates for pharmaceutical and biological products (3.0%).

Summary - World Animal Health Organization (OIE) General Assembly, 2012

The Eightieth General Assembly of OIE met as usual this past May. As part of the general meeting, the member countries (178 according to OIE 2011 data) vote to adopt changes or new chapters. With regard to the work of Terrestrial Animal Health Commission, this year, the member countries took action to approve chapter changes or new chapters for the following: antimicrobial resistance (surveillance and monitoring, usage patterns in livestock), equine viral arteritis, semen and embryos, infection with Aujeszky's disease virus, rabies, and avian influenza.

Several other chapters continue under revision and were not acted on during the OIE general meeting. Currently these are brucellosis, bovine tuberculosis, Trichinellosis, classical swine fever, peste des petits ruminants, and a chapter on the prudent and responsible use of antimicrobial agents.

Of interest to the membership of the Committee on Import and Export will also be that the OIE continues working towards guidance for safe production methods for animal-based foods. A working group is heading up this work, addressing food borne hazards that stem from animals before slaughter, focusing attention at the animal production level. Specific issues being addressed are Salmonella, Trichinella, animal feeding, and antimicrobial resistance.

Finally, the OIE continues their work on animal welfare pertaining to food animals. Under development during 2012 is guidance towards livestock production systems with a focus on beef cattle. Future expected work will be broiler production (2013), dairy production (perhaps in 2014), to be followed with swine production. We continue encouraging an approach focusing on outcomes resulting from a range of acceptable practices, and that OIE would focus less on a prescriptive measures.

National Center for Import and Export (NCIE)
Import Products/By-products
FY 2012 Activities
Magde Elshafie
USDA-APHIS-VS-NCIE

Bovine Spongiform Encephalopathy (BSE) Comprehensive Rule

The BSE Comprehensive Rule was published March 2012, the comment period closed in June of 2012. It established BSE-related import provisions which are more closely aligned with OIE guidelines including country risk status classifications (Negligible, Controlled, and Undetermined). It also allows flexibility in the BSE risk classification process allowing Animal and Plant Health Inspection Service (APHIS) to concur with World Animal Health Organization (OIE) BSE determinations. However, this will not eliminate independent APHIS evaluation of any country or region for BSE status. A country will be considered undetermined risk until such time that APHIS determines it to be Negligible or Controlled Risk. Recognition will be based on the following criteria;

- 1) APHIS concurrence with OIE classification, OR
- 2) APHIS evaluation, upon request, of countries not classified by the OIE.

The BSE Comprehensive Rule eliminates the need for formal rulemaking for each individual country/region. The importation of bovines and bovine products from BSE minimal-risk regions (Canada) and for boneless beef from Japan would be removed from the Federal Register and incorporated into the final rule. It will allow the importation of additional bovine and bovine products into the United States from all negligible and controlled risk regions using requirements based on OIE guidelines.

- Hides/skins and Gelatin/Collagen from hides/skins
- Deboned meat (excluding methylsulfonylmethane (MSM) from cattle ≤ 30 months of age provided the animals pass ante- and post-mortem inspection, specified risk materials (SRM) are removed, and they were not subjected to an air injected stunning process or pithing
- Protein-free tallow and derivatives made from this tallow
- Dicalcium phosphate with no trace of protein or fat
- Blood/blood by-products derived from cattle not subjected to an air injected stunning process or pithing, and collected in a manner that avoids contamination

Ruminant meat-and-bone meal (MBM) and greaves from controlled and undetermined risk countries will remain as prohibited materials.

Transmissible Spongiform Encephalopathies (TSE) Rule

OIE Code does not address BSE risk for ovines/caprines. Therefore, a separate rule and risk assessment currently under development that will address import requirements for TSEs and allow importation of sheep and goats, their embryos, and their products/by products from countries classified as Negligible or Controlled Risk for BSE under certain conditions.

Exotic Newcastle Disease/Highly Pathogenic Avian Influenza (END/HPAI) Interim Rule

The END/HPAI Interim Rule is a revision of USDA policy regarding the importation of bird and poultry products from regions where END and HPAI are considered to exist. Previous USDA HPAI restrictions focused only on the H5N1 subtype. The Interim Rule applies to all HPAI subtypes. Changes include the addition of a specific cooking requirement (74°C internal temperature) to mitigate END and HPAI and a provision allowing exporting countries to certify that they have employed this mitigation as part of the export process.

Unprocessed bird trophies exported from END/HPAI regions require an import permit which authorizes the import with mitigations or authorizes consignment to a USDA approved establishment for processing to mitigate for diseases of concern.

Hunter harvested avian meat for personal use may be imported if it: 1.) has a thoroughly cooked appearance; 2.) is accompanied by certification stating the avian meat was cooked to a minimum internal temperature of 74 degrees C; or 3.) accompanied by an import permit.

The END/HPAI Final Rule is currently being drafted.

Regionalization

APHIS Defined EU Civil Society Forum (CSF) Region: Proposed rule to recognize the addition of Estonia, Hungary, Slovakia and Slovenia to the APHIS defined EU CSF regions. (This includes removal of restrictions on the importation of swine semen from the EU.) Published 2/11/2011.

Uruguay: Proposed rule to establish conditions for the importation of lamb and sheep meat from Uruguay. Published 2/24/2011

Switzerland and Liechtenstein: Final rule to recognize Switzerland and Liechtenstein as low-risk for CSF and Liechtenstein as FMD/SVD free. Published 11/10/2011.

END and HPAI in EU Member States: Proposed rule to recognize as low risk for END and HPAI. Published 7/19/2011.

VS New Science and Vision Initiative

Streamline the animal products import regulations in Title 9 of the Code of Federal Regulations in Parts 94, 95, and 96. Revisions are as follows:

- Reorganize and clarify the language in these parts to make it easier to understand.
- Make disease mitigation requirements less prescriptive and more performance based. Add a notice-based process and risk-based criteria for acceptance of new disease mitigation procedures.
- Make miscellaneous updates and corrections identified during regulation review

APHIS-VS-NCIE Live Animals

Joyce Bowling-Heyward
USDA-APHIS-VS-NCIE

The National Center for Import and Export (NCIE) Import-Export Animals staff has focused on plans to revise and streamline regulations, update import and export protocols where they are outdated, and standardize procedures for import and export of live animals. The Veterinary Export Health Certificate System (VEHCS) pilot project has been launched this year, and successfully used to issue some health certificates. We continue to work on making improvements to our website so that information will be more readily accessible to the public.

Animal Export

NCIE develops export protocols, participates in negotiations, and provides technical expertise in developing, retaining, and expanding export markets for US-origin animals and germplasm. Cattle exports to Russia and Turkey continue to set new records. The US has exported close to 100,000 head of cattle to Russia, Turkey and Kazakhstan worth more than \$300 million dollars in 2012.

In FY 2012, NCIE:

- Opened 26 new markets in 20 countries, including cattle to Oman, feeder cattle to Turkey, bovine genetics to Sri Lanka, swine, and sheep and goats to Jamaica and Costa Rica.
- Negotiated retention of 29 markets in 10 countries (trade never stopped but the importing country threatened to shut down market).
- Expanded 35 markets in 26 countries (removed requirements or simplified certifications that would allow more animals to be exported).
- Sent 41 proposals to 21 countries for negotiation.

NCIE animal export staff engaged in bilateral meetings with Canada, Chile, Japan, Taiwan, Tunisia, Turkey, South Africa, and Russia. In addition to negotiating export protocols, these meetings allow us to exchange technical information with other countries so that we can ensure that requirements are based on the latest scientific developments.

In addition to negotiating export protocols, NCIE facilitated international trade by serving as a technical liaison, providing technical support for visits from foreign veterinarians (for audits or training), participating on international committees, attending meetings/conference calls, preparing letters/reports/briefings for senior level leaders, responding to notices (issued by foreign countries) to the World Trade Organization (OIE) and responding to the impact of US animal disease outbreaks on exports. NCIE negotiates the release of detained shipments and receives derogations from foreign requirements for trade in animals. NCIE staff officers provided support to VS field staff, VS Regional and Area Offices, the US animal export industry, and the public by providing direction and responding to questions. NCIE staffs also provide interpretation of the foreign animal import requirements as well as developing associated policies to facilitate trade. NCIE handles dozens of

queries each month about companion animals (including efforts to release pets detained at the entry points in foreign countries) as well as negotiating new protocols for exporting pets to foreign countries.

NCIE staff completed the development of the VEHCS pilot project to electronically issue export certificates. The system is currently being tested with a few exporters, accredited veterinarians and area offices to generate export certificates for swine to Canada and poultry to Guatemala. New certificates are being developed and the system will be expanded to allow for cattle and poultry to Canada. This system allows for accredited veterinarians to complete a certificate electronically and submit it electronically to an area office, along with any attachments that may be necessary. The certificate can be saved as a template to simplify data entry for repeat exports. After the area office reviews the information, the certificate is printed and signed. In the future, VS hopes importing countries will accept electronic delivery of the certification information with an electronically signed certificate. Countries that don't wish to accept data in this manner will still be able to view completed certificates on a secure website in order to validate certification information.

NCIE training activities in 2012 were focused on training exporters and accredited veterinarians to use the VEHCS system as well as VS field personnel. VS has also spent time training foreign governments on the capabilities of the new VEHCS system and negotiating acceptance of the new certificate format.

NCIE organized several visits for foreign delegations that came to the US to audit our live animal export procedures. These included hosting government officials visiting from Hong Kong, the European Union, Turkey, and Russia.

Other foreign visitors were part of technical exchange programs and NCIE staff provided presentations on the roles and responsibilities of APHIS, explained our veterinary infrastructure and described US systems of animal disease control. These training activities build more personal international relations and help build foreign veterinary capacity both of which indirectly facilitate the flow of international trade in animals and animal products.

Animal Import

NCIE is responsible for negotiating import protocols, notifying field of import requirements, and setting standards to be followed at animal import centers and land border ports. In addition, many of the import and transit permits for live animals are issued by NCIE. Training is provided to the field on proper import quarantine procedures. NCIE coordinates with

laboratory people to ensure that import tests are the most effective. Changes to import requirements are communicated to trading partners, world trade organization (WTO), and the public.

NCIE issued over 2,900 import permits in 2012 for regulated animals and commodities. In addition, complicated import and transit requests for live animals are coordinated with the field to ensure that animals are properly monitored while in transit, or en route to an animal import center.

NCIE import animals staff monitors world animal disease status, and coordinates any response involving appropriate import requirements and/or restrictions. Import alerts are sent to notify field personnel about changes in disease status and/or import requirements. NCIE also responds to numerous questions and requests for information from the public. A significant development this year was the emergence of Schmallenberg Disease in Europe, which required revision of some import protocols for ruminant germplasma. NCIE participated in a review of the tick eradication program of Chihuahua, Mexico as a preliminary step to revising regulations. NCIE continues to participate in Binational Committee Meetings to resolve issues relating to the export of cattle from Mexico. A NCIE representative attended an OIE meeting relating to import and quarantine of competition horses. NCIE has been meeting with Canadian officials on a regular basis to resolve export issues relating to new aquaculture requirements in Canada.

NCIE staff participated in a training course for Canadian border port inspectors. In addition, a number of VS Memoranda were revised to standardize procedures for imported animals. This included updates to import requirements for Mexican cattle due to changes in tuberculosis (TB) status of various regions. Import regulations relating to TB and brucellosis have been revised consistent with changes being made to domestic programs. Regions wanting to export cattle to the US will be evaluated based on their disease program and their prevalence of disease. Import requirements will be determined based on their level of risk.

NCIE completed work with the E-Permits system to allow live animal importers to submit their application online for an import permit. This is streamlining the permit process, and facilitating the flow of information between importers and NCIE.

USDA Re-Organization and Electronic Health Certification Pilot Program

Joyce Bowling-Heyward
USDA-APHIS-VS-NCIE

Summary of Veterinary Export Health Certificate System (VEHCS)

Veterinary Services has created a web based electronic export health certification system using the platform that has been in use by Plant Protection and quarantine for the last 6 years. The VEHCS system is currently being used as a pilot project with a limited number of accredited veterinarians and area offices participating. Currently it is used for exporting swine to Canada and poultry to Guatemala. The system will be expanded in 2013 to allow for the export of cattle and poultry to Canada. In addition, more area offices and accredited veterinarians will participate in the pilot.

The VEHCS system has many benefits. The accredited veterinarian is able to go online using e-authentication, and complete the export certificate. Any laboratory tests or other supporting documentation can be attached as electronic documents. The certificate is sent electronically to the area office, where it can be reviewed. The APHIS veterinarian can approve the certificate in the system. The certificate is then printed out and endorsed in the normal fashion. In the future the data could be sent electronically to the importing country without the need to create a paper certificate.

The electronic system saves some of the time and expense currently needed at this time to move paper documents to create the certificate. If an exporter sends multiple shipments to the same consignee, it is possible to create template certificates that will greatly decrease the amount of time needed to create a certificate. The system allows for easier tracking of the document to know the stage of processing. It also simplifies the correction process in the event a certificate has been filled out incorrectly.

The system allows for online verification of an electronic certificate (PDF version). It can be used to send out messages to users of the system based on the role they have been given in the system. VEHCS will be capable of interfacing with other systems. In the future APHIS expects to be able to endorse certificates electronically.

Summary of Veterinary Services Reorganization

Veterinary Services is being reorganized along functional lines. There will be four sub-parts:

- Movement and Marketability (M&M) – import and export technical trade services, import and export field services, OIE services
- Surveillance, Preparedness, and Response (SPR) – animal health commodity teams, SPR field services, national veterinary stockpile, one health, traceability
- Science, Technology and Analysis (STA) – diagnostics, veterinary biologics, most CEAH functions
- Program Support Services (PSS) - planning, finance and strategy, information technology, management support, communications and regulatory support

Veterinary Services is seeking input from employees to fill in the details of this organizational structure. It will be implemented throughout 2013, until that time, the current organizational structure remains in place.

African Swine Fever in Russia – A Local Perspective

Kazimierz Tarasiuk

PIC Central and Eastern Europe

African Swine Fever (ASF) is a disease of pigs with mortality rates approaching 100%. The disease is not zoonotic and thus does not directly affect public health. However, it has a serious social and economic impact on the trade of swine, pig by-products, food security and limits pig production in affected countries. At present there is no vaccine against ASF, this limits the options for disease control which now is based on stamping-out.

According to the Rosselkhoznadzor (Russian Federal Service for Veterinary and Phitosanitary Surveillance), ASF was first reported in the Russian Federation in 2007. Since then 26 regions have been confirmed infected and 600 thousands pigs have been stamped-out. The total loss for the pig industry has been estimated for 30 B Rubbles (1B USD).

Rosselkhoznadzor reports that 2% of the outbreaks have been related to direct contact between healthy and sick domestic pigs, 3% infections were transmitted by personnel, 6% by transport, 6% by wild boars, 55% by swill and 28% of the cases were unknown in terms of the source of the virus.

After each reported case, Rosselkhoznadzor imposed a quarantine on the infected area and ensured the slaughter of all the pigs in the area. The authorities carried out a census of the pig populations in the infected areas and set up veterinary police posts on the edge of the region/province and closed minor roads.

In order to prevent the infection dissemination, Rosselkhoznadzor urges farmers to have the pigs vaccinated against Classical Swine Fever (CSF) and keep pigs indoors with good biosecurity. The authorities communicate to swine farmers to only introduce pigs under veterinary control and to avoid non-decontaminated feeds. Any contact with an infected area should be limited and any suspicion/case has to be reported immediately.

Rosselkhoznadzor additionally states: "In case AFS appears, quarantine should be introduced on affected farms. Pig's carcasses, manure, remaining feeds, low-value handling items should be incinerated. Ashes mixed with lime should be buried. Premises and territories of the farm should be disinfected with 3% caustic soda solution and 2% formaldehyde solution. The whole swine population should be slaughtered within 10-kilometre radius from the affected area, and the meat should be processed for preserves. Quarantine may be lifted six months after the last case of animal death and pig's breeding in the affected area is allowed not earlier than a year after the quarantine lifting."

A letter to the Chairman:

TO: Dr. Charles Brown II, Chairman
United States Animal Health Association Committee on Import-Export
FROM: Tony Clayton, President, Livestock Exporters Association
DATE: October 9, 2012
RE: Status of Livestock Exports from the United States

President Obama's National Export Initiative Executive Order clearly states, "A critical component of stimulating economic growth in the United States is ensuring that US businesses can actively participate in international markets by increasing their exports of goods, services, and agricultural products." For the past few years, the world demand for meat protein and milk has created a tremendous amount of interest in livestock genetics exported from the United States. In 2011, the livestock export industry grew by 25% and we are a billion dollar industry. This growth can be attributed to the export sales of beef and dairy cattle exported to Kazakhstan, Russia and Turkey plus swine genetic exports to China, South Korea, Philippines and Vietnam.

Our industry faces many obstacles in the export process. We would welcome the assistance of the USAHA to ensure the United States remains competitive in the world market. The following concerns need to be addressed:

1. Closure of USDA/APHIS/VS Offices around the United States. The endorsement of health papers is a necessary part of the export process. USDA/APHIS/VS must be encouraged to maintain offices in key export states so timely export shipments can be made.
2. The inconsistency between USDA/APHIS/VS Offices in various states. Export shipments frequently consist of animals originating from different states. Problems arise because each state seems to have a different interpretation of the export process and protocol requirements.
3. Tuberculosis testing procedures. The current procedures for testing TB suspects could jeopardize an entire shipment and few exporters and breeders could survive that happening. Therefore, we feel that research into the OIE-approved Elisa blood testing methods would be extremely beneficial.
4. USDA/APHIS/VS User Fees and Overtime charges. We feel these charges have been increasing at an unreasonable rate. (Please see attached chart).

Memorandum
October 9, 2012
Page Two

The US livestock genetic industry is poised to capture a large share of the world's market, and contribute to the US economy by all the service providers that participate in the export process such as veterinarians, laboratories, feed suppliers, etc. We hope the USAHA and your committee will give consideration to discussing the above points in the Import-Export Committee and during the annual meeting.

Thank you so very much.

Sincerely,

Tony Clayton, President

Livestock Exporters Association

Cc: Mr. Benjamin Richey, United States Animal Health Association

Mr. Mike Phillips, United States Livestock Genetics Exports, Inc.

Livestock Exporters Association Officers & Board Members

Figure 1. LEA Slide of USER FEES

