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April 30, 2004

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

Re: Docket No. 03-025IF

Our company business is trading Natural Casing for sausage. We also are involved in the trading of edible by-products. If FSIS decides to implement the current rule as final the impact on our business will be devastating. Beef casing represents \$1,040,871.00 in wholesale sales for our company in 2003. An associate of ours sells approximately 45,000 pounds weekly beef small intestine from North America to Mexico, Japan and Korea equaling an additional USD 630,000.00 in sales. Implementation of banning beef small intestine will not only hurt our business but Slaughterhouses, Distributor and the Sausage markets.

For cattle originating in the United States or any country classified as BSE minimal risk under the proposed APHIS guideline, the rule should require the removal and disposal of only the distal ileum portion of the small intestine of Cattle. The remaining portion 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. 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 beef small intestine poses any potential risk from BSE. The remaining portion of the small intestine pose no know risk to human health. FSIS acknowledge 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 due to its inedible properties. 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 casing 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 valuable products 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 of 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.

We urge the FSIS to adopt the OIE guidelines; 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. In addition, the FSIS rule requiring the removal of 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 intestine 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, FSIS should amend its rule to remove restrictions on beef casing imported into the United States from countries not included on the US BSE risk list. Countries classified, as BSE free by the US Government should not face any restrictions relating to SRM in cattle. Science does not require such restrictions, and rules of international trade prohibit them.

Sincerely,

A handwritten signature in black ink, appearing to read "Barbara K. Negrón", with a long horizontal line extending to the right.

Barbara K. Negrón

President