FSIS Docket Clerk Docket No. 03-025IF Room 102 Cotton Annex 300 12th and C Street, S.W. Washington, DC 20250-3700 May 3, 2004

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Dear Sirs,

RE: Docket No. 03-025IF

DeWied International, Inc. sells natural beef round casings to a wide range of small to medium producers of high quality sausage. The value of the produced sausages is approximately \$32,000,000 dollars per annum. As such, we are greatly concerned over the interim final rule regarding the **Prohibition of** the Use of Specified Risk Materials for Human Food and Requirements for the Disposition of Non-Ambulatory Disabled Cattle. This rule has a devastating impact on our customers. The reality is that no natural substitute for beef rounds exists, and without a viable substitute our customers are left without any recourse. Therefore, it is of paramount importance that the industry be given access to their regular supply of beef rounds or many businesses will suffer greatly.

As with all members of our industry we are of course concerned that the products being sold pose minimal risk to the health of the consumers. However, the rule as proposed goes beyond what is necessary to insure the safety of the consumer. The rule does not follow the science nor does it comply with international trade agreements. The following are the parts of the ruling that need to be amended so that we can continue to supply our customers healthy products and be in line with the science and trade agreements.

For cattle originating in the United States or any country classified as BSE "minimal risk" under proposed APHIS guidelines, the rule should require the removal and disposal of only the distal ileum portion of the small intestine from cattle. The remaining portions of the small intestine of cattle should be allowed for human consumption.

The interim final rule published by FSIS classifies the distal ileum of all cattle as specified risk material (SRM) to be prohibited from human consumption. Although FSIS classifies only the distal ileum of cattle as SRM, the rule requires the removal and disposal of the entire small intestine from all cattle. Only the distal ileum portion of the beef small intestine poses any potential risk from BSE. The remaining portions of the small intestine pose no known risk to human health. FSIS acknowledged the safety of the remaining portions of the beef small intestine when it chose to classify only the distal ileum of cattle as SRM.

The casing industry does not use the distal ileum of cattle as a casing. It is the generally accepted practice of slaughterhouses in the United States and Canada to remove the distal ileum from all cattle at the time of slaughter. Slaughterhouses in other countries that are major exporters of beef casings to the US market, including Brazil, Argentina, and Uruguay, also generally have adopted the practice of removing the distal ileum from all cattle at the time of slaughter. The remaining portions of the small intestine, however, constitute a valuable product for the natural casing industry.

Therefore, FSIS should amend its rule to require the removal of only the distal ileum portion of the beef small intestine from cattle originating in the United States or countries classified as BSE minimal risk under proposed APHIS guidelines, such as Canada. Furthermore, FSIS should move quickly to adopt a standard to certify the removal of the distal ileum from cattle that will allow the remaining portions of the small intestine to be saved and used for human consumption.

For cattle originating in countries classified as BSE free under US guidelines, the rule should not require the removal of any specified risk material from cattle, including the distal ileum. The current FSIS rule unfairly restricts trade and is not consistent with international standards for BSE risk management.

The interim final rule published by FSIS classifies the distal ileum of all cattle as SRM to be prohibited from human consumption regardless of the country-of-origin of the cattle in question. Under international standards for BSE risk management, exemplified by the guidelines adopted by the OIE, countries should receive differential treatment based on their BSE risk classification. A country classified as BSE free under US guidelines should not face the same regulatory prohibitions as a country with a diagnosed case of BSE in its bovine population. In fact, the majority of beef casings imported into the United States originate primarily from countries currently classified as BSE free, including Brazil, Argentina, Uruguay, and Australia.

In its current form, the FSIS rule erects irrational barriers to trade, contradicts internationally accepted standards regarding BSE risk management, and imposes significant economic harm to the domestic beef industry, in particular members of the natural casing industry such as ourselves and also to our customers. In addition, the FSIS rule requiring the removal the small intestine

of all cattle has prevented the importation of the entire intestine of cattle from countries that cannot certify the removal of the small intestine. As a result, the rule not only has eliminated the supply of beef small intestines for the US casing industry, in many cases it has eliminated the supply of other portions of the beef intestine as well. This has had a highly adverse economic impact on our industry and has created a great deal of confusion for the domestic industry and for foreign suppliers as well.

Therefore, DeWied International, Inc., as a company involved in the beef industry, feels that FSIS should amend its rulings to remove restrictions on beef casings as detailed above. Science does not require such restrictions, and rules of international trade prohibit them.

Regards,

Howard deWied

President

DeWied International, Inc.

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