



United States  
Department of  
Agriculture

Marketing and  
Regulatory  
Programs

Animal and  
Plant Health  
Inspection  
Service

# **Animal Disease Traceability**

## **Comprehensive Report & Implementation Plan**

**September 28, 2010**



## Contents

Executive Summary	2
Section 1: Introduction	4
Section 2: New Traceability Framework	5
Guiding Principles	5
Uniformity	5
National Flexibility, Local Responsibility	5
Focus On Interstate Movement	6
Building On Progress	6
Section 3: Traceability Rulemaking	9
Overview	9
Draft Requirements By Species	10
Section 4: Key Activities To Quantify Compliance & Progress	12
Traceability Performance Standards	12
Traceability Tiers	13
Compliance Factors	14
Traceability Cooperative Agreements	17
Section 5: Implementation Timelines	18
Rulemaking	18
Cattle Implementation	18
Compliance Factors	18
Traceability Performance Standards	19
Section 6: Resource Requirments	20
Fiscal Year 2011 Budget Plan	20
Future Cost Projections	21
Summary & Conclusion	22



## Executive Summary

The U.S. Department of Agriculture's (USDA) traceability framework is a coordinated approach to the mandatory identification of animals moving interstate. This approach embraces the strengths and expertise of States, Tribes, and producers and empowers them to find and use the most effective traceability approaches to identify animals moving interstate nationally. Moreover, this approach builds on the success of disease programs. USDA's Animal and Plant Health Inspection Service (APHIS) has experienced successful traceability through the

Builds on the successful, fundamental identification requirements — methods that are widely accepted by producers and cost effective.

identification methods used in disease eradication programs, including some programs that are concluding. Our refocused approach builds on the successful, fundamental identification requirements of those programs. These fundamentals include reestablishing the

use of the basic identification methods that are successful, widely accepted by producers, and cost effective. Specifically, APHIS will establish traceability regulations for the interstate movement of farm-raised livestock and poultry. Cattle are the priority because of the void in traceability in that sector. For other species, we will maintain and build on the identification requirements of existing disease program regulations.

USDA's traceability framework will be codified through rulemaking. We will add a new section to title 9 of the *Code of Federal Regulations* (9 CFR) containing the requirements for the interstate movement of livestock. These regulations will require that livestock moved interstate be officially identified and be accompanied by an interstate certificate of veterinary inspection (ICVI) or other official documentation, with some exemptions.

Requires livestock moved interstate be officially identified and accompanied by an ICVI.

The regulation will specify the authorized methods of official identification for each species that must be accepted by all States and Tribes, thereby ensuring national uniformity. Identification and documentation requirements will be phased in for some classes of cattle to allow adequate time to ramp up compliance and enforcement efforts.

The traceability regulation will be outcome based. These outcomes will be defined by traceability performance standards that the States and Tribes must meet. As the national tracing capability improves over time, we will strengthen and tighten our performance standards, thus ensuring regular, steady progress toward full animal disease traceability. APHIS has assembled a State, Tribal, and Federal Traceability Regulation Working Group to develop our rulemaking and to ensure broad-based national support for our approach. We plan to publish a proposed rule in April 2011; a final rule is planned to follow in 12 to 15 months.



This approach will bring tangible results that will markedly improve our Nation's traceability, specifically of cattle. While the transition to the official identification requirement for all ages and classes of cattle will be over a period of time, more cattle will begin to be officially identified when the framework details are confirmed as producers get ready for the new requirements established through the rulemaking

The results of the framework, unlike any previous effort and a first in the history of the United States, will achieve the official identification of nearly all cattle that move interstate.

process. The results of the framework, unlike any previous effort and a first in the history of the United States, will achieve the official identification of nearly all cattle that move interstate. Moreover, USDA's performance-based approach will measure tracing capabilities to ensure the activities support more timely and complete response to animal disease events.

This discussion is intended to provide technical assistance at the Appropriation Committees' indication. This document is not a budget request, as it was not developed through the budget process. Future budget requests will be based on the availability of funds and Administration priorities.



## Section 1: Introduction

Protecting American agriculture by safeguarding animal health and productivity is vital to the American people. Healthy livestock and poultry is one component to providing the public a safe, affordable, and wholesome food supply. Preventing the introduction of foreign animal diseases that harm both livestock and the livelihoods of producers also creates economic stability and opportunity. In addition, when U.S. livestock are healthy and disease prevention and control measures are adequate, our trading partners have confidence in our products. While ranchers and farmers work hard to protect their animals and their livelihoods, there is no guarantee their animals will be spared from disease; disease events can happen accidentally or intentionally. Rapid response systems minimize economic impact when diseases enter this country and disrupt the movement of livestock.

Animal disease traceability is a cornerstone of USDA's disease control activities. While prevention is our priority, an effective response system must be in place in the event of a disease outbreak. The potential emergence of highly contagious diseases makes that need all the more urgent. To be better able to prevent disease from spreading and to eradicate disease where it exists, we have to be able to quickly trace infected and exposed animals. Traceability is a tool that reassures the American livestock producer, consumers, and our trading partners because of its role in safeguarding animal health. The faster we can trace sick animals, the faster we can stop the spread of disease and resume normal movements.

USDA expanded its animal disease efforts in 2004 by initiating the National Animal Identification System (NAIS). NAIS allowed producers who were not part of a disease program to voluntarily participate in national animal health safeguarding efforts. While the program achieved progress, it met with significant opposition from many sectors of the industry.

Many American producers were concerned that NAIS was too intrusive. Moreover, States and Tribes believed that NAIS did not give them flexibility to account for local needs and variations of production systems across the United States. Additionally, producers became discouraged and distrustful as NAIS implementation strategies repeatedly changed. To develop a comprehensive understanding of how to design and deliver an animal disease traceability program, USDA gathered input from the public through a variety of mechanisms (15 listening sessions in 2009, public comment periods, focus groups, and ongoing stakeholder input). USDA evaluated alternatives for building an effective traceability capability while developing a new framework. We learned from the mistakes we made in trying to implement NAIS.

The following sections explain the new approach APHIS is now taking to implement a national animal disease traceability framework.



## **Section 2: New Traceability Framework**

### **Guiding Principles**

Secretary Vilsack's February 5, 2010, announcement on traceability set a new course for the Department's approach to animal disease traceability to strengthen the ability to successfully respond to animal diseases. The Secretary stated that USDA's refocused animal disease traceability framework is about building on progress and closing gaps in our ability to trace animals infected or potentially exposed to a disease. We are focusing on making real, measurable progress toward effective national animal disease traceability.

### **Regulatory Change and Public Dialogue**

USDA is taking deliberate and transparent steps to implement the framework. We will publish a new animal disease traceability section in 9 CFR, thereby establishing a regulation that requires the official identification of livestock moving interstate. This framework will be implemented systematically and consistently. The regulation will also include the use of the ICVI to provide greater information on livestock movement. We continue to obtain stakeholder feedback on the animal disease traceability framework, and they will have additional opportunity to comment after the proposed rule is published. Our approach is "outcome based." Outcomes of the program will be presented and defined as specific traceability performance standards. Mandating effective traceability outcomes (rather than prescribing specific, inflexible means to achieving those outcomes) is key to enabling States and Tribes to implement specific solutions that work for their producers.

### **Uniformity**

The traceability plan for the United States is based on compatible data standards to ensure that a uniform system evolves throughout the United States. That system will support the needs of official animal disease monitoring, control, and eradication programs and interstate animal movement. Official identification will be defined in 9 CFR by species. While USDA will provide several official identification options, the use of official identification (as set out in the CFR) will be required. The concept of uniformity does not mean that State systems need be identical, only that they are compatible and that they adhere to national requirements. These standards will ensure a uniform and coherent national strategy for traceability.

### **National Flexibility, Local Responsibility**

Through the framework, APHIS will implement a flexible yet coordinated approach to animal disease traceability that embraces the strengths and expertise of States, Tribes, and producers and empowers them to find and use the traceability approaches that work best for them. States and Tribes, working closely with local producers, will be responsible for implementing traceability systems that will allow them to achieve national traceability performance standards. These performance standards will ensure the Nation has a high level of tracing capabilities.



## **Focus on Interstate Movement**

Our approach, at the Federal level, focuses on animals that move interstate as such movements have the greatest impact on the spread of diseases nationally. Additionally, producers who raise animals to feed themselves, yet move those animals across a State line for custom slaughter, are outside our scope and focus.

## **Common Sense and Cost Effective**

We have had successful traceability through the identification methods used in disease eradication programs. We are building on the fundamental principles of those successes. Those fundamentals include reestablishing the use of the basic identification methods that have proven to be successful, widely accepted by producers, and cost effective. The flexibility of our approach will allow for the use of advancing technology. Producers wishing to use radio frequency identification (RFID) for official identification will continue to have that option.

## **Cooperation**

Traceability is a joint effort among Federal, State, Territorial, and Tribal animal health officials and participants in the animal production chain. Success will depend on effective partnerships. USDA's role will be to work with State and Tribal agencies and the private sector to establish clear, uniform, Federal standards to enhance interstate animal movement. APHIS will establish clear guidelines and performance measures so States, Tribes, and Territories know what their traceability systems must achieve for their livestock and poultry to move interstate.

## **Building on Progress**

The new framework is designed to recoup and capitalize as much as possible on our previous investments. For example, USDA will use and freely make available to States and Tribes the information technology infrastructure we have developed to support our traceability efforts to date. The outcomes of and progress achieved through cooperative agreements with the States and Tribes will also be transferable to the new approach.

Outcomes that we have achieved with our funding to date are summarized below.

## **Premises Data**

Data for nearly 40 percent of the estimated 1.4 million premises in the United States with livestock, or 550,000 premises, are recorded in the current information technology systems. While the information structure for "housing" these records and the continuation of the premises system is at the discretion of the States and Tribes, these records are being maintained by the States and provide a solid foundation from which to work as the refocused traceability framework is implemented.



## **Animal Identification Devices and Data**

The distribution records for nearly 20 million official identification devices are recorded in the Animal Identification Management System (AIMS). Over 7 million of these devices are animal identification number (AIN) radio frequency identification tags. Nine manufacturers offer 40 different AIN 840 tags, a form of acceptable identification that uses the country designation for the United States.

## **Information Technology Infrastructure**

Multiple information systems were developed to support NAIS. These systems are a crucial part of the refocused traceability framework and are integrated in various animal disease program activities.

- **Premises or Location Identification:** USDA developed extensive premises systems that maintain data on more than 550,000 locations. The premises identification systems for the new framework will expand on the design and function of the existing systems, giving States and Tribes more options. States and Tribes can choose to use the systems through a federally hosted data center. Additionally, to address producer concerns, a local version of the database will allow States and Tribes to host the data locally. The data standard for the premises identification number (PIN) will be maintained with the option for States to use their State postal abbreviation as the first two characters.

The premises information repository maintains a record of all premises. This system, which previously centralized the records of all producers in the NAIS, will be modified to allow States and Tribes to store only the information they prefer. For example, USDA will no longer require that the producer's contact information be associated with the premises. Data integrity is maintained by storing all PINs in the repository issued within a State or Tribe.

States and Tribes may also issue their own location identifiers in accordance with the new data standards. The premises repository remains a vital component of the traceability system to maintain a record of State- or Tribe-issued location identifiers for providing secure communications to the State- or Tribe-maintained data when necessary to support a disease event.

- **Animal Identification Systems:** The AIMS maintains records on the distribution of the AIN 840 devices. Numerous industry organizations have developed communication interfaces with the AIMS to report the manufacturer of official devices and for distributors to report distribution to farms and ranches. Additionally, the official sheep and goat tags used in the scrapie eradication program are administered in the AIMS. The AIMS has been integrated with the mobile information management system to facilitate automated data capture using AIN RFID tags for emergency disease investigation and response purposes and other regulatory animal disease efforts, such as bovine tuberculosis testing and for brucellosis calfhood vaccination and testing.



Because of the success the AIMS has shown with the distribution record of AIN 840 tags and scrapie tags, the system is being expanded to support the administration all official identification devices, including metal tags commonly used for cattle.

- **Animal Trace Processing System:** APHIS developed the Animal Trace Processing System (ATPS) that animal health officials will use when initiating a response to an animal health event. The system puts in place the communication and messaging process between the private and State animal tracking databases (ATD) and the ATPS to ensure that animal movement information is provided to the animal health official in a timely manner. However, State and Federal animal health officials will not have direct access to the systems. They will only be able to request information. This will maintain a clear disconnect to Federal government access to the data. USDA deployed the ATPS in March 2007.

The ATPS provides security, electronic data transfer, and auditing processes. Additionally, the ATPS integrates other relevant data from the animal health databases managed by APHIS. The ATPS will enable Federal and State animal health officials to submit requests for information to the ATDs when investigating an animal disease event.

- **Animal Health Information Repository:** The animal health information repository offers immediate access to other APHIS information systems that are being used to support disease programs. The repository stores data on all animal identification records so they can be found quickly when a disease investigation is initiated. Currently, the ATPS interface provides immediate access to over 160 million records.



## Section 3: Traceability Rulemaking

### Overview

Through rulemaking, APHIS is including many principles of the disease traceability framework in a new section of 9 CFR. The following is a brief description of the proposed rule being developed. For more complete information on the recommended content of the proposed rule, see Appendix A, "Details on the Preliminary Content of the Proposed Rule."

The traceability regulation is outcome based. The outcomes are being defined as traceability performance standards. One example of a performance standard under consideration is tracing animals to the State or Tribe in which they were identified 95 percent of the time within 7 days. APHIS convened a State-Tribal-Federal Traceability Regulation Working Group to develop these standards and work collectively on the content of the proposed rule. This collaborative approach ensures that the rule will provide strong, clear Federal requirements, while at the same time accounting for local needs.

The Federal regulation will require that livestock moved interstate be officially identified and be accompanied by an ICVI or other documentation. More information on ICVIs is provided below in Section 4, Key Activities to Quantify Compliance & Progress, Compliance Factors. The regulation will specify authorized forms of official identification for each species that must be accepted by all States and Tribes. However, we will also allow livestock to be moved between any two States or Tribes with another form of identification (such as branding, for example) as agreed on by animal health officials in the two jurisdictions. Some animals and interstate movements would warrant exemption from official identification and ICVI. These limited exemptions will be outlined in the regulation and are explained in Appendix A.

USDA will also maintain its identification requirement for disease programs. Additionally, we will maintain import regulations related to identification and traceability.

Appendix A gives the details of the proposed traceability rule. Achieving a high level of official animal identification is critical to a successful traceability system. Through the rule, official identification will be a primary requirement for the interstate movement of livestock. Additionally, knowing the locations and movement of animals is necessary for timely response. Therefore, an ICVI, movement permit, or other documentation will be required to accompany livestock moving interstate. Appropriate exceptions to the ICVI requirements will be defined for each species.

Under the new regulations, States and Tribes would need to meet traceability performance standards (see section on performance standards below). If States and Tribes do not meet the performance standards, livestock moved interstate from those States and Tribes may need to meet additional requirements.



## Draft Requirements by Species

### **Captive Cervids**

Captive cervids moved interstate will be required to be officially identified as provided in the current regulations. The traceability regulation will not have any effect on captive cervids—official identification requirements in 9 CFR part 81, “Chronic Wasting Disease in Deer, Elk, and Moose,” will be used to support the traceability framework.

### **Cattle<sup>1</sup>**

The new regulation will address the current traceability voids in the cattle sectors by requiring official identification and ICVIs for animals moving interstate. Further, the new regulation will include cattle of all ages. Prior to this rule, only adult cattle over 24 months of age were required to be officially identified for interstate movement (9 CFR 71.18).

Including all cattle increases the number of officially identified cattle by 20 million animals per year. To avoid market disruption, sectors of the beef industry must be phased in systematically as the fundamentals of the animal disease traceability framework are implemented and proven to be workable. The industry supports the need to have complete and successful disease tracing and wants to phase in feeder cattle when the program has a solid, functional base. Cattle producers and industry organizations remain concerned that due to operational issues and shortfalls of the system, applying the requirements too quickly to feeder cattle could actually delay achieving full implementation. Additionally, the phase-in will allow USDA time to ramp up its compliance and enforcement efforts.

In response to feedback from industry and animal health officials, USDA has prepared a phased-in approach to meet the needs of both animal health officials and the industry. This plan ensures that the industry sectors can systematically implement the cattle handling practices and record requirements necessary to support the framework. More information on the current thinking for implementing the regulations in the cattle industry is given in Appendix A and in section 5.

### **Horses and Other Equine**

Horses and other equine moved interstate will be required to be officially identified and documented in a manner similar to those stated in 9 CFR part 75, “Communicable Diseases in Horses, Asses, Ponies, Mules, and Zebras.” The new traceability regulation will specify forms of official identification for moving interstate.

---

<sup>1</sup> While bison are not referenced specifically in this report, the working group recommends that all regulations for cattle be applicable for bison.



## **Poultry**

Poultry moved interstate will be required to be officially identified in the new traceability regulation with forms of official identification specified. Poultry are often identified with group or lot identification. Additionally, the new regulation will require poultry moved interstate to be accompanied by an ICVI, unless otherwise exempted.

## **Sheep and Goats**

Sheep and goats moved interstate must be officially identified to comply with current regulations. The traceability regulation would not have any effect on sheep and goats—the effective official identification requirements in 9 CFR part 79, “Scrapie in Sheep and Goats,” will be maintained.

## **Swine**

Swine moved interstate must be officially identified to comply with current regulations. The traceability regulation would not have any effect on swine—the effective official identification requirements in 9 CFR 71.19, “Identification of Swine in Interstate Commerce,” will be maintained.



## Section 4: Key Activities to Quantify Compliance & Progress

### Traceability Performance Standards

The concept of traceability performance standards supports and aligns with the basic principle of an outcome-based regulation. Performance standards describe a desired result or outcome, but not the methods for achieving the result or outcome. They provide a process to evaluate tracing capabilities uniformly across the States and Tribes.

In measuring national tracing capability, we will consider whether reference animals (animals that are part of a disease investigation or selected for a test exercise) that are required to be officially identified to move interstate can be traced from the State or Tribe of origin (shipped from location) to the State or Tribe of destination (shipped to location) within a certain timeframe during a disease investigation.

APHIS has identified four measurements to evaluate the interstate movement tracing capability of States and Tribes:

1. Time required for the State or Tribe of destination to notify the State or Tribe in which the reference animals were officially identified.
2. Time required for the State or Tribe of tag origin (i.e., official eartag) to validate the application and/or issuance of the reference animal numbers for which they were notified (in Performance Standard 1). This can be accomplished using distribution records that contain contact information for the business or operation to which the numbers were issued.
3. Time required for the State or Tribe of destination to notify the State or Tribe from which the reference animals were shipped. Increasing the use of electronic ICVIs will make achieving this performance standard easier.
4. Time required for the State or Tribe of origin to validate the movement of the reference animals for which they were notified (in Performance Standard 3) from the State or Tribe of origin to the State or Tribe of destination. This can be accomplished using required ICVI information, which includes the location where the inspection by an accredited veterinarian takes place and the location to which the animals are moved interstate. A movement permit or other document may be used when the equivalent information reflecting the shipped from location and location of destination can be determined.

How States and Tribes would fulfill the traceability standards can be illustrated by an interstate movement scenario in which a dairy cow was shipped from Wisconsin to Texas. The animal had been identified through the Dairy Herd Improvement Association with an 840 tag. Therefore, that identification was used to meet the official identification requirement for interstate movement. The cow was then sold and moved from Texas to California.

The following actions reflect how the performance standards align with traceback activity (presented in the numeric order of the performance standards, not necessarily the order the actual tracing events may be conducted).



- Performance Standard #1: California, using the Animal Identification Management System, determines the 840 tag was distributed to Wisconsin and informs Wisconsin of the official identification number of the reference animal.
- Performance Standard #2: Wisconsin validates the 840 number reported was correct based on tag distribution records. Again, the Animal Identification Management System should be a good source of that information in this case.
- Performance Standard #3: California informs Texas of the official identification number of the animal shipped from Texas to California.
- Performance Standard #4: Texas validates that the reference animal moved from Texas to California based on information contained on ICVIs or comparable documents.

Table 1 in Appendix B summarizes the performance standards being considered. Most of the standards will be implemented in two phases to enable States and Tribes to improve their current capabilities and to allow adequate time for USDA to ramp up its enforcement and compliance efforts. Appendix B also explains how the performance standards are applied using a scenario of an animal that moved interstate. Section 5 of this report details the timeline for implementing these performance standards.

### Traceability Tiers

APHIS, through collaboration with States and Tribes, will establish and publish in the traceability performance standards document a process for evaluating the progress of States and Tribes in achieving tracing capability in harmony with the traceability performance standards. We are considering establishing three categories, or tiers, to reflect the States' and Tribes' progress.

- **Traceability Tier I.** The State or Tribe meets all traceability performance standards for the species.
- **Traceability Tier II.** The State or Tribe does not meet all traceability performance standards for the species, but performance for most criteria is within the defined acceptable range (details to be provided in the performance standards document). No additional traceability requirements are imposed for interstate movement of that species from the State or Tribe. The State or Tribe implements corrective actions and will be reevaluated within 1 year. APHIS will reevaluate the State or Tribe upon request of State or Tribal animal health officials. If the State or Tribe does not meet all traceability performance standards for the species after 3 years, the State or Tribe will be assigned Traceability Tier III for that species.
- **Traceability Tier III.** The State or Tribe does not qualify for Traceability Tier I or II for that species. Additional requirements will apply to interstate movements of that species from the State or Tribe to enhance traceability of that species. The additional interstate movement requirements will be established by the Administrator in each case, taking into consideration the results of the traceability evaluation. The additional requirements could include applying or recording official identification that would otherwise not be required under the regulation or supplemental documentation, such as permits. Additional



interstate movement requirements applicable to a particular species from a State or Tribe classified as Traceability Tier III for that species will be made public. APHIS will reevaluate the State or Tribe at the request of State or Tribal animal health officials.

APHIS will post the list of traceability tiers online and publish notices of changes in designation in the *Federal Register*.

#### **Compliance Factors**

The success of our tracing capabilities hinges on a high level of compliance with the regulation and adherence to related policies by all animal health officials. Compliance factors with regulations and policies will include several items, including those listed below. Having adequate resources is crucial to the administration of enforcement protocols.

#### **Official Identification**

Compliance with the official identification requirements for livestock moving interstate is necessary to achieve the traceability performance standards. An "official identification" compliance factor will reflect the percent of animals moving interstate that are required to be officially identified that were officially identified when moved interstate. APHIS will also evaluate the proper administration of official identification devices by animal health officials and industry to ensure official tags are traceable.

#### **Collection of Identification at Slaughter Plants**

Animal disease surveillance activities are commonly administered in the slaughter plants. Ensuring that the official identification of an animal is maintained through carcass inspection is critical. Therefore, compliance factors may include the percentage of official identification properly collected at slaughter.

#### **Interstate Certificates of Veterinary Inspection**

Along with the requirement for official identification of animals moving interstate is the requirement for ICVIs, which document the health of the animals. The ICVI provides important information about animals permitted to move interstate, including the points of origin and destination. Complete and accurate information from these forms will greatly enhance tracing capability. Their use will become essential for States and Tribes to achieve the traceability performance standards. APHIS will closely oversee the proper use of ICVIs and use the National Veterinary Accreditation Program as a means to ensure these animal health officials are well advised of these requirements.

When an ICVI would be required, it would accompany each shipment and list the following information:

- Consignor and location from which the animals are to be moved
- Consignee and destination of the animals



- Number of animals covered by the certificate
- Purpose for moving the animals
- Individual official identification (or confirmation that the animals are each officially identified) or group/lot identification number
- Dates and results of the official tests
- Age
- If required, a permit number issued by the State of destination

An example of Virginia's ICVI form is provided on the following page.

Another key priority for implementing the framework is to advance the use of electronic ICVIs for moving livestock interstate. Such technology will make the data searchable, thus decreasing the time necessary to retrieve traceback records when conducting an investigation.



[illegible]



## Traceability Cooperative Agreements

APHIS must help the States and Tribes fund traceability activities. We envision each cooperator having an APHIS-approved animal disease traceability plan that thoroughly describes the cooperator's objectives and specific strategies for establishing the tracing infrastructure. Federal funding will be provided through annual cooperative agreements that detail implementation strategies supporting the cooperator's traceability plan. Funding levels will be proportionate with the projected costs of the activities defined in the cooperative agreement and align with achieving traceability objectives defined in the State or Tribal animal disease traceability plan.



## Section 5: Implementation Timelines

To implement and carry out the refocused traceability framework in the United States, timelines for the publication of the new regulation have been estimated, and factors for compliance and traceability performance standards have been established. Additionally, due to the complexities of implementing the new regulation in the cattle industry, strategies are provided to reflect the phased-in approach. These strategies are summarized in this section and illustrated in figure 1.

### Rulemaking

APHIS projects the proposed rule on traceability will be published in early 2011 and the final rule will be published 12 to 15 months later. As indicated earlier, many of the existing disease program regulations will support the traceability framework. In some cases, especially for cattle, the new regulation will expand existing requirements for interstate movements.

### Cattle Implementation

The official identification requirements for cattle, as summarized in section 3, will be phased in. In Step I, the foundation phase, adult breeding animals, dairy cattle, and rodeo and show animals will be identified when moving interstate. This phase will begin upon the effective date of the rule. In Step II, an assessment of progress being made through the new disease framework will be conducted. Specific performance indicators for cattle over 18 months of age could include 75 percent moving interstate are officially identified and 75 percent of identification is being collected in accordance with the traceability regulation at federally inspected slaughter plants.

Additionally, studies and surveys will be conducted at critical infrastructure points, including markets of various sizes, to evaluate the implementation of the regulatory requirements of Step I. Information on activities that may need to be adjusted to improve operations relating to the administration of the regulation will be documented.

Step III, full implementation, will begin 1 year after the performance indicators are achieved. At that time, inclusion of nearly all cattle moving interstate will require official identification through the disease traceability framework. Several exemptions, based on the type of interstate movement, will be maintained. These exemptions are discussed in Appendix A.

### Compliance Factors

We have established timelines for administering the compliance factors described in the previous section. The immediate priority is to ensure compliance with the regulations pertaining to the collection of all official identification at the slaughter plants. We expect to begin enforcing the requirements for the collection of identification at slaughter in early 2012. Having these practices well established early on will help avoid problems as the volume of official identification increases. The proper completion of ICVIs will also be monitored soon after the final rule is published with compliance factors summarized by mid-2012.



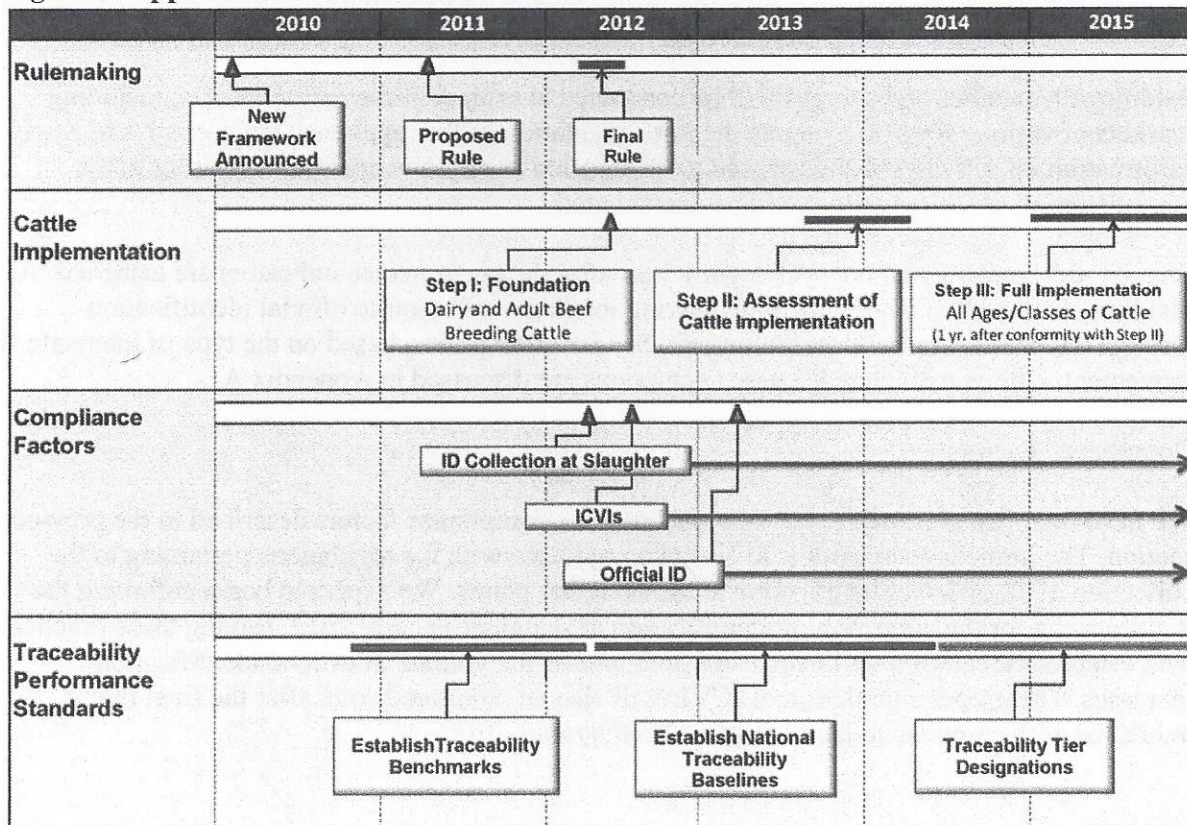
High compliance with the official identification requirements is essential, and enforcement of the regulation will be a high priority. We propose educational periods for several months after the regulations are published to advise producers of the new requirements. We anticipate levels to be near 80 percent shortly after the effective date of the regulation and to exceed 90 percent within the first year. These factors would be provided in early 2013.

#### Traceability Performance Standards

The traceability performance standards will be used to designate States' and Tribes' traceability capabilities, referred to as Traceability Tiers. We will obtain data now through 2011 that reflects tracing capabilities prior to the implementation of the traceability regulation. The information will provide benchmarks to measure improvements and document progress.

Two years after implementing the regulation, we will establish national baseline traceability values using current tracing capabilities. Only animals moved interstate since the effective date of the rule will be used. As we gain knowledge about our tracing capabilities, the traceability performance standards may need to be adjusted. Some of the performance standards would be phased in, starting with less stringent standards and increasing them as tracing capabilities improve. As illustrated on the following chart, the traceability tier evaluations would be initiated in 2014. After evaluating States' and Tribes' tracing capability in comparison to the standards, the traceability tiers for each will be listed on the traceability Web site.

**Figure 1. Approximate Timelines**





## Section 6: Resource Requirements

This discussion is intended to provide technical assistance at the Appropriation Committees' indication. This information is not a budget request, as it was not developed through the budget process. Future budget requests will be based on the availability of funds and Administration priorities.

### Fiscal Year 2011 Budget Plan

The fiscal year (FY) 2011 budget plan calls for \$14,241,000 to support the first full year's transition since the Secretary's announcement to the new traceability framework. The key activities supported by these funds are explained in table 1 below with specific expenditures for each major activity explained in tables 2 to 4. (Funds will be expended monthly.)

**Table 1. FY 2011 Budget Plan for Traceability**

<b>Activity</b>	<b>Funding Plan</b>
System Funding (Information Technology)	\$1,900,000
Field Implementation (Cooperative Agreements, Outreach, Field)	\$9,611,600
Program Administration	\$2,729,400
<b>Total</b>	<b>\$14,241,000</b>

### System Funding

APHIS will use \$1.9 million to support information technology systems to administer animal identification devices, allocate location identifiers, and manage the animal disease traceability information systems. APHIS will continue to provide the premises identification systems to States and Tribes that wish to use these systems. Planned expenditures include the contract with the National Information Technology Center (NITC) to operate and maintain these tracing systems.

**Table 2. System Funding (Information Technology)**

Software	\$50,000
Hardware	\$20,000
Services (NITC)	\$716,822
Personnel	\$613,178
Support Services (Contracts, Help Desk)	\$500,000
<b>Subtotal</b>	<b>\$1,900,000</b>



## Field Implementation

Approximately \$6 million will be used to fund cooperative agreements with States and Tribes to implement the new traceability plan. APHIS will need to obligate these funds in April 2011. The initial purchase of low-cost tags will be made by mid-2011. APHIS will also use \$400,000 to support outreach and about \$2.6 million to support APHIS field activities.

**Table 3. Field Implementation (Cooperative Agreements, Outreach, Field)**

Eastern Region Cooperative Agreements	\$2,186,300
Western Region Cooperative Agreements	\$3,897,160
ID Tags	\$500,000
Outreach	\$400,000
Eastern Region Field Work	\$1,231,740
Western Region Field Work	\$1,396,400
<b>Subtotal</b>	<b>\$9,611,600</b>

## Program Administration

Approximately \$913,000 and \$1.8 million are planned for policy and program administration, respectively.

**Table 4. Program Administration**

Headquarters Work	\$913,400
Program Administration	\$1,816,000
<b>Subtotal</b>	<b>\$2,729,400</b>



## Summary & Conclusion

The new traceability approach addresses many of the producer concerns about previous efforts to implement a national animal identification system by directing more responsibility to the State and Tribe level. Additionally, it offers basic, low-cost animal identification options that are well supported by most sectors of the industry as a starting point to increase the number of animals officially identified, particularly in the cattle sector. As a result of these principles, USDA has gained support for advancing animal disease traceability.

The disease traceability framework will focus where the impact of disease spread is the greatest—animals moving interstate. Rulemaking requiring official identification of livestock along with certificates that document the health of the animals (unless otherwise exempt) brings assurance that necessary levels of participation will be achieved. Unlike the voluntary NAIS, this mandatory approach establishes regulations where current traceability has the greatest void, primarily in the cattle sector. While other species are included, disease program regulations for those species result in adequate traceability. Those regulations are being maintained. For some species, such as equine, deer, and elk, disease-specific additional regulations are being developed.

The vast diversity of U.S. animal agriculture has made it difficult to deploy a “single, one-size-fits-all” solution like other countries. The refocused framework relies on common standards to ensure compatibility of systems while supporting local flexibility. Tracing capability is the “end product,” and the new framework establishes traceability performance standards to ensure progress is made. Decreasing the amount of time to complete a trace is our objective, and the performance-based approach directs our efforts accordingly. Most importantly we can continue, if necessary, to target species and sectors needing improvement.

Measuring States’ and Tribes’ tracing capability and implementing “traceability tiers” for States and Tribes will not happen immediately. However, the regulatory requirements for the interstate movement of livestock will ensure practices are deployed that are highly correlated with tracing capability, most specifically increasing official animal traceability within the cattle sector. While the transition to the official identification requirement for all cattle (with few exemptions) will be over a period of time, the practice of officially identifying cattle to meet future interstate movement requirements would be initiated by many producers soon after they learn of the requirements. With a significant percent of cattle being moved interstate over their lifespan, along with associated marketing opportunities, we project an immediate increase in official identification of the cattle population as producers adjust their management practices in preparation of the new regulation.

The plan addresses previous roadblocks from across the industry, providing a clear way forward through rulemaking. It establishes consistent direction upon which to build. The outcomes will be accurately measured to document progress to ensure a valued return of the investment and support more timely and complete response to animal disease events. This approach will bring tangible results that will markedly improve our Nation’s traceability, specifically in cattle. The results of the framework, unlike any previous effort and a first in the history of the United States, will achieve the official identification of nearly all cattle that move interstate.