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May 8, 2013

Mr. Douglas Bell
Chairman, Trade Policy Staff Committee
Office of the US Trade Representative
Executive Office of the President
600 17th Street NW
Washington, DC 20508

RE: Transatlantic Trade and Investment Partnership / Docket Number USTR-2013-0019

Dear Mr. Bell:

The LGI group of companies manufactures food, feed and biologics from primarily animal sourced raw materials. We are writing this letter in response to the notice of public comments request to express the difficulties in establishing and maintaining trade with the European Union (EU).

We appreciate and respect the rights of each country to establish safety requirements for imports; however, we fully expect that their requirements are based on sound science. We believe that is not the case with many of the requirements of the EU. Furthermore, we find that many of these requirements are overly burdensome, written to discourage exporters from attempting to work through the laborious effort to establish and maintain trade with the EU.

The international cost of feeds, especially those used as a source of protein has dramatically increased over the past decade. Livestock products provide 34 percent of the protein and 16 percent of the energy consumed in human diets. The global demand for meat products has been projected to increase by 58 percent from 1995 to 2020. Demand for plant protein sources such as soybeans increased over 50 percent between 1985 and 2000. As a result, export opportunities with countries in which the populace is consuming greater amounts of animal proteins have increased dramatically.

These events have increased the demand for conservation of protein by utilizing evermore of the 40 percent of animal weight historically being discarded at the time of slaughter.

Thanks to the efforts of many government agencies and organizations such as the World Organisation for Animal Health; there are defined requirements for the assurance of safety for trade of animal products. Unfortunately the EU still continues to impose trade barriers which are either unscientifically based or overly burdensome. The EU's restrictions on residuals would require the United States Department of Agriculture to have the entire history of each animal being certified as eligible for export with regard to all potential EU listed illegal agents used and the history of the feeds which the animal consumed. In order to obtain the goal for unrestricted trade of animal products produced according to internationally recognized safe processes, the trading partners must establish consistent and harmonized certification processes. The certification cannot contain un-certifiable or overly complicated requirements which are either cost prohibitive or lack the ability of exporting officials to certify. The history of exports of animal by products to the EU has been one of ill-defined, unscientific and often abruptly changing requirements. For example:

The EU's Category 1 includes beef products originating from animals treated with growth hormones (e.g. ractopamine, anabolic steroids), approved and declared safe by the United States Food and Drug Administration, many other countries, and the World Trade Organization. This category is the same category that includes the brains from clinical BSE animals.

In addition, DG SANCO has attempted to ignore this contradiction by allowing imports of several animal by-products under poorly defined exceptions. These poorly defined exceptions create further contradictions within the EU regulations that pose a threat of immediate and damaging interruption of trade due to the potential enforcement of the more formal published regulations. This risk affects both the exporter and the EU importer, who is expecting a reliable supply chain to grow and meet their customer's expectations. Past interruptions due to either changes in regulations or the interpretation of the regulations have resulted in several incidents of vast shortages of product. One such incident involved interruption of shipments of critical culture media used in life saving testing protocols and drugs. When the months long delays were finally resolved, it required multiple large and costly air freight shipments in order for the European customer to fill back orders and minimize their loss of business due to shortages.

We have knowledge of several other U.S. companies who trade with the EU who have had similar experiences.

Clearly if the U.S. and the EU both base their requirements on internationally recognized science and safety practices, these requirements should be consistent and universal. Those requirements which differ should be easily resolved by the equivalency process. The required documentation and certifications should also be common and should not involve constraints which are unable to be certified, do not relate to appropriate safety practices or discourage trade.

We look forward to continued working relationships with our domestic and foreign government partners.

Sincerely,

Douglas L. Hard, PhD.
Regulatory Affairs Manager

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