

March 29, 2004

Ms. Joan Walsh Cassedy, CAE
Executive Director
ACIL
1629 K Street, NW, Ste. 400
Washington, DC 20006

Dear Ms. Cassedy:

In late December 2003, USDA reported the first case of bovine spongiform encephalopathy (BSE) in the United States. A few weeks later, they announced that the diseased cow was brought into the U.S. from Canada and had been born before the implementation of Canadian and U.S. regulations that banned the use of ruminant feed. Cattle feed that contains ruminant material from BSE infected cattle is the infectious route through which other cattle can contract BSE.

No additional cases of BSE have been identified in the United States, and USDA believes their program for prevention of BSE is working. They have taken other appropriate actions to further ensure protection of the U.S. public.

About forty countries, however, most prominently Japan and South Korea, very quickly banned the importation of U.S. beef. The ban continues today for most countries. Negotiations between trade representatives of the United States and many of these countries have not resolved the conflict. Japan already had implemented mandatory testing of 100% of all cattle slaughtered in Japan. Most believe that Japan and many others are not likely to remove the ban on U.S. beef if it has not been tested for BSE.

Not surprisingly, U.S. beef producers who export large volumes of meat are being hurt economically. While they have been patient for several months as our trade representatives have worked to resolve the export impasse, reduced sales and margins coupled with undesirable employee layoffs have forced producers to consider alternate solutions.

One solution apparently acceptable to Japanese regulators calls for the testing of all U.S. beef that would be imported for sale in Japan. Every slaughtered cow would be tested here. If American producers, using approved methods, could certify that their beef has tested negative for BSE, Japanese and supposedly S. Korean markets might be reopened.

BSE test methods include a reliable but complex and time-consuming histochemical procedure used only at the APHIS laboratory in Ames, Iowa. A new immunoenzymatic kit produced by Bio-Rad has just been approved by USDA for use as a screen. The test has proven to be highly specific and sensitive and offers the possibility of a much faster turn-around-time than the histochemical procedure. All presumptive positives obtained via the Bio-Rad test would be confirmed using the histochemical test by USDA at the Ames laboratory.

Until March 15, it appeared that USDA would do all of this testing on a targeted group of cattle that would represent a small fraction of the total cattle slaughtered annually in the U.S. But,

SILLIKER, INC.
900 MAPLE ROAD
HOMWOOD, IL 60430 USA
TEL. 708 957-7878
FAX. 708 957-8449

WWW.SILLIKER.COM
E-MAIL: INFO@SILLIKER.COM

because US producers cannot ship overseas and USDA planned to test only a small fraction of all US cattle, some producers have looked for an alternate solution to their problem. A few producers have proposed that they take on the testing role themselves or through capable, ISO accredited third party laboratories. They wish to voluntarily test all cattle. USDA initially balked at the idea but has since indicated they might be willing to staff USDA-operated on-site testing laboratories at meat processing plants where the producer would be willing to pay for the USDA testing service. USDA is working now to identify which states and which labs will be doing the BSE testing as part of USDA's increased surveillance plan. University labs are also being considered. There is no current intent, however, to include ISO accredited commercial laboratories in the solution.

Silliker Inc., a well know and highly regarded, 17025 ISO accredited food testing network of laboratories believes that the probable intent of USDA to man on-site laboratories with government staff is unneeded, wrought with additional risk, and a clear example of unfair competition. We believe that Silliker and other U.S. ISO accredited food testing laboratories are being excluded unfairly.

ISO 17025 accredited food-testing laboratories have the ISO accredited Quality Control procedures, trained staff, experience, and credibility needed to provide able assistance.

Silliker Inc. therefore requests ACIL's guidance and support in rapidly helping us address this newest threat for work that we are eminently qualified to do.

Thank you,



Russell S. Flowers
President/CEO