

**MINUTES OF THE 381ST COMMISSION MEETING
TEXAS ANIMAL HEALTH COMMISSION
SEPTEMBER 20, 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

Commissioner William Edmiston was not present.

Item 2 – Approval of Minutes

A motion to APPROVE the minutes of the 380th Commission Meeting held on July 19, 2011 was made by Commissioner Simmons and seconded by Commissioner Mark Wheelis. The motion carried.

Item 3 – Appoint Audit Subcommittee Members

After 12 years of service, Chairperson of the Audit Subcommittee, Commissioner Reta Dyess's term of service on the Texas Animal Health Commission, concluded on September 6, 2011. This necessitated the appointment of a new Audit Subcommittee Chair. Chairman Morales appointed Commissioner Richard Simmons as the new Chair of the Audit Subcommittee. Commissioner Randy Brown and Commissioner Ken Jordan complete the 3 member Audit Subcommittee. Chairman Morales asked that her service to the Texas Animal Health Commission be recognized at the next meeting with the presentation of a plaque and our sincerest THANK YOU.

Item 4 – Audit Subcommittee report

Commissioner Ralph Simmons, acting as Chair of the Audit Subcommittee in the absence of Chairperson Reta Dyess, called the meeting to order at 8:00 a.m.

The audit subcommittee APPROVED the minutes of the 380th Audit Subcommittee held on July 19, 2011.

Mr. Monday Rufus presented the FY 2012 Internal Audit Plan for the Texas Animal Health Commission as required by the Internal Auditing Act (Texas Government Code, §2102.008).

The purpose of this internal audit plan is to document the development, risk assessment, scope of assignments and implementation timetable for fiscal year 2012 internal audit activities. This document will serve as a primary tool to carry out internal audit responsibilities in an efficient manner and prioritize the audit areas based on risk assessments agreed to by the Commissioners of the Texas Animal Health Commission (Agency). Due to the nature, scope and timing of audit procedures contemplated here, planning for specific aspects of the audits is a continuing process. Accordingly, the plan will be revised as necessary and reviewed at least annually.

This plan has been prepared to meet planning guidelines as required by both generally accepted auditing standards and the standards for the Professional Practice of Internal Auditing as determined by the Institute of Internal Auditors, Inc.

A risk assessment was prepared to determine the areas in the Texas Animal Health Commission that should be considered for audit. Based on that risk assessment, the following areas are recommended for audit in FY 2012:

- Cash Receipts and Fee Processing
- Region 2 Office (Hempstead, TX)
- Payroll & Personnel Processes
- Follow-up on prior internal audit recommendations:
 - ✓ Public Information (Original report date: May 16, 2007)
 - ✓ Information Systems – Security (Original report date: August 23, 2010)

A motion to APPROVE the Audit Subcommittee Report was made by Commissioner Locke and seconded by Commissioner Kezar. Motion carried.

Item 5 – Report of the Executive Director & Approval of Waiver Requests for the Period 7/20/11 – 9/20/11

A report describing out-of-office meetings, trips and interviews from July 20 – September 19, 2011, was provided in the Commission notebooks and was not included in the verbal presentation. Also, included in the Commission notebooks were copies of all press releases for the period July 20 – September 19, 2011, along with a few examples of Social Media, Facebook and Twitter, taken from the TAHC’s webpage.

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

1. Agency Budget Situation

Historical, Current, and Prospective Revenue
Texas Animal Health Commission 9-19-11

	2010	2011	2012	2013
Federal Funds/Grants	\$4,268,779	\$3,168,927	\$2,873,620	\$961,818
General Revenue	\$9,676,312	\$10,158,527	\$6,203,280	\$6,282,489
Total	\$13,945,091	\$13,327,454	\$9,076,900	\$7,244,307

- Phase 1 of downsizing complete – 141 FTE’s +/- now
- 2nd round of cuts will be necessary
- Major problem next fiscal year
- Combo of new revenue and further cuts will be final result
- Dr. Hensley will have thumbnail of current impact in his report

2. Agency Strategic Planning

- Need pre-planning before state mandated report next spring
- TAHC needs to re-evaluate roles and redefine its “brand”
- Suggest 1-2 Commissioners participate

3. Public Information update

- Social Media – Facebook and Twitter examples
- Press releases
- Vet Corner
- Texas Cattle Buyer alert

4. Brucellosis

- Market Testing ended August 1- August numbers higher than last
- Drought has greatly impacted adult cattle sold
- Approximately 15% still testing all cattle, 30% some, rest none
- Approximately 50% are tagging some or all
- TAHC asked for voluntary compliance with adult cattle tagging
- Some cattle leaving markets experiencing issues with interstate movement compliance
- Tag rule proposed later in meeting – immediate need is due to stoppage of first point testing and the associated tagging loss

5. Animal Disease Traceability

- Proposed rule out – very few surprises – interstate movement
- USDA budget is wildcard
- Comment period of Nov 9 may be extended until January 9
- TAHC challenges
 - Old account numbers used versus new state number or both?
 - Software utilized – outsource or in-house or both?
 - Distribution of eartags – expense?
 - Data entry of tags assigned
- Cattle industry challenge – how good of a system do you want – to simply meet national standard or good traceability?
- Compliance specifics will be part of separate rulemaking
- More info at USAHA to be discussed by Committee there
- Cattle meeting suggested for late October to discuss in state
- Suggest 1-2 Commissioners participate

6. National TB review of Mexico

- I will be one of two state vets participating – starting this fall

7. Cattle Fever Ticks

- Numbers still high but mainly in systematic zone - 100 +/-
- All blankets released except part of Zapata county - Southern
- Ivermectin tub field trial under way - started September 8
- Entered into cooperative agreement with TDA - research pass through to USDA/ARS, and with TAHC for vaccine and equipment
- Cuban vaccine trials hopefully to begin this fall after approved for food animal use and contents analyzed
- In discussions with Pfizer for possibility of cooperative research on Australian vaccine under development

8. Border Port Issues

- 3 Border ports still closed for USDA vets to work in Mexico
- Temporary facility at Amistad renegotiated to be open through December of 2012 – ports at Laredo and Pharr also open on Texas side – thanks to Chairman Morales for participating
- Temporary solution working well at all 3 facilities
- Long term goal to still find safe facilities in Mexico

9. Elk Movement

- Deadline looming for elk herds to have status or face movement restrictions – January 1
- TAHC staff will research again producers who have bought or sold elk recently to notify them

10. Waiver Report

- 3 waivers requests and 2 approved;
 - Trichomoniasis – **Approved** - Request to allow a virgin bull to enter Texas with test pending – negative test results arrived before the bull did
 - Fever tick – **Approved** – waived routine treatment protocol for research purposes so that Ivermectin tub research can be evaluated in an infested pasture
 - Trichomoniasis – **Denied** - Request to allow bull that had been tested twice and confirmed positive to wait 8 more months and be retested in the hope it retested negative

A motion to APPROVE the actions of the Executive Director for the period from July 20, 2011 through September 20, 2011 was made by Commissioner Locke and seconded by Commissioner Jordan. The motion carried.

Item 6 – Presentation of Animal Health Program Activities, Epidemiological Actions Report and Laboratory Update

Dr. Andy Schwartz, Assistant Executive Director/State Epidemiologist discussed the following issues:

Cattle

- **Tuberculosis:** Ten slaughter lesion cases were initiated in FY 2011. Eight have been determined to be of Mexico origin, and two investigations are pending. So far in FY 2012, two slaughter lesion cases have been initiated.
- **Brucellosis testing:** Of 2.8 M tests conducted in FY 2011, there were 188 animals with other than negative results, leading to some degree of epidemiological investigation. Of the 188 animals, 58 were classified as reactors.

Swine

- **Brucellosis testing requirement for change of ownership:** Following recognition of Texas' brucellosis free status, TAHC has continued to enforce this test requirement to guard against recurrence of brucellosis in swine operations. Feral swine in the state are known to be affected, and pose a continued risk to domestic swine.

Equine

- **Equine piroplasmosis (EP):** TAHC rules requiring a negative test on horses entering racetracks and requiring the use of an EP test form went into effect June 23, 2011. Since the outbreak in south Texas in November 2009, approximately 30,000 Texas horses have been tested for EP. Outside of the south Texas investigation, 75 Texas horses have been found to be positive for EP. A national policy is being sought for the release of horses that become test negative following treatment by an approved protocol.

State-Federal Laboratory Update

On the last day of August, 2011, two of the four State-Federal laboratories operated by TAHC were closed. These closures were carried out as cost savings measures, anticipating a decrease in sample volume after change of ownership testing of cattle was made optional on July 31, 2011. There was a 40% decrease in the number of animals tested at Texas markets, with 77,357 tested in August, down from the 128,304 tested in July. However, primarily due to continued drought conditions and higher than normal numbers of cattle going to slaughter, the total sample volume received by our State-Federal labs only decreased 11%, with 241,648 samples coming in August compared to 269,563 samples in July. Staff at the two remaining labs is to be commended for handling

the large volume of samples in the short term. In the long term, adjustments in the number of staff may be needed to handle the workload.

In addition to routine testing for brucellosis, tuberculosis, and pseudorabies, several projects are currently underway in our laboratory system. These projects include attaining approval to conduct EIA tests, attaining recognition as a National Animal Health Network (NAHLN) lab for pseudorabies, procuring and implementing a much needed upgrade in our Lab Information Management System (LIMS), and completing the final steps in the transition from PCFIA to FPA as a confirmatory test for brucellosis.

Item 7 – Presentation of Field Animal Health Activities and Emergency Management Status Report

Dr. Terry Hensley, Assistant Executive Director for Animal Health Programs and Emergency Management discussed the following issues:

ANIMAL HEALTH FIELD ACTIVITIES

Reduction in the Texas Animal Health Commission budget and loss of field personnel has resulted in the necessary reduction of certain field activities. All field activities were reviewed and the ones which were deemed to have the least impact on animal health in the state of Texas were identified to be stopped or reduced. Further reductions in field staff may require other field activities to be reduced or stopped.

Activities that have been or will be stopped are as follows:

1. Delivering ID tags to dairies.
2. Support for USDA in fever tick infested herds and the Ivermectin treated corn deer feeding program in South Texas.
3. Individual filing of negative EIA test results. Will be boxed and held at regional offices.
4. Verification of the arrival of permitted out of state bulls to trich approved feeding facilities.
5. Epidemiology investigations of Trich positive herds - traces, mapping, notification of neighbors.
6. Will not begin enforcement of piroplasmosis test requirements at race tracks.
7. TB gamma interferon testing by TAHC personnel. Accredited veterinarians will be utilized for this testing.

Activities that will be reduced are as follows:

1. Frequency of visits to flea markets, trade days, etc. where live birds are sold.
2. Verifying TB testing of dairy calves which entered the state while under 2 months of age.
3. Inspection of feral swine holding facilities.
4. Inspection of feral swine hunting preserves.
5. Inspection of fairs/rodeos for compliance with EIA and TB/Mexican steer rules.
6. Approved feed yard inspections.
7. On farm testing of Live Bird Market supply flocks for avian influenza.
8. On farm inspection of fowl registration applicant flocks for inventory and flock health verification.
9. Presence at horse sales.

Emergency Management Report

Beginning on Sunday September 4, 2011, Texas was impacted by several major wildfires. TAHC personnel from Regions 2, 4, and 7 responded to fires in Cass, Marion, Bastrop, Montgomery, Waller, and Grimes Counties.

Throughout the response TAHC worked to coordinate with the State Animal Response Team members in accordance with the State Animal Response Plan. Response activities centered on coordination to meet the needs of displaced livestock, escorting producers into affected areas to care for their animals, conducting damage assessments to locate loose and injured livestock, providing assistance with carcass disposal issues, and supporting the hay & feed distribution activities at local livestock supply points. Livestock supply points were supported by AgriLife Extension Agents, TDA, local county livestock deputies and industry groups such as Independent Cattlemen's Association, Texas and Southwestern Cattle Raisers Association, and the Texas Farm Bureau.

TAHC personnel were also deployed to the State Operations Center to support the state response. Several animal-related requests for assistance were received and acted upon. The Texas A&M College of Veterinary Medicine's Veterinary Emergency Team deployed at the request of Bastrop County, where they triaged and treated 148 affected animals, in addition to numerous animals treated by local veterinarians.

According to State of Texas Operations Center (SOC) reports, the fire in Marion and Cass Counties burned over 41,000 acres and is considered contained. The fire in Bastrop County burned over 37,000 acres and is considered 95% contained. The fire in Montgomery, Grimes and Waller Counties has burned over 21,000 acres and is contained.

Item 8 – Administration/Budget Status Report

Dr. Matt Cochran, Assistant Executive Director discussed the following:

A detailed outline of FY 2012 budget was included in the Commissioner’s notebook along with State FY 2012 Methods of Finance and Objects of Expenses and TAHC Budget for State Fiscal Year 2013 and State FY 2013 Methods of Finance and Objects of Expenses.

A motion to APPROVE the Administration/Budget Status Report was made by Commissioner Jordan and seconded by Commissioner Winters. The motion carried.

Item 9 – Consideration of and Possible Action on Agency Contracts and Purchases

The Commissioners were provided a list of the contracts, purchases, and leases greater than \$5,000 but less than \$10,000 for the period 7/1/11 – 8/31/11 in their notebooks.

A motion to APPROVE the contracts and purchases requests for the period from July 20, 2011 through September 20, 2011 was made by Commissioner Winters and seconded by Commissioner Locke. The motion carried.

Item 10 – Consideration of and Possible Action on Regulation Proposals regarding:

(a) Chapter 33, Fees, Lab Fees

Commissioner Locke moved and Commissioner Wheelis seconded a motion to PROPOSE amendments to Chapter 33, Fees, located in Title 4 of the Texas Administrative Code, with notice that the proposed amendments be published in the *Texas Register* with a 30-day comment period. The motion carried.

(b) Chapter 33, Fees, Herd Certification

Commissioner Real moved and Commissioner Brown seconded a motion to PROPOSE amendments to Chapter 33, Fees, located in Title 4 of the Texas Administrative Code, with notice that the proposed amendments be published in the *Texas Register* with a 30-day comment period. The motion carried.

(c) Chapter 53, Market Identification

Commissioner Locke moved and Commissioner Brown seconded a motion to PROPOSE amendments to Chapter 53, Market Regulation, located in Title 4 of the Texas Administrative Code, with notice that the proposed amendments be published in the *Texas Register* with a 60-day comment period. The motion carried with a vote of 9 for and 1 opposed.

Item 11 – Consideration of and Possible Action on Regulation Adoptions Regarding:

(a) Chapter 33, Fees, Foreign Cattle Inspection Fee

Commissioner Brown moved and Commissioner Winters seconded a motion to ADOPT a new Chapter 33, Fees, Foreign Cattle Inspection Fee, located in Title 4 of the Texas Administrative Code. The motion carried.

Item 12 - Public comment

Public comment has been condensed and summarized in these minutes – full audio on all comments presented at the Commission meeting is available on-line on our website www.tahc.state.tx.us under Agency Information/Meetings:

- (1) Don Ward – deferred to – Jessie Carver who commented that the L/S markets oppose the adoption of the amendment to Chapter 53, which is entitled “Market Regulations” as it is written. Would like to see the discussion tabled or delayed to give industry representatives more time to come up with a workable rule for Texas by engaging the commission and industry representatives in a working group. Would like to wait until the Federal rule comes out before creating a rule for Texas. Would like to see working group iron out details before moving forward with this rule. The markets see this as a “mandatory ID program” which was not well received before. The markets feel like this rule once again portrays the L/S Markets as the “bad guy”.
- (2) Bill Hyman – Executive Director of the Independent Cattleman’s Association of Texas would also like to see a working group formed. He stated that mandatory ID is a “touchy subject” with producers and industry groups. This rule needs a “buy-in” from both industry and producers to make it work. Would like to wait until the Federal rule is out.
- (3) Ken Horton – Texas Pork Producers Association had 2 comments:
 1. Would like to have a better eartag for swine – tend to lose backtags when being shipped, and;
 2. With so many changes lately – feels there is a need to re-evaluate all the rules and regs for all species and diseases and see if they need to be updated to better serve the industry’s needs.

Item 13 – Set Date for 382nd Meeting

The next Commission Meeting is set for Tuesday, January 24, 2012 at 8:30 am.

Meeting adjourned.