

**MINUTES OF THE 379th COMMISSION MEETING
TEXAS ANIMAL HEALTH COMMISSION
May 24, 2011**

The Texas Animal Health Commission Meeting was called to order by Chairman Ernie Morales at 8:30 a.m. in the Texas Animal Health Commission conference room.

Item 1 - Welcome and call to order by Chairman Morales

Commissioners Ken Jordan and Dr. Michael Vickers were not present.

Item 2 - Approval of Minutes

A motion to approve the minutes of the 378th Commission Meeting held on February 22, 2011, was made by Commissioner Chuck Real and seconded by Commissioner Coleman Locke. The motion carried.

Item 3 – Report of the Executive Director and Approval of Actions for the Period 2/22/2011 through 5/24/2011

A report describing out-of-office meetings and trips from February 22, 2011 through May 24, 2011, was provided in the Commission notebooks and was not included in the verbal presentation.

Dr. Dee Ellis, Executive Director of TAHC, discussed the following issues in his report:

Agency Budget Situation

- TAHC detailed budget discussion was addressed under Agenda Item 4.
- Difference between TAHC and other state agencies' budgets is that they were given specific cuts to programs or given specific numerical cuts at agency level.
- TAHC was given a cut to the agency General Revenue (GR), but then given authority by LBB to recoup the reduction through fees.
- TAHC is not staffed programmatically so cuts affect all programs.
- For every \$1 million reduction in budget, TAHC would need to reduce 20 employees.
- The Agency budget was reduced by 12.5% in the current biennium.
- Our agency FTE is at 179 today versus FTE cap at 214 for the agency at the beginning of the biennium.
- TAHC has a hiring freeze in place except for critical positions – attrition is being used to mitigate need for layoffs.
- USDA federal cooperatives make up 35% of agency budget historically – we have assumed a FY 2011 reduction of 10%, and FY 2012 reduction of 35% except for brucellosis cooperative in USDA federal cooperatives.
- TAHC has not received any USDA federal funds yet for FY 2011- agency will zero out in July without receipt of federal funds.
- No merits have been given this biennium – but may re-evaluate later this summer.
- Challenge now - preserve agency tradition of service with limited resources.

Brucellosis

- The infected herd in Starr County was managed using the task force concept as a foreign animal disease. All adjacents in a one mile circle of both premises were tested within 30 days. During this time, TAHC partnered with USDA/VS to scratch for ticks because of the proximity to the Olmal blanket quarantine. No ticks were found.
- TAHC also partnered with USDA Wildlife Services to sample feral swine – b.abortus was found in at least one hog sampled.

Animal Disease Traceability

- No significant changes since last meeting.
- Proposed rule projected to be out soon.
- Earliest implementation is spring of 2013.
- USDA has selected a software vendor – Core One from Ireland.
- The first phase is to replace the old Generic Data Base (GDB) where all the current brucellosis and Tb testing information is stored.
- USDA cooperative funds have been reduced 35% for FY 2011.
- TAHC animal disease traceability staff will be reduced by 3 individuals on June 1, 2011.

Bovine Tuberculosis

- Texas still Free – no newly infected herds.
- The national TB rule development is underway. Regionalization is a part of the new concept. TB “status” will not be used if the new rules are passed. There is a question regarding payment of indemnity.
- Four public meetings are being held throughout the United States to discuss the draft framework. A meeting will be held in Amarillo, TX on June 6, 2011.
- TAHC continues to watch other state issues and is awaiting the new USDA process to provide timely and detailed information.

Trichomoniasis

Information regarding the Trichomoniasis Program was covered under Agenda Item 7.

TAHC/USDA Laboratory System

- NAHLN certification from USDA still pending to run swine slaughter blood for pseudorabies and brucellosis.
- Certification from USDA received to run EIA blood at Austin lab.
- Dale Preston – Director of Laboratories has resigned.
- TAHC is currently evaluating the necessity of closing a lab depending on budgetary constraints.

Equine Herpes Virus (EHV 1)

- The current disease outbreak is related to a National Cutting Horse event outside of Texas.
- Texas has over 300 horses quarantined.
- Quick response and communication with the Texas horse industry is critical.
- Dr. Andy Schwartz provided more information in his report.

Cattle Fever Ticks

- Progress continues to be made in certain areas – close partnership between TAHC and USDA/VS.
- 1/3 of the Olmal blanket was released last week in Starr County.
- Carrizo Blanket to be released in the summer– except for a few individual premises.
- Southern Blanket Surveillance in Zapata/Jim Hogg counties ongoing – plan to release portion in June.
- Southern Blanket has intensified wildlife treatment.
- Ivomec Molasses treatment product approval still underway – field trials this fall – approval anticipated within a year.
- Hearings in South Texas on wildlife fences were held in March. Cost share ideas for fences were discussed. Final action appears to be years away.
- The Cattle Fever Tick Program needs to re-evaluate the presence of high fences in current management strategies.

Border Port Issues

- 3 Border ports are still closed for USDA vets to work in Mexico.
- Temporary solution working well;
 - Temporary facilities at San Juan, Amistad and Laredo operating
 - USDA continues to invest in upgrade to temporary facilities
 - Crossing numbers up
 - Still no contingency for Del Rio if Acuna closed
 - USDA owns property in Presidio – could be upgraded quickly
- Long term goal to still find safe facilities in Mexico – Nuevo Leon plans under review.
- State Department controls decisions on federal employee safety.
- Undersecretary of Agriculture visited border in April to evaluate temporary facility at Eagle Pass and two other options.

Swine brucellosis

- Texas received Swine brucellosis free status on May 19, 2011 – last state!
- This allows commercial swine to move interstate with fewer restrictions.

Waiver Report

2 waivers requests approved:

1. Trichomoniasis – Request to allow a bucking bull to go to Auburn University in Alabama for research for a possible treatment.
2. Brucellosis – allowed 4 African Water bucks to enter on a 34 day negative test – which exceeded the normal 30 day test requirement.

Commissioner William Edmiston moved and Commissioner Coleman Locke seconded a motion to approve the actions of the Executive Director for the period from February 22, 2011 through May 24, 2011. The motion carried.

Item 4 – Discussion of Legislative Fees and Budget

Dr. Ellis provided the following information:

- Budget as passed out of House and Senate gives the agency 205 FTE cap, \$6.14 million (vs. \$10.68 in FY 2010) in general revenue, and allowed agency to recoup lost General Revenue (GR) with fees.
- This is not only a reduction but also a change to the agency funding stream.
- LBB gave TAHC direction to raise fees to offset cuts and provided template for a bill to help the agency expand its revenue stream choices.
- LBB budget effectively cut TAHC GR by 43% - up to Commission to determine what actual agency cut will be – i.e. how much in fees will be collected to offset the reduced GR – after final budget and fee authority bills passed – with or without a cap.
- LBB evaluated agency activities and suggested fee goal of \$4.4 million.
- Fee authority legislation is pending – 3 different versions – all generally the same – expands fee making authority – will probably have a 4 year Sunset provision – and may or may not have a fee cap – most common fee cap discussion - \$3 million per year or \$6million per biennium – or no cap – fyi - agency originally requested \$6 million per year extra in LAR (Legislative Appropriations Request).
- Budget process will be that the agency is appropriated funds based upon fee target, and then will start to repay fees back to the Comptroller over next biennium – so accurate estimates of intake and overhead will be critical.
- Fees on agenda item (#13) for passage later in this meeting are under existing authority – CWD inspection, fowl registration – existing authority for health certificates, fowl registration, and “inspections”.
- Proposed fees on agenda item (#12) are also under existing authority – dairy calf inspection, Mexican feeder inspection, Market inspection, health certificates.
- The agency must wait on final fee authority and cap limits for final clarity – proposed new fees with authority include administration of CWD status program, and lab fees at TVMDL, TAHC and other private labs.
- 3 handouts were included in the Commission books in this section – #1 shows industry suggested fees paid if \$4.4 is raised, 2nd shows industry fees paid if \$3 million cap, last shows fees already tentatively identified assuming fee authority passes.
- Next steps – to begin to create broad based equitable fees to support agency in the future – stakeholder interaction and Species specific Commissioner leadership needed for all species regulated.
- Agency will have to hire at least 2-3 more staff to handle fee money and purchase software to manage the collection process – need minimum 60 day lead time to implement.

NO ACTION was taken by the Commissioners regarding Legislative Fees.

Item 5 – Designation of Fee and Budget Subcommittee and Appointment of Members and Chair.

NO ACTION was taken by the Commissioners regarding the designation of a Fee and Budget Subcommittee and appointment of members and chair.

Item 6 – Discussion on First Point Testing

Dr. Ellis presented the following information regarding First Point Testing:

- Approximately 1 million test eligible cattle per year are sold through Texas Markets.
- TAHC contracts with Livestock Market owners to have the cattle tested by a veterinarian or veterinary technician under indirect supervision – the market hires a veterinarian.
- TAHC pays the market \$2 per head – many markets further compensate the vet.
- \$1 of the \$2 paid to the market is TAHC money paid from General Revenue funds.
- The other \$1 dollar is USDA money paid as part of the brucellosis cooperative agreement.
- Reducing the “state” contribution to \$1 will save the agency approximately \$1 million dollars per year - or currently about \$25,000 per week with big runs due to the drought.
- ***Proposal*** – reduce first point testing contribution from TAHC to \$1 per head ASAP – goal – June 12 implementation – start new payment contracts on Monday June 13 – Contract can technically be amended without Commission action.
- TAHC will continue to contribute the \$1 in USDA pass through funds indefinitely.
- With reduction in first point contribution TAHC will have virtually no fiscal liability while testing continues.
- USDA has tentatively indicated they will at least continue their \$1 contribution while Texas is considered “high risk” – through 2013 minimum.
- USDA is considering reducing slaughter surveillance to statistical sampling at 8 large slaughter plants in the US, and continuing to support enhanced surveillance efforts in the Greater Yellowstone Area and Texas indefinitely.
- The \$1 million in savings to the agency will be credited to the cattle industry for any fees that may need to be raised later to offset reduction in general revenue because in theory the markets will pass this cost through to seller of tested cattle.

Commissioner Richard Winters moved and Commissioner Tommy Kezar seconded a motion to reduce the first point testing contribution paid to the markets by the Texas Animal Health Commission to \$1 per head (previously \$2 per head). The motion carried.

Item 7 – Trichomoniasis Working Group Meeting Report

The Bovine Trichomoniasis Working Group met on May 4, 2011 at the TAHC Central Office to review specific requests for program changes received since May 12, 2010 and to evaluate the effectiveness of current rules. The working group recommendations resulting from this meeting were:

- Recommendations that require Rule Changes:
 - No longer accept virgin status for out of state bulls. All bulls over 12 months of age must be tested, bulls under 12 months of age are exempt unless known to have bred female cattle.
 - Untested bulls from out of state can directly enter Texas Trich certified feedyards on a VS 1-27 permit and entry permit.
 - Infected bulls from other states can be permitted to a Texas market on a VS 1-27 for sale for slaughter only.
 - Require bulls exempt from entry test be CSS resident bull rather than just located at CSS facility.

- Laboratory pooled samples can be utilized for one of two required releasing tests.
 - TAHC will create “Control herd status” for maximum of 3 years. In exchange for only having to test once per year rather than having to meet requirements for release of quarantine-herds will not be allowed to sell breeding or virgin bulls, and must enter into herd plan with vet.
 - Create maximum time to retest infected herds as 60 days from 1st test.
 - Positive bull’s retested negative by PCR will be required to be tested a 3rd time by PCR and the third test will be used to classify the animal.
 - Change terminology to read that positive bulls can be rendered “incapable of breeding” rather than rendered “sterile”. TAHC will maintain a list of veterinarians approved to perform procedures available to render a bull incapable of breeding.
 - Require that bulls removed from herds in the 3 year application process be tested prior to leaving the herd – it is not an option to send a bull direct to slaughter without testing prior to receiving status.
- Recommendations that require policy change;
 - Require untested bulls purchased at market to be tested at the market before leaving, or another designated location mutually agreed upon between TAHC and market management.
 - Tell seller of untested bull at a market that the bull tested positive when purchased and tested by buyer – he will not be required to test his herd however.
 - Decision on whether to continue completing epidemiological investigations on infected herds and contacting fence line neighbors will be dependent upon final budget status of TAHC.
 - Allow bulls to undergo experimental treatment with Executive Director Waiver at legitimate research facilities such as TAMU vet school. Private practitioners will not be allowed to try experimental procedures.

Item 8 – Presentation of Animal Health Programs Activities Update, Specific Disease Response Activities and Epidemiological Actions Report

Dr. Andy Schwartz, Assistant Executive Director of Epidemiology and Laboratories presented the following information:

Cattle

- **Tuberculosis:** Five slaughter lesion cases in FY 2011. Two were of Mexico origin, three investigations pending. May see increase in cases due to higher numbers of cattle being imported.
- **Brucellosis:** Starr County herd depopulated. All cattle sold from the herd traced to slaughter or purchased with federal funds. Possible source herds tested negative. Adjacent herds within one mile of both affected pastures tested negative. Incident Command structure utilized – work completed in one month. At Dr. Ellis’s direction, TAHC personnel worked with USDA Wildlife Services to investigate feral swine in the area of the affected cattle herd as a possible source

of *Brucella abortus*. All 16 feral swine tested were sero-negative. Tissues from one animal yielded *B. abortus* (only isolates to date from swine in Texas have been *B. suis*). Impact on eradication program currently being assessed.

- **Trichomoniasis:** Addressed under Agenda Item 7.
- **Cattle Fever Ticks:** Initial study of vaccine efficacy done by ARS. Ivermectin tub study set to begin soon.

Swine

- **Brucellosis:** Free state status published in Federal Register last week, out for comment, but effective immediately.
- **Pseudorabies:** Steps taken to obtain status for our Austin lab in the National Animal Health Lab Network (NAHLN), to maintain high quality surveillance of Texas swine.

Sheep and Goats

- **Scrapie:** Measures being taken at markets to assure compliance with animal identification and traceability requirements of program.

Cervidae, Exotics

- **CWD:** Session scheduled with TPWD tomorrow on shared Deer Breeder Database – utilization of current database, and finalization of parameters for new database being developed.
- **Cattle Fever Ticks:** Native whitetail deer and exotic hoofstock a major factor in eradication of ticks in some areas. Consider population estimates in placement of feeders, and to determine surveillance numbers needed to assure eradication has been affected on pastures vacated of cattle. Serum samples taken recently to assess effectiveness of feeding treated corn.

Equine

- **Equine piroplasmiasis (EP):** Rate of new positives seems to be flattening, though it may rise with implementation of racetrack test requirements. In addition to the affected horses identified in the south Texas ranch case, 10 imported horses and 56 Quarter Horse racehorses have been found affected. Four of these horses were exported to Mexico under permit and seal.

Some horses become negative on all tests months after treatment. National EP Working Group is requesting USDA-APHIS-VS endorse the release of these horses as cured. ARS is developing a “clearance test” that might eventually free up more treated horses.

- **Equine Herpes Virus (EHV-1):** EHV-1 infection in horses can cause respiratory disease, abortion in mares, neonatal foal death, and/or neurologic disease. The neurologic form of EHV-1 is called Equine Herpes Myeloencephalopathy (EHM).

Cases of EHV-1 have been identified in horses that attended the National Cutting Horse Association (NCHA) Western National Championship event in Ogden, Utah

held from April 29 to May 8, 2011. A national report compiled on Friday, May 19, indicated seven horses have died or been euthanized. There were 33 confirmed cases of EHV-1. Twenty-seven Texas horses competed in the event. Owners were contacted by TAHC personnel to make them aware of the situation, to stop movement of exposed horses, and to implement biosecurity measures to minimize risk of disease spread. Texas, like other states, is following the USDA recommended guidelines for case definition, reporting, and management. To date, only one case has been confirmed in Texas (a New Mexico horse brought to Texas for veterinary treatment). TAHC personnel are fielding calls from horse owners, event organizers, and veterinarians, and are in consultation with other state and federal veterinarians and diagnostic experts.

Program Disease Progress Report

The Program Disease Progress Report was included in the Commissioners' Notebooks.

This report provided statistics based on species:

- Cattle
- Equine
- Swine
- Avian
- Sheep & Goats
- Cervidae

Item 9 – Audit Subcommittee Report

Commissioner Reta Dyess, Chair of the Audit Subcommittee, gave a report of the Audit Subcommittee meeting held at 8:00 a.m.

The Audit Subcommittee approved the minutes of the meeting held on February 22, 2011.

Mr. Monday Rufus provided a report on the:

- Follow-Up Audit of the Palestine State-Federal Laboratory. Action taken by the Commission satisfied the intent of the internal audit follow-up with respect to the enhancing of controls over accuracy of information generated by the database containing test results, and the removal of a smoking sign inside the laboratory building.
- Audit of the Consumable Supplies Inventory Controls. The result of the audit disclosed that management controls over the consumable supplies inventory processes are generally effective. The following recommendations were made for further strengthening the current controls in place:
 - The Commission should consider reviewing the usefulness of the property items taking up needed storage space in Commission's headquarter warehouse and rented storage sheds. Any item determined

- to be unusable or outdated should be disposed of appropriately within State procedures and guidelines.
- The Commission should consider taking appropriate steps to ensure that consumable supplies inventories, equipment, and other fixed asset items stored in rented facilities are adequately protected from the weather elements.
- There was no public comment at the Audit Subcommittee Meeting.

Commissioner Coleman Locke moved and Commissioner Tommy Kezar seconded a motion to APPROVE the Audit Subcommittee Report as presented. The motion carried.

Item 10 – Administration/Budget Status Report

Dr. Matt Cochran, Assistant Executive Director of Administration presented the Administration/Budget Status report:

Budget

Dr. Cochran presented a summary of the General Revenue FY 2011 Projected Budget of \$10,684,568 and the Adjusted FY 2011 General Revenue with a 7.5% reduction resulting in a General Revenue budget of \$9,391,225. Federal cooperative funds for FY 2011 totaled 3,544,604 and a Homeland Security award of \$100,544 which resulted in a total FY 2011 budget (with the 7.5% reduction) of \$13,841,266.

Emergency Management

Amanda Barnes, Agency Preparedness and Operations Coordinator presented the following information:

- TAHC personnel responded to the wildfires burning across Texas. Personnel communicated with local officials, producers, Texas and Southwestern Cattle Raisers (TSCRA) and Texas AgriLife Extension on response needs, carcass disposal issues, and damage assessments. Losses reported at the time of the Commission Meeting were: 458 head of cattle, 19 sheep, 99 calves, 18 horses and 190 head of goats. Miles of fence reported lost were 3,389.
- The agency's Emergency Management Steering Committee reviewed the Foreign and Emerging Animal Disease (FEAD) plan and the USDA's Red Book guidance on Foot and Mouth Disease response to align the FEAD plan with the latest USDA guidelines. Our agency participated in the Multi-State Partnership work group and the Secure Milk supply and Secure Egg Supply planning.
- At the National Hurricane Conference, April 18, TAHC personnel presented the state's response to animal issues during Hurricane Ike, as well as, planning progress made by both local jurisdictions and the state since 2008.
- At the State Emergency Management Conference held in San Antonio, April 26 – 29, TAHC personnel conducted a panel discussion on the development of animal issues committees and a workshop detailing the role of federal, state, and local jurisdictions in response to a foreign animal disease outbreak.

- TAHC conducted an emergency management exercise called “Operation Saddle-up” in coordination with the TAMU College of Veterinary Medicine April 30 – May 2. This exercise tested the response and coordination capabilities of both entities in addressing animal issues during disasters.
- In June, TAHC will hold an Animal Response Team meeting with industry and state agency partners to conduct an after-action over the recent wildfire response, and to revisit partnerships and procedures for the upcoming hurricane season.

Commissioner Randy Brown moved and Commissioner Beau White seconded a motion to APPROVE the Administration/Budget Status Report as discussed today. The motion carried.

Item 11 – Consideration of and Possible Action on Agency Contracts and Purchases

All Agency Contracts and Purchases for the period of February 1, 2011 through April 30, 2011, were forwarded to all Commissioners prior to the Commission Meeting for their review.

Commissioner Mark Wheelis moved and Commissioner Tommy Kezar seconded a motion to APPROVE the Contracts and Purchases Requests for the period from February 1, 2011 through April 30, 2011. The motion carried.

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

- a) New Chapter, Fees – No action was taken on this item.**
- b) Chapter 33, Fees – Dairy Calf Inspection – No action was taken on this item.**
- c) Chapter 33, Fees – Inspection of Foreign Cattle – No action was taken on this item.**
- d) Chapter 33, Fees – Market Inspection Fee – No action was taken on this item.**
- e) Chapter 38, Trichomoniasis – Recommendations of Working Group**
Commissioner Coleman Locke moved and Commissioner Beau White seconded a motion to PROPOSE the amendments to Chapter 38, Trichomoniasis, located in Title 4 of the Texas Administrative Code, as discussed today with notice of the proposed amendments be published in the *Texas Register* with a thirty day comment period. The motion carried.
- f) Chapter 51, Entry Requirements – Trichomoniasis**
Commissioner Reta Dyess moved and Commissioner Tommy Kezar seconded a motion to PROPOSE the amendments to Chapter 51, Entry Requirements, located in Title 4 of the Texas Administrative Code, as discussed today with notice of the proposed amendments be published in the *Texas Register* with a thirty day comment period. The motion carried.
- g) Chapter 59, CVI – Fee for Certificates of Veterinary Inspection**

Commissioner Coleman Locke moved and Commissioner William Edmiston seconded a motion to PROPOSE the amendment to Section 59.11, Certificate of Veterinary Inspections, located in Title 4 of the Texas Administrative Code, as discussed today with notice of the proposed amendment be published in the *Texas Register* with a thirty-day comment period. The motion carried.

Item 13 – Consideration of and Possible Action on Regulation ADOPTIONS Regarding:

(a) Chapter 40, Chronic Wasting Disease – Fees

In Section 40.3, Herd Status Plans for Cervidae

Commissioner Coleman Locke moved and Commissioner Richard Winters seconded a motion to ADOPT the amendment to Chapter 40, Chronic Wasting Disease, located in Title 4 of the Texas Administrative Code, as discussed today.

(b) Chapter 49, Equine – Piroplasmosis Test Documents & Racetrack Requirements

Commissioner Mark Wheelis moved and Commissioner Tommy Kezar seconded a motion to ADOPT the amendment to **Chapter 49, Equine** located in Title 4 of the Texas Administrative Code, as discussed today. The motion carried.

(c) Chapter 51, Entry Requirements, Rule 51.3 Exceptions

Commissioner William Edmiston moved and Commissioner Coleman Locke seconded a motion to ADOPT the amendments to Chapter 51, Entry Requirements, located in Title 4 of the Texas Administrative Code, as discussed today. The motion carried.

(d) Chapter 54, Domestic and Exotic Fowl Registration

Commissioner Richard Winters moved and Commissioner Mark Wheelis seconded a motion to ADOPT the amendments to Chapter 54, Domestic and Exotic Fowl Registration, located in Title 4 of the Texas Administrative Code as discussed today. The motion carried.

Item 14 – Recognition of Public Comment

There was no public comment.

Item 15 – Set Date for the 380th Meeting

The date was not set for the 380th meeting. Commissioners elected to wait until the end of the Legislative Session and set a meeting date at that time to be announced.

Item 16 – Adjournment

The meeting adjourned at 10:35 a.m.