

**MINUTES OF THE 356th COMMISSION MEETING
TEXAS ANIMAL HEALTH COMMISSION
August 16, 2005**

The Texas Animal Health Commission Meeting was called to order by Chairman Richard Traylor at 8:35 a.m. in the Texas Animal Health Commission conference room in Austin, Texas.

Commissioner Rangel was not present.

Item 1 - Welcome and call to order by Chairman Traylor

Item 2 - Approval of Minutes

A motion to approve the minutes of the 355th Commission Meeting held on May 18, 2005 was made by Commissioner Davenport and seconded by Commissioner Baca. The motion carried unanimously.

Item 3 – Report of the Executive Director and Approval of Actions for the period 5/18/05 through 08/15/05.

Dr. Hillman presented a report of significant activities and issues that occurred from May 18, 2005 through August 15, 2005.

Significant activities discussed:

- Animal Identification Issues
 - (a) Selection of product and service providers for the Texas Animal Identification Implementation Project
 - (b) Identification of livestock market, order buyer, feedlot and dairy participants. Initiation of facility set up. Initiation of tag distribution. 2600 Premises identified
 - (c) Numerous animal identification presentations at meetings with livestock industry groups across the state.
 - (d) Participation in meetings with industry leadership in discussions of NAIS implementation.
 - (e) Assignment of Premises Identification numbers to livestock facilities.
 - (f) Collaboration with other states to identify our roles and responsibilities in these projects. (California, Florida and Kansas with interstate movement and tracking portions of their project)
 - (g) Continued implementation of the State Premises Identification System in Texas, providing feedback to USDA on challenges with the system.
 - (h) Participate in meeting of the Secretary's Advisory Subcommittee on the NAIS.
 - (i) USDA published a Draft Strategic Plan and a Draft Program Standards for review and comment. The comment period closed. The issue of data management still has not been resolved.
 - (j) TAHC applied for and received a 2006 cooperative agreement with USDA to continue implementation of NAIS in Texas. The funding level for Texas is 1.2 million. The funds will be utilized for premises registration, outreach and education, and infrastructure development. The agreement will be effective for 12 months from date of signature.
- Fever Ticks

July 2005 – 108 premises quarantined as tick infested. Seventy five (75) of these are in the Tick Eradication Quarantine Area and thirty-three (33) are in the Free Area. Twelve (12) premises were released and five (5) were added to quarantine in July. Three hundred sixteen (316) premises are under an adjacent and/or check quarantine. One hundred thirty-nine (139) are in the Tick Eradication Quarantine Area and one hundred seventy-seven (177) are in the Free Area. Nineteen (19) premises were released and forty-six (46) were added during July.

TAHC and USDA have stepped up activities to help regain control of fever ticks. TAHC has detailed additional staff to work in the tick area to support the USDA Tick Force and USDA has hired additional temporary personnel. TAHC has also procured additional coumaphos for use in the tick program. The Executive Director and other TAHC staff have participated in meetings and events to discuss the fever tick situation. These include meeting with the Administrator of APHIS, the BiNational Tick Committee meeting in Mexico, TSCRA and TFB meetings as well as two meetings in South Texas. Additional meetings are scheduled in South Texas.

- Tuberculosis
Testing of beef purebred and seedstock beef herds is continuing. Sufficient funds should be available to complete this effort. Dr. Ellis provided additional information in his Animal Health Activities report.
- BSE
In June, USDA conducted additional testing on BSE test samples previously determined to be inconclusive. There were three samples – one was the sample collected in Texas during November. Test results from subsequent testing of tissues from this animal were determined by NVSL and Weybridge, England to be positive for BSE. USDA announced the results of testing on June 24, 2005. This animal was subsequently confirmed to be an animal from a Texas herd. TAHC and USDA – Texas established a BSE Incident Command Center and conducted response efforts from the TAHC Commission Room. USDA announced 20,000 normal, aged cattle will be tested for BSE over the next 60 days. Animals to be tested will be selected from aged cattle presented for slaughter at federally inspected slaughter establishments. This surveillance will be conducted while the intense targeted surveillance of downers and deads continues. Over 432,000 cattle have been tested as part of the enhanced BSE surveillance effort. USDA has opened the border to importation of Canadian live cattle under thirty months of age for immediate slaughter or feeding for slaughter (before 30 months of age), and sheep and goats under 12 months of age for immediate slaughter or for feeding for slaughter (before 13 months of age). Mexico has also relaxed some of its restrictions on importation of certain breeding cattle.
- Brucellosis
A new brucellosis infected herd has been identified in Texas. The herd is located in Area 2. Dr. Ellis will provide additional details about this case in his report. It is critically important that we do everything possible to identify remaining brucellosis infection in Texas and complete the brucellosis eradication program.
- Rulemaking and Fees
A number of proposed rules and final rules will be presented by Mr. Gene Snelson for consideration of the Commission. One of those rules for consideration was adoption of the rules establishing fees on certificates of veterinary inspection in accordance with HB 1363. The proposed fee is \$5.00 per health certificate. The other fee bill that passed legislation was HB 1361 which authorizes a fee for registration of premises for implementation of the animal identification system in Texas that is consistent with the National Animal Identification System (NAIS). A fee working group including members from the major livestock industry groups in the state was created to develop recommendations for implementation of this program. Recommendations included:
 - (1) Proposing a Premise Registration Fee of \$10.00 per year on each premises registered, on a biennial basis (i.e. \$20.00 each biennium)
 - (2) Proposing April 1, 2006 as the effective date of the rule
 - (3) Proposing that registration of premises and payment of premises registration fee be mandatory, beginning September 1, 2006

- (4) Premises ID Numbers for premises registered on or before March 31, 2006 will be valid through March 31, 2008, at which date these numbers expire. These expired Premises ID Numbers must be renewed on April 1, 2008 and every two years thereafter, and the premises fee will be assessed on the renewal.
- (5) Premises ID Numbers registered on or after April 1, 2006 must be renewed every two years on the registration anniversary date.
- (6) Enforcement of the rules:
 - Failure to register a premise and pay the premise registration fee shall be a violation of the rules. Violation is a class C misdemeanor
 - Those entities found to be in violation between September 1, 2006 and March 31, 2007 will be issued a written warning and provided with premises registration materials
 - Those entities found to be in violation after April 1, 2007 will be charged with a violation for failure to fulfill the requirements of the rule.

The Executive Director requested the Commissioners' concurrence to proceed with the development of rules consistent with recommendations. Concurrence was given to proceed with the development of rules consistent with recommendations for presentation at the December Commission meeting.

- Budget Issues 2006/2007
Article 9 of the Appropriations Bill provides for increases due to the rising cost of doing business and includes the following:
 - (1) Increase in mileage reimbursement rate to 0.405 per mile
 - (2) Increase in per diem rate
 - (3) Longevity pay increased to \$20.00 for each 2 years of employment
 While these are necessary increases, funds were not appropriated to cover the costs.
- Sunset Review - TAHC is scheduled for sunset review during the next legislative session. The review process has begun. TAHC must submit its initial report to the Sunset Commission by Friday. We will work with Sunset Commission staff as needed to complete the process. It is expected that the review process will take significant effort and staff time in the coming months, but will also provide an opportunity to recommend improvement of the agency.
- Waivers – Since the May 18, 2005 Commission Meeting, TAHC has approved one (1) request for waiver. This was a request to extend the validity of the brucellosis test on a group of elk by no more than five days for importation of elk into Texas. The owner had experienced difficulty in obtaining sufficient transportation prior to expiration of the brucellosis test.
- Planned Activities:
 - (a) Continued implementation of NAIS Project
 - (b) Develop animal id program and premises id fee rules
 - (c) NAIS Info/Expo
 - (d) South West Veterinary Conference
 - (e) AABP Meeting
 - (f) Participate in meetings of stakeholder organizations
 - (g) Animal Identification meetings
 - (h) Fever tick program activities
 - (i) USAHA Annual Meeting

Dr. Hillman also provided a written report of his out-of-office meetings and trips from May 18, 2005 through August 15, 2005.

A motion to approve the actions of the Executive Director for the period from 5/18/2005 through 8/15/05 was made by Commissioner Dyess and seconded by Commissioner Locke. The motion carried unanimously.

Item 4 – Presentation of Animal Disease Report

Dr. Coats provided a verbal and written presentation on animal disease activities.

Animal Disease updates included:

- Cattle Brucellosis - No quarantined cattle herds as of July 31, 2005. One herd quarantined on August 12, 2005.
- Japanese Cattle – 83 left – (73 head in Area 4 and 10 head in Area 7)
- Indemnity – FY 2005 – Federal \$7,000.00; State \$2,600.00; TOTAL: \$9,600.00 (BSE tested cows not included in these totals)
- Ticks – 108 premises under an infested quarantine; 316 adjacent or check premises – Significant increase over last year.
- Tuberculosis – No herds are currently quarantined for Tuberculosis
- EIA – Calendar Year 2004 – 259,582 tests - .03% of infection; Calendar Year 2005 – 157,313 tests - .02% of infection
- Swine – Currently there are no swine herds under quarantine for Pseudorabies or Brucellosis; Swine First Point Testing – October 1998 through July 2005 – total tests conducted 50,048.
- Scrapie – No flocks have been disclosed in 2005
- CWD – State whole herd monitoring program continuing – 461 total herds enrolled; 116 herds with certified status. New rules adopted by TPWL went into effect June 21, 2005. Texas now has over 9400 CWD samples_– all negative. The National CWD rule has still not been released.
- Johne's Program – There are 67 herds currently enrolled in the program. There are 208 Johne's Certified Veterinarians. For the FY2005 cooperative agreement funds (approximately \$198,000) have been secured.
- Poultry – Increased registration in Fowl Registration Program – 603 registrations; the following countries have imposed bans specific to Texas origin poultry/poultry products as a result of Avian Influenza outbreaks in the U.S. – Columbia, Egypt, French Polynesia, Indonesia, Kazakhstan, Mexico, Peru, Taiwan. There is considerable interest in Avian Influenza on a state and national level. Development of a Zoonotic Influenza Response Plan.

Item 5 – Administration/Budget Status Report

Mike Jensen presented the TAHC – Method of Financing – Fiscal Year 2005 report as of July 31, 2005. He also presented by Budget Category and Department summaries of the cumulative expenditures and the balances as of 7/31/2005. As of July 31, 2005, 73.63% of the budget had been spent.

Mike Jensen advised the Commissioners that Texas Animal Health Commission will be participating in the Sunset Review Process during this biennium. A Self-Evaluation report has been prepared and each Commissioner will be given a copy of this report.

The Governor has initiated an Anti-Fraud initiative. To be in compliance with this initiative, TAHC has DRAFTED an Anti-Fraud Policy. In October the agency will participate in a web survey conducted by SORM to report what we have accomplished toward this initiative.

A pay increase for veterinarians was outlined in the Appropriations Bill. A recommendation has been submitted to the Executive Director for allocation of this increase. There is also a mileage increase to 40.5 cents per mile. The agency did not get additional appropriations for this increased expense nor for the increase in employee longevity pay.

There is a line item in our Appropriations Bill to increase the Executive Director's Salary to \$95,000 per year. This is an action item for the Commissioners approval. We are asking the Commissioners to approve the Executive Director's salary increase to \$95,000 per year effective September 1, 2005.

The increase in the cost of certificates of veterinary inspection is directly related to the 5% reduction in our Agency's Appropriations. The LBB reduced the agency's appropriations by approximately \$416,000. The increased fee on the certificates of veterinary inspection is the only short-term vehicle available to recover these funds.

Commissioner Locke moved and Commissioners Martinez and Simmons seconded the motion to approve adjustments to the Fiscal Year 2005 Operating Budget and the FY2006 increase in the Executive Director's salary as presented and discussed today. The motion carried unanimously.

Item 6 – Report from the Audit Subcommittee

Commissioner Windham gave a summary of the Audit Subcommittee Meeting held from 8:05 am until 8:30 a.m. August 16, 2005.

Three (3) Audit Items were discussed at the Audit Subcommittee Meeting:

(1) Follow- Up Audit on Area 6 – Lampasas by Monday Rufus

Results: Actions taken by the Commission have partially satisfied the intent of the internal audit with respect to data review and reconciliation to source documents. As part of management's planned corrective action, the field office clerk's job functions will include inputting and reconciling inspector and veterinarian reports.

(2) State Auditor's Office Audit Review

The overall conclusion indicates the Texas Animal Health Commission has in place established systems and processes used for the surveillance of livestock and for the prevention, eradication, and control of livestock diseases. Audit testing verified that the Agency has in place processes to test livestock for diseases, monitor the movement of livestock, and take action on diseased livestock. However, the Agency can improve its documentation of these activities, the accuracy of documentation in related databases, and its compliance with documentation rules and regulations. The Agency is accurately managing, monitoring, and reporting its financial resources.

(3) Selection of an Internal Auditor

The Audit Subcommittee approved the selection of Monday N. Rufus, P.C. Certified Public Accountants & Consultants for internal auditing services by Texas Animal Health Commission.

Commissioner Dyess moved and Commissioner Simmons seconded the motion to approve the report made by the Audit Subcommittee as discussed today. The motion carried unanimously.

Chairman Traylor noted that Commissioner Rangel's term will expire in September. Because exact appointment dates are not known, he asked that Commissioner Windham be Vice-Chairman of the Audit Subcommittee and Commissioner Simmons become a member of this subcommittee.

Item 7 – Legislative Report – Bill Powers presented a legislative update on three separate bills HB 1361, 1362, and 1363 which were signed by the Governor.

HB 1361 - Allows TAHC to set the Premise registration fee (these funds will go to the General Revenue). It also allows TAHC to decide when the animal identification program will become mandatory. HB 1363 - Allows TAHC to set Health Certificate (Certificates of Veterinary Inspection) fees. HB 1362 - Gave Dr. Hillman and the Commissioners the ability to better manage the work activities of the Inspectors at livestock markets.

A special appropriations amount of \$180,000 each year of the biennium was given to our Agency for an increase in veterinarians' salaries.

Item 8 – Consideration of and Possible Action on Agency Contracts and Purchases.

Contracts, purchases, leases greater than \$5,000 but less than \$10,000 for the period May 1, 2005 through July 31, 2005

- Centrifuges – Large 24 tube capacity - \$7,788.48
- Mail Delivery – Small Parcel Ground Delivery- Not to Exceed - \$10,000
- Mail Delivery – Overnight and Second Day Delivery Service – NTE - \$10,000
- Rental Renewal for Executive photocopier - \$6,732 annually
- New photocopier rental or lease for Beeville Area Office – NTE- \$6,500 annually
- New photocopier rental or lease for Program Records – NTE - \$8,500 annually
- New photocopier rental or lease for Financial Services – NTE - \$7,500 annually

Contracts, purchases, leases \$10,000 or greater for the period May 1, 2005 through July 31, 2005

- Co-Ral Insecticide (Flowable Formula) - \$36,500
- Area Office Lease Renewal – Amarillo - \$13,620 Annually
- Area Office Lease Renewal – Hallettsville - \$16,200 Annually
- EIA Testing - \$38,000 – Bi-annual with TVMDL
- Telecommunications Network Services - \$90,000 Annually
- Certificate of Veterinary Inspection books - \$30,076.20
- Internal Audit Services – NTE \$35,000 Annually
- John Bean Spray Rig – 1 – NTE \$12,500
- Printing of forms and documents – TXDOT Print Shop – NTE \$25,000
- Risk Management – SORM - \$42,671.15
- Vehicle Liability Coverage for 18 vehicles – Expected to exceed \$10,000
- Mail Delivery – Overnight and Second Day Delivery Service – Austin Lab – NTE \$100,000
- If funds available at year end – agency vehicle – NTE \$25,000

Commissioner Edmiston moved and Commissioner Simmons seconded the motion to approve the contracts and purchases request for the period from May 1, 2005 through July 31, 2005. The motion carried unanimously.

Item 9 – Animal Health Activities Update

Dr. Dee Ellis presented updated information regarding Animal Health Activities.

- **Brucellosis** – New Herd in Area 2- Hardin County; Previous herd in Area 7 has been released.
- **Tuberculosis**
(1) Mandatory TB testing. Over 1300 Purebred Beef/Seedstock herds tested. We need a

minimum of 2100 herds to achieve statistical validity. Thus far, no infection has been detected. A TB Surveillance Testing Summary Report was provided in the notebooks. December 31, 2005 is the testing deadline.

(2) Mexican TB Reviews – Three reviews completed – Chihuahua, Tamaulipas & Coahuila; Nine (9) more reviews scheduled in the fall – October – November 2005. TAHC veterinarians are participating when possible.

(3) Entry Regulation Change for dairy cattle (update) March 28, 2005 is the effective date. There has been good compliance. Permitted calves under 6 months of age. Slaughter only sales are not allowed.

(4) Mexican Issues - Mexican Event Inspection – A summary report was provided showing the number of event inspections by TAHC Inspectors. As of Monday, August 15, 2005, importation of Mexican spayed heifers has resumed between Mexico and the United States.

• **Emergency Programs Update** :

- (1) Homeland Security Funding – Waiting to see if we will receive funding for equipment. TAHC will be working with DSHS, TPWL & other agencies on a Syndromic surveillance initiative.
- (2) Emergency Evacuation Holding Facility Database – 225+ facilities
- (3) BSE Response – Used NIMS system and established an ICP in Central Office
- (4) NIMS – 98% completion by all agency personnel – CD based training
- (5) Participation in five (5) state weapons-of-mass-destruction (WMD) exercises
- (6) Hurricane Emily – TAHC personnel responded at the SOC and in the field
- (7) Need for an Emergency Management/Homeland Security veterinarian to be paid from Homeland Security funds.
- (8) Development of a new Annex O (Agriculture) to State EM Plan

Item 10 – Petition to change the rules regarding Entry Requirements for Equine

Dr. Dee Ellis presented a request to change the entry requirements for equine entering Texas. A rule was provided for consideration to allow exceptions from the requirement of a certificate of veterinary inspection for equine entering Texas when consigned directly to a veterinary hospital or clinic for treatment or for usual veterinary procedures when accompanied by a permit number issued by the Texas Animal Health Commission. Following release by the veterinarian, equidae must be returned immediately to the state of origin by the most direct route.

Commissioner Windham moved and Commissioners Simmons and Dyess seconded a motion to approve the petition to change the rules regarding entry requirements for equine as discussed today. The motion carried unanimously.

Item 11 – Chronic Wasting Disease Advisory Group recommendations regarding identification and monitoring requirements for Elk

Dr. Ken Waldrup provided a report and a brief presentation from the Elk Working Group addressing the identification and monitoring requirements for Elk. This report outlined recommendations in the following areas:

- (1) The monitoring system
- (2) Necessary information for the data base
- (3) Clarification on “haulers”
- (4) Reporting of Transactions
- (5) Requirements for intrastate movement
- (6) Registration fee
- (7) Surveillance (testing) for elk

Charley Seale with The Exotic Wildlife Association spoke to the Commission to support the recommendations. He asked that the Commission not consider as a violation the lack of a premise ID for those not moving their elk (non-commercial). He also asked consideration in reducing the 20 year requirement on record keeping. Commissioner Windham requested that TAHC staff address these two issues.

Commissioner Wood moved and Commissioner Real seconded the motion to approve the Chronic Wasting Disease recommendations regarding identification and monitoring requirements for Elk as discussed today. The motion carried unanimously.

Item 12– Consideration of and Possible Action on Regulation Proposals Regarding:

(a) Chapter 43, Tuberculosis (related to cattle & bison)

Ross Wilson with Texas Cattle Feeders Association requested a sixty day comment period rather than a 30 day comment period.

Commissioner Dyess moved and Commissioner Edmiston seconded the motion to PROPOSE the amendments to Chapter 43, Tuberculosis, located in Volume 4 of the Texas Administrative Code, as discussed today. It was further moved that notice of the proposed amendments be published in the *Texas Register* with a sixty day comment period. The motion carried unanimously.

(b) Chapter 51, Entry Requirements (related to equine)

Commissioner Windham moved and Commissioners Simmons and Dyess seconded the motion to PROPOSE the amendments to Chapter 51, Entry Requirements, located in Volume 4 of the Texas Administrative Code, as discussed today. It was further moved that notice of the proposed amendments be published in the *Texas Register* with a thirty day comment period. The motion carried unanimously.

(c) Chapter 40, CWD (related to elk)

Commissioner Wood moved and Commissioner Simmons seconded the motion to PROPOSE the amendments to Chapter 40, CWD, located in Volume 4 of the Texas Administrative Code, as discussed today. It was further moved that notice of the proposed amendments be published in the *Texas Register* with a thirty day comment period. The motion carried unanimously.

Item 13 – Consideration of and Possible Action on Regulation Adoptions regarding:

(a) Chapter 41, Fever Ticks

Commissioner Davenport moved and Commissioner Martinez seconded the motion to ADOPT the amendments to Chapter 41, Fever Ticks, located in Volume 4 of the Texas Administrative Code, as discussed today. The motion carried unanimously.

(b) Chapter 51, Entry Requirements

Commissioner Dyess moved and Commissioner Baca seconded the motion to ADOPT the amendments to Chapter 51, Entry Requirements, located in Volume 4 of the Texas Administrative Code, as discussed today. The motion carried unanimously.

(c) Chapter 59, General Practices and Procedures

Chris Copeland representing the Texas Veterinary Medical Association spoke to the Commission requesting a credit or refund on documents (CVIs) that were unused. This request will be given consideration by the agency.

Commissioner Davenport moved and Commissioner Locke seconded the motion to ADOPT the amendments to Chapter 59, General Practices and Procedures, located in Volume 4 of the Texas Administrative Code, as discussed today. The motion carried unanimously.

Item 14 – Recognition of Public Comment

There were no additional public comments at this time.

Item 15 – Set Dates for the 357th and 358th Meetings

357th Meeting – December 6, 2005

358th Meeting – February 16, 2006

Item 16 – Adjourn

The meeting adjourned at 11:50 a.m.