

**Summary of Testimony
before the
U.S. Senate Committee on Commerce, Science, and Transportation
February 21, 2007**

U.S. beef exports remain at less than half of 2003 levels because the U.S. has opened its borders to a broader range of Canadian products than what our export customers believe is safe.

As a result of Canada's ongoing BSE problem, U.S. cattle prices began falling dramatically within 6-months of the reopening the Canadian border to live cattle under 30 months of age, and U.S. cattle producers began experiencing significant financial losses. The USDA estimated these losses to range from \$49 to \$155 per head during the first 5 months of 2006.

The OTM Rule will worsen this present situation for the following reasons:

A. The proposed OTM Rule does not require Canada to implement the applied practices of other BSE-affected countries that have successfully reduced the incidence of BSE:

1. Canada has a weaker feed ban – it only bans ruminant feed to ruminant animals, not ruminant feed to *all* animals as other BSE-affected countries do.
2. Canada has an inferior BSE testing program – it does not test *all* high-risk cattle nor cattle at slaughter as other BSE-affected countries do.
3. Canada practices the least restrictive SRM removal policies – other countries remove the vertebrae and all other high-risk tissues in much younger cattle.

Given that the U.S. commingles Canadian cattle and beef with U.S. cattle and beef, it is not logical to expect that Canada's weaker feed ban, inferior testing program, and least restrictive SRM policies would help the U.S. to restore lost beef markets and gain new ones.

B. The proposed OTM Rule, like *existing* BSE import policy, does not comply with international scientific standards:

1. The OTM Rule does not comply with the OIE's SRM standards – the OIE recommends that SRMs not be imported for feed or fertilizer. In contradiction to OIE standards, the OTM Rule would allow the SRMs from OTM cattle to be used for non-ruminant animal feed and fertilizer.
2. The OTM Rule does not comply with the OIE's feed ban standards – Canada has so far confirmed BSE in 10 native cattle since 2003, at least 4 of which were born either in 1998, 2000, or 2002, years after the 1997 feed ban. This shows that:

- i. Canada's known BSE prevalence has increased since 2003.
- ii. Canada's 1997 feed ban was not effective in preventing the spread of BSE.
- iii. Canada's system of BSE control measures and "interlocking safeguards" have not succeeded in preventing or eliminating its BSE problem. This shows that USDA's reliance on such systems to protect the U.S. against imported BSE is unwise: they simply do not work well enough to accomplish this goal.
- iv. Canada's BSE prevalence rate of BSE is large enough so that there is close to 100% probability that continuing to import cattle from Canada will result in some BSE-infected cattle being imported.

OIE standards recommend that for countries that do not have an effectively enforced feed ban – one that is reducing the incidence of BSE – the vertebrae and all other SRMs should be removed from cattle over 12 months of age. The OTM Rule does not require this.

In addition, the OIE recommends that cattle not be exported from a BSE-affected country unless the cattle were born 2 years after the feed ban was effectively enforced (for a country like Canada with an undetermined BSE risk) or at least born after the date the feed ban was effectively enforced (for a country unlike Canada with a controlled BSE risk). The OTM Rule does not comply with either recommendation as it allows animals born before the date that multiple BSE cases have been born.

3. The OTM Rule is inconsistent with OIE testing requirements – Based on OIE testing recommendations, Canada needs to test 187,000 consecutively targeted cattle with a BSE risk equal to that in the "Casualty slaughter, age between 4 and 7 years" and be found BSE-free to be confident that the BSE prevalence is not more than 1 in 100,000. However, Canada has only tested 143,528 total cattle in 2004, 2005, 2006, and through Feb. 12, 2007, with 8 positive BSE cases found during this period. Canada must significantly increase its testing.

C. As reflected by the OTM Rule, the U.S. does not have a coherent, comprehensive strategy for resuming beef exports, building new markets, fully protecting animal health, and supporting consumer confidence in the safety of U.S. beef:

Although the Animal Health Protection Act (AHPA) empowers the Secretary to take action to prevent "the introduction into or dissemination within the United States" of animal diseases from other countries, the OTM Rule abandons the congressional mandate to prevent the introduction of BSE and proposes to rely only on measures to mitigate the dissemination of the disease once it enters the U.S.

R-CALF USA urges Congress to consider the adoption of the following 7 principles when developing a BSE prevention strategy:

1. The U.S. should not give additional access to the U.S. market until the U.S. fully regains the share of the global export market it has lost since 2003.
2. The U.S. should not further relax its already lenient import standards until it can be scientifically documented that BSE is no longer circulating in Canadian feed or in OTM Canadian cattle and there is international acceptance for such a conclusion.
3. The U.S. should not allow the importation of OTM cattle or beef, which are known to be of higher risk for transmitting BSE, particularly now that the disease is known to have been circulating in animals born years after the Canadian feed ban.
4. The U.S. should not allow OTM cattle or beef from Canada until both the U.S. and Canada have significantly strengthened their respective feed bans and sufficient time has lapsed to ascertain the effectiveness of any feed ban improvements. Given the known breeches in Canada's feed ban, Canada must significantly ramp-up its BSE testing so that the effectiveness of its feed ban can be more accurately monitored.
5. The U.S. should not allow OTM Canadian cattle or beef into the U.S. until it additionally obtains firm assurances from all U.S. beef export markets and the OIE that the United States' BSE risk profile would not be downgraded to Canada's level if Canadian OTM cattle and beef are allowed into the U.S. market and available for export.
6. The U.S. should not allow OTM Canadian cattle or beef into the U.S. until the U.S. additionally implements country-of-origin labeling to mitigate the financial harm that will inevitably befall U.S. cattle producers and that will likely be more severe than what USDA will predict.
7. The U.S. should not relax its standards on imports from Canada without an evaluation of the health and safety risks and economic impact of OTM beef and without evaluations that combine OTM cattle and beef imports.

Conclusion:

The USDA's proposed OTM Rule is premature. It is inconsistent with the applied mitigation practices in other BSE-affected countries; it is inconsistent with OIE standards; and it does not contribute to any cohesive, comprehensive U.S. strategy to restore lost markets, build new markets, fully protect animal health, and support consumer confidence in the safety of U.S. beef.

R-CALF USA respectfully requests that Congress take steps to cause the immediate withdrawal of the OTM Rule as well as steps to ensure the immediate development of a comprehensive BSE protection strategy and enforcement of the congressional mandate to prevent the introduction of BSE into the United States.