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FSIS Docket Clerk Docket No. 03-025IF Room 102 Cotton Annex 300 12th and C Street, S.W. Washington, DC 20250-3700

RE: Docket No. 03-025IF

This submission is in response to a request for public comment on the interim final rule concerning Prohibition of the Use of Specified Risk Materials for Human Food and Requirements for the Disposition of Non-Ambulatory Disabled Cattle (Federal Register Vol. 69, No. 7, Monday, January 12, 2004, pp. 1862-1874) on behalf of Quincy Street, Inc.

Natural casings, which are derived primarily from the intestines of hogs, sheep, and beef cattle, are used in a wide variety of high quality sausage products that constitute a significant industry in North America and throughout the world. Of the three primary types of natural casing, only beef casings are affected by this interim final rule.

Beef Casings: The three most commonly used types of natural beef casing are beef rounds, beef middles, and beef bung caps. Beef rounds are derived from the small intestine of cattle, beef middles from the large intestine, and beef bung caps from the caecum, which connects the large and small intestines.

Beef rounds are used in a wide assortment of quality sausage products, including numerous varieties of ring bologna, knockwurst, blood sausage, and ring liver sausage, as well as specialty sausages such as mettwurst, kishka, and holsteiner. In addition, the majority of halal sausages are made using beef casings (smaller diameter halal sausages generally are made using lamb casings). Processors can substitute collagen casings for some types of sausage made from natural beef rounds, but this generally results in a lower quality product with a decreased market value.

Beef middles and beef bung caps also are used in a wide range of quality sausage products. Sausages made from beef middles include bologna, dry and semi-dry cervelats, dry and cooked salami, and veal sausage. Sausages made from beef bung caps include veal sausage, large bologna, and cooked salami.

The United States imports most beef-intestines for use as natural casings from South American countries such as Brazil, Argentina, and Uruguay, which currently are not included on the US BSE risk list. Brazil, Argentina, Uruguay, and other South American countries also are classified as BSE free by the European Union, which has elaborate risk analysis programs in effect to determine BSE risk. Prior to the diagnosis of a BSE-infected animal in Canada, the United States also had imported beef casings from Canada. Currently, only limited amounts of beef intestines from animals slaughtered in the United States are saved for use as natural casings. However, there has been a demand for the US product in several countries, primarily in Europe, where the US product is not currently allowed to be imported and the growth potential for this product would be significant if trade restrictions not based on science were to be removed. Greater amounts of beef small intestines are saved for an edible product exported primarily to Asia (Japan and Korea) and Mexico, (as Tripas). This is an important value added product for cattleman and meat packers and these exports are consequently important to our industry overall.

The manufacture of sausages from natural beef casings generates tens of millions of dollars in sales every year for the North American casing industry and employs significant numbers of people. The industry is committed to preserving this valuable market, while at the same time providing the public with the safest product possible.

Therefore, we respectfully submit the following comments on the USDA interim final rule concerning the prohibition of the use of specified risk material from cattle:

A. We recommend amending the rule to require the removal and disposal of only the distal ileum portion of the small intestine of cattle from the US and Canada as minimal risk countries.

The interim final rule classifies only the distal ileum portion of the small intestine of cattle as specified risk material (SRM) to be prohibited from human consumption. Only the distal ileum portion of the small intestine has demonstrated BSE infectivity, and the remaining portions of the small intestine pose no known risk to human health. Despite this, the rule implements a standard operating procedure that requires the removal and disposal of the entire small intestine from cattle of all ages. USDA should amend the rule to require the removal and disposal of only the distal ileum portion of the small intestine and approve a standard operating procedure to certify the effective removal and disposal of the distal ileum, while allowing the remaining portions of the small intestine to be cleaned and processed for human consumption.

FSIS already has approved a standard operating procedure to certify the removal of the distal ileum from the remaining portions of the small intestine for beef casings intended for export. Prior to the diagnosis of a BSE-infected animal in the United States in December 2003, the Government of Japan, which requires the removal of the distal ileum from all beef casings, accepted the importation of beef casings from the United States on the basis of the US government-certified removal of the distal ileum. This model of certification easily could be adapted to certify the removal of the distal ileum from beef casings intended for consumption in the United States.

The distal ileum is not usable as a casing due to its properties, and in fact no part of the distal ileum is saved for use as casings. It is our understanding that slaughterhouses in the

United States and Canada generally have a policy of removing the distal ileum from all cattle at the time of slaughter. The same practice holds true for slaughterhouses in other countries, including Brazil, Argentina, and Uruguay, three major exporters of beef casings to the United States. Brazil, Argentina, and Uruguay all have certified the removal of the distal ileum upon request, using achievable standards.

Due to the fact that both the US government and the meat industry have at least one acceptable standard operating procedure to certify the removal of the distal ileum from the remaining portions of the small intestine, we see no need to require the removal and disposal of the entire small intestine. We note that the law in Canada identifies only the distal ileum as SRM, but also as a practice requires removal of the entire small intestine, using a rationale similar to the US. Insofar as USDA wishes to implement rules consistent with those adopted by Canada, which also requires the removal of the entire small intestine of cattle in order to eliminate the SRM in the distal ileum, we believe that science based changes to the US rule with achievable requirements, set in coordination and cooperation with CFIA will lead to similar changes in the Canadian rule.

Therefore, we recommend that 9 CFR 310.22(a)(3) be amended to read: "The distal ileum of all cattle of US origin and origin of minimal risk countries, and shall dispose of it in accordance with §§ 314.1 or 314.3 of this subchapter."

To ensure effective removal of the distal ileum, FSIS should develop a standard in consultation with the meat packing industry in the US and with CFIA, which we believe can be done quickly.

B. We further recommend amending the rule to remove restrictions on beef casings from countries not included on the US BSE risk list. (Provisionally free and BSE free under OIE guidelines)

The interim final rule classifies the distal ileum portion of the small intestine of all cattle as SRM and requires the removal of the entire small intestine from cattle of all ages without regard to the BSE risk classification of the country-of-origin. In contrast to the interim final rule published by FSIS, APHIS regulations concerning the importation of beef casings do distinguish between exporting countries according to their BSE risk classification. To be fully consistent with current import regulations, as well as international standards adopted by the OIE, the interim final rule should be amended to remove restrictions on beef casings imported from countries not included on the US BSE risk list.

Current US import regulations prohibit the importation of all beef casings, except for stomachs, from all cattle originating from or processed in countries where BSE is known to exist and countries that pose an "undue risk" of BSE due to insufficiently restrictive import requirements or inadequate surveillance of the bovine population. APHIS recently has proposed a third "minimal risk" category for countries such as Canada (where BSE has been diagnosed) that have in place sufficiently effective control mechanisms. There are no import restrictions on beef casings from other countries not included in any of the US BSE risk categories, including major exporters of beef casings to the United States, such as Brazil, Argentina, Uruguay and Australia.

Chapter 2.3.13 of the Terrestrial Animal Health Code of 2003 published by the OIE also recommends distinguishing between beef casings on the basis of the BSE risk classification of the country-of-origin. The OIE defines five risk categories (listed in decreasing order of risk): high risk, moderate risk, minimal risk, BSE provisionally free and BSE free. In Article 2.3.13.19, the OIE recommends banning the use of the entire intestine from cattle originating from high risk countries, banning the use of the distal ileum portion of the small intestine from cattle originating from moderate risk countries, and not restricting the use of any portion of the intestine from cattle originating from minimal risk, BSE provisionally free and BSE free countries. In the case of BSE provisionally free and BSE free countries, the OIE recommendations do not require the removal of any SRM from cattle intended for human consumption.

In its current form, the interim final rule conflicts both with the standard recommended by the OIE and the import regulations for beef casings currently imposed by the United States. While APHIS regulations technically allow for the importation of the entire intestine of cattle from countries not on the US BSE risk list, the FSIS rule prohibits the use of the entire small intestine of all cattle, without regard to the BSE risk classification of the country-of-origin. This regulatory disconnect has been confusing for casing importers and sausage makers alike.

In addition, the FSIS rule requiring the removal the entire small intestine of all cattle has prevented the importation of the entire intestine of cattle from countries where no BSE exists that cannot certify the removal of the small intestine. Thus the rule not only has eliminated the US supply of beef rounds, which are derived from the small intestine, but in some cases has eliminated the supply of imported beef middles and beef bung caps as well, although these latter types of casing are not derived from the small intestine.

Therefore, we further recommend that 9 CFR 310.22(a)(3) be amended to read: "The distal ileum of all cattle originating in the United States or from minimal risk BSE regions". This proposal, which covers minimal risk regions, already is more stringent than current OIE guidelines, and is adequate to ensure protection of the US food supply.

We note that beef intestines and casings are not allowed to be imported from countries now on the US BSE Risk list in 9 CFR 96.18 (a). This current regulation provides the necessary protection from product the origin of high risk countries.

However, major exporting countries not now included in the US BSE risk categories which have met appropriate criteria should not be required to remove SRM. To require the same treatment for these countries as is required for countries which have a recorded case or cases of BSE is not appropriate under international trade rules.

We also note, however, that the casing industry does not consider the distal ileum to be edible, and to our knowledge, no portion of the distal ileum is ever saved for human consumption. The industry already has adopted the practice of removing and disposing of the distal ileum from all cattle at the time of slaughter. Should USDA decide to impose a uniform rule requiring the removal of the distal ileum from all cattle, regardless of the BSE risk classification of the country-of-origin, countries should be able to comply. In particular, major exporters of beef casings to the United States, such as Brazil, Argentina, and Uruguay, already have been able to certify the removal of the distal ileum upon request, and Australia has a regulation which requires the removal of

the distal ileum from countries with a low incidence of BSE. It is clear that the concept of the removal of the distal ileum is not new and that standards for its removal could be quickly approved.

We respectfully request that USDA consider these amendments to the final interim rule. We believe that these proposed changes will allow the North American casing and sausage industry to continue to provide a valuable product to the public, while ensuring the highest level of safety for the food supply in the United States.

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