

TESTIMONY OF

Dick Koehler, Vice President
BelTex Corporation
Representing the U.S. Horse Processing Industry
BelTex Corporation, Dallas Crown Inc., Cavel International Inc.

Concerning the
American Horse Slaughter Prevention Act
H.R. 503

Before the
Subcommittee on Commerce, Trade, and Consumer Protection
Committee on Energy and Commerce

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My name is Dick Koehler, Vice President of Beltex Corporation. Beltex Corporation is a Texas Corporation with European shareholders that operates a USDA and European Union - approved horse processing company located in Fort Worth, Texas. I am here today representing the 100-year-old U.S. horse processing industry, which would be eliminated in its entirety if this bill passes.

My business management background includes serving as a plant manager for Simeus Foods International, one of the country's few minority-owned food processors, for 14 years. I was also the primary meat buyer for Armour Foods/ConAgra for 10 years.

Since 1998, I have been honored to be part of Beltex, which not only provides a vital service to the \$40 billion horse industry, we provide food to zoos, contribute to the local community through donations to charities and community groups and allow our plant to be used as an academic research facility to improve veterinarian care.

I was eager to take the helm of the Beltex's Ft. Worth plant. My background in business prepared me for the many challenges involved with the daily tasks of running a company. What I was not prepared for was the continuous barrage of insults, attacks, and lobbying efforts by the animal rights community – which has sparked legislation like H.R. 503. These groups are relentless in their lobbying, public relations, and advertising campaigns, in which they have spread inaccurate descriptions of our industry through thousands of internet, print, radio, and television stories worldwide.

Furthermore, these groups have posted video footage on their Web sites, claiming it to be an accurate portrayal of the horse slaughter process. The truth is, this footage of cruelty and abuse does not reflect the modern USDA approved process we use here in the United States. I can promise you, irrefutably, that the video was also not filmed at the

other two U.S. horse processing plants: Cavel, or Dallas Crown. Yet, we are the three companies that would be forced to shut down if you pass H.R. 503.

Not only do I have to go to work each day and make the high level decisions required to run my business. I also must deal with a cruel, misguided misinformation campaign against our industry that has reached mammoth proportions. This campaign, waged by animal rights groups supporting H.R. 503, has reached the point that it directly affects the long term planning of the corporation. The continuous threat of being shut down has made it impossible for us to commit to long-term investments that would improve our facility and our operations -- a burden not faced by most small businesses in America. These investments would bring more jobs to our community and fuel the local economy.

The goal of the animal rights groups that support this bad bill is best described by their own officials in their own words. In a Washington city paper article, Ingrid Newkirk, President and Founder of the People for Ethical Treatment of Animals stated, "Eating meat is primitive, barbaric, and arrogant." And in 1996, the current Humane Society of the United States grassroots executive J.P. Goodwin said, "My goal is the abolition of all animal agriculture."

In fact, the Animal Liberation Front, which is the animal rights community's branch devoted to violent and often criminal activity, is described by the Federal Bureau of Investigation (FBI) as a domestic terrorist organization. Just four days ago, the FBI announced that an ALF activist pled guilty to 54 counts of arson involving nine separate attacks. One of these attacks was on the Cavel West horse processing plant in Redmond,

Oregon, which the animal activist burned to the ground in 1997. You can see that our concerns are not unfounded.

Today is the first chance horse processing industry has had to describe accurately the vital services we provide without having a reporter or producer edit it. It is the first chance we have had to explain to the U.S. House of Representatives exactly what we do, and we sincerely thank you for this opportunity.

Beltex, Cavel, and Dallas Crown are the only companies in America that provide five distinct and vital services that would be eliminated if this legislation passes. The mayor of Ft. Worth issued Beltex a special commendation for being a good corporate citizen. Beltex is a legal, tax-paying business that adheres to all applicable local, state, and federal regulations, as well as European Union regulations.

Following are the five vital services we perform:

- First, we serve as an academic research laboratory for Texas A&M, Oklahoma State University, Colorado State and other leading university veterinarian programs. By allowing students of veterinary medicine to visit our facilities and observe and examine large numbers of horses, we make possible the research that is used to enhance the quality of veterinary care.
- Second, we are the only source of USDA-inspected horsemeat for U.S. zoos. More people visit zoos in America than all sporting events combined. A high-protein diet using horsemeat mimics what many zoo animals would have consumed in the wild. If the zoos cannot get meat

from us, they will be forced to import horsemeat from other countries with less stringent safety and humane handling regulations.

- Third, we are the leading U.S. source of equine pericardia used to replace the human membrane that surrounds and protects the heart. Equine pericardia are stronger and thinner than other animal pericardia, making them ideal for human heart surgery. Again, if the pericardia have to come from overseas, the harvesting of them will not be under the same watchful eye as it is here in the United States.
- Fourth, we are an irreplaceable, interdependent part of the \$40 billion horse industry, without which the market would fail, causing tens of thousands of horses to potentially become abandoned and abused.
- Fifth, when rendering plants reject horses, we euthanize and prepare the horse to meet the specifications set forth by these plants. This is important because proponents of closing our plants indicate that euthanasia and pick-up by rendering plants as an *alternative* to our services, when, in fact, we are often an integral part of the rendering process.

Because the horse processing industry has been misrepresented in the past, I am providing the following modern-day, *accurate* and detailed description of our industry.

Independent buyers purchase horses from auctions and other sources. They are looking for horses that can potentially be used as recreational or working animals. Some of these horses, because of temperament, physical attributes, or other reasons have no market value as a working or recreational animal. These “loose” animals, as they are

called at auction, would be considered the bottom of the horse market, and the traders often sell them to one of the three processing plants. Most horse owners who take their animals to auctions realize that the animals may end up at processing plants. A portion of the animals we receive come from private individuals who deliver the animals to our plants. If horse owners do not want their animals to go to the processing plants, they should simply market their animals by private treaty. The choice now lies where it should – *with the horse owner*. This is why passage of H.R. 503 would constitute a clear violation of personal property rights.

The processing plants are the only outlet where the lowest-value, unwanted horses end up. Unwanted horses fall into a wide range of categories. They are healthy and of various breeds, suffer from non-life-threatening disability or infirmity, fail to meet the owner's expectations, have behavioral problems, or are just plain mean or dangerous.

As the unwanted horses are transported to processing plants, it is important to note that horses bound for slaughter are the only livestock that have any federal humane treatment guidelines governing their transport. The USDA's Animal and Plant Health Safety Inspection Service (APHIS) enforces the "Commercial Transportation of Equines for Slaughter" (9 CFR 88). This regulation establishes the condition horses must be in before they can be transported by commercial livestock haulers to the plants. The Fitness to Travel Section of this law passed by Congress dictates that the horse must be able to bear weight on all four limbs, not be blind in both eyes, walk unassisted, be older than six months of age, and be not likely to give birth on the trip.

This regulation also sets out how frequently the trucks must stop to feed and water the horses enroute to a packing plant. The regulation makes it unlawful to transport

horses in double deck trailers after 2006. Ironically, this very law was championed by the animal rights groups who are now criticizing these regulations. HSUS claims that nursing foals and blind horses are being transported to slaughter, but this and their other transportation concerns have already been addressed by Congress and the law and regulations are already being enforced.

This regulation also establishes criminal penalties for those that violate the rule. We encourage you to review Beltex's record with APHIS instead of listening to unfounded allegations by our critics. In fact, renowned animal welfare expert Temple Granden conducted a published study on this topic. She found that it was the original horse owners, not transport conditions, which were responsible for the reported horse abuse and neglect of horses that arrived at slaughter plants.

Upon the horses' arrival at the plant, the USDA APHIS inspector verifies all shipping documents. An additional inspector, a law enforcement official acting as a brand inspector, documents the owner number, sex, breed and markings on each horse to make sure none of the horses have been reported stolen from their original owners. This mandatory brand inspection by law enforcement has been in effect since 1997, when Texas Agriculture Code #148 took effect. In all the years I have been at the company, the brand inspectors have never found that a horse that has been reported stolen.

In order for meat to be exported to the European Union, a veterinary medical inspection officer from the United States Department of Agriculture's (USDA) Food Safety Inspection Service (FSIS) must be present at the time of slaughter. This USDA veterinarian must perform an antimortum inspection of livestock in pens before processing in order to confirm that the animals comply with all USDA regulations as

being fit for processing. This USDA veterinarian monitors the complete sequence of events involved in euthanasia and processing. The USDA veterinarian has the authority to retain and condemn any carcass that is considered suspect for contamination or diseased in some fashion that would make the introduction of the meat from that carcass into the human food chain unsafe. Since horses are handled under both United States and European Union regulations, horses undergo more stringent inspection procedures than are other animals slaughtered in the United States.

Our plant has been designed specifically to put horses at ease. When horses are received, they are provided food and clean water in a clean and covered holding area. A captive bolt system is used to euthanize the horse, as is dictated by the Humane Handling Act approved by Congress. *A captive bolt is not a stun gun*; it is designed to produce instant brain death. In other words, we are bound by the Humane Handling Act to euthanize these horses in this specific way. Animal rights groups advocating H.R. 503 know that we are following this law that binds us to perform veterinarian-supervised humane euthanasia, yet their materials and media interviews continue to claim that the process is not humane. If any of the independent inspectors or USDA veterinarians see any impropriety at any step along the way, immediate action is taken.

Now that you have heard the accurate account of this carefully supervised process, there is no evidence that suggests a food safety or public health risk. We are required by law to adhere to the Humane Handling Act, the Humane Slaughter Act, the Meat Inspection Act, and additional regulations. Therefore, H.R. 503 would set the very dangerous precedent of the federal government banning a livestock product for reasons other than public health.

I also want to point out that our legal obligation to treat animals humanely is matched by our own incentive: animals under duress make for a substandard product. That is why the owners of the horse processing plants use the humane euthanasia methods supported by the U.S. Congress and the American Veterinarian Medical Association. In fact, our method also meets the requirements for humane euthanasia set forth by HSUS, which says “We recommend for use only those methods that cause a rapid loss of consciousness and that cause minimal pain, distress, and suffering in the animal.”

The quality of meat is dependent upon many factors, not the least of which is that an animal at the time of slaughter should be as calm as possible in order to reduce the animal's stress levels. A stressed animal can have chemical reactions in the muscles that result in meat that is substandard.

This is why the unfounded claims of mistreatment are so ridiculous. The plants are not saying that difficult situations do not come up -- as they do with any animal -- but they are extremely rare and dealt with appropriately and immediately. Proponents of H.R. 503 inaccurately describe the slaughter process and continue to claim widespread mistreatment without evidence. Congress has already passed laws to assure that this is not the case. So, even if you believe that we are only driven by economics, note that we *do* have a financial incentive to handle the animals in as quiet and non-stressful a fashion as possible in order to produce the best quality product.

Since I have demonstrated Congress's own vigilance and provided USDA evidence that incidents of mistreatment are not a legitimate concern, the only argument left is, and I quote our opposition: “U.S. businesses shouldn't supply horse meat for

other people to eat.” With all due respect, I think that’s a downright arrogant statement. The debate about which animals should and should not be eaten has been flourishing since before the Middle Ages and is likely to continue. It is extremely presumptuous of PETA and other anti-slaughter groups to claim the moral high ground across the globe regarding what is appropriate to eat, and not eat. If they really care about the humane treatment of animals, then let’s talk about it. I’m confident that our plant meets that test. But don’t try to get the U.S. government to shut down my legitimate business simply because you find our safe meat product distasteful.

Remember, we set the base price for the entire horse market...we’re it. You are looking at the bottom of the horse market. If you close us, the bottom falls out, and you have a nightmare situation. Even the Congressional Research Service has expressed concern that the challenge of caring for an extra 60,000 to 90,000 unwanted horses per year couldn’t be met by the rescue and adoption facilities in place today.

Yet none of the animal rights groups supporting this bill have offered to address this problem. An Animal Liberation Front activist who now works at HSUS once set 7,000 minks free from a farm in Oregon. Four thousand of those minks, mostly babies who weren’t weaned from their mothers, died as a result. Is that what HSUS wants to happen here? Just let the horses die of starvation? The Humane Society of the United States is a \$111 MILLION DOLLAR operation. Let me repeat that. They are a \$111 million dollar organization! They have more revenue than all three of the horse processing plants combined, and as you’ve seen, they have several wealthy celebrities working with them. Yet we called the one and only shelter funded by HSUS that takes horses, and there is No Vacancy. The largest animal rights group in the country isn’t

willing to take one more horse, the shelter operator told us. Many other shelters are filled to capacity, as well.

Now, imagine what will happen when we add 60,000 to 90,000 unwanted horses per year to this overburdened system. Actually – the numbers are trending upwards of 90,000. Private owners will be able to absorb some of this influx, but the numbers are too staggering for that to even make a dent. Not only will eliminating processing be bad for horses, it will have a far-reaching negative ripple effect on the hundreds of businesses that make up our nation’s \$40 BILLION horse industry -- from hay farmers and trailer manufacturers to feed stores and truckers. In fact, our plant recently was recognized for being the number one airfreight client at Dallas Fort Worth airport. There are clearly more jobs on the line than just the workers in our plants.

Proponents of H.R. 503 have tried to polarize the two aspects of this bill -- the horse welfare part, which after this testimony they cannot lay claim to, and the economics, which they say are driving the mistreatment that they cannot document.

What I am here to clarify once and for all is that you *cannot separate* these two elements. A horse that is worth less money is more prone to neglect. Period. A horse trader that does not have a baseline guarantee of what he can get for a horse is not going to take a chance on a low-value animal. So that animal is going to have to go back to the person who didn’t want it anymore, but they have no buyers and no options. How do you think most people are going to treat that unwanted animal? The animals – the horses that HR 503 advocates are trying to protect – will clearly suffer then.

You can parade every celebrity known to man up here for as long as you want, and you can definitely get an eye full with some of them, but you cannot change the way

the market works. You cannot change reality. Our industry exports one of the few agricultural products this country trades with Europe. To a businessman like me, the passage of H.R. 503 would be the big hand of government reaching into a private industry and destroying an entire segment -- a segment that is interdependent with every other aspect of the \$40 billion horse market.

H.R. 503 claims to fix a so-called "problem" that has been misrepresented time and time again, while our plants have complied with every new law and every new regulation.

We hope you will consider the facts before you take the broad sweeping step of closing my business and the businesses of my competitors. Beltex is owned by a company based in the Netherlands, and Dallas Crown and Cavel are Belgian-owned, but all plant management and other employees live in the United States. Because Mr. Whitfield, the proponent of this bill, has a Japanese-owned Toyota plant in his state, I know he can appreciate what foreign ownership can do when an overseas corporation is willing to make an investment in your community and provide jobs to local residents. H.R. 503 would send the message that Americans reject foreign investment in our country.

In closing, I am asking you not to support this misguided legislation.

I am running a legal, tax-paying, humane business that is in compliance with every letter of every environmental and agriculture law on the books. Our industry is providing the underpinnings that allow our nation to safely and humanely manage its population of 9.2 million horses.

We have a track record of compliance with stringent regulations -- the most stringent in the entire livestock industry. I have talked about the services these three plants provide: essential nutrient-rich feed for zoos, medical materials for cardiac procedures, a humane end-of life option for horses, and employment opportunities for local communities. I hope you can look beyond the emotional arguments made by proponents of this bill, and listen to the experts from AVMA and AAEP who really know what is best for horses.

I hope you now realize that these plants provide a necessary service for the horse industry and for this country.

I urge you to stop now, before the federal government takes the unprecedented step of shutting down a legitimate, safe, law-abiding, tax-paying business.

I thank you for the opportunity to speak on behalf of the horse processing industry.

Summary of Testimony

- I am Dick Koehler, Vice President, Beltex Corporation, representing the country's three horse USDA-regulated horse processing plants.
- The horse processing industry is the victim of a massive misinformation campaign waged by animal rights activists, so we are pleased to have the opportunity to set the record straight and testify before this committee.
- The three plants provide five distinct and vital services that are integral to the nation's \$40 billion horse industry:
 - Academic research laboratories for the country's leading veterinarian research programs.
 - Only source of USDA-inspected equine protein to America's zoos
 - Leading source of equine pericardia for human heart surgery
 - Essential role of horse processing, which sets the baseline value of horses for the U.S. horse market
 - Preparation of euthanized horses for acceptance by U.S. rendering plants.
- Contrary to animal rights groups' misrepresentations, the horse processing industry operates as follows:
 - Independent buyers purchase low-value horses from auctions, which are unwanted because of temperament, physical attributes, behavioral
 - The horses are transported according to humane transport laws approved by Congress and advocated by the proponents of HR 503
 - The horses are fed and watered upon arrival and wait in a covered holding area
 - They are inspected and their owner number, sex, breed, and markings documented by a law enforcement officer to determine if they were stolen
 - The horses are inspected by a USDA Food Safety Inspection Service official to make sure they are free from disease and contamination
 - The horses are humanely euthanized using the penetrating captive bolt method, which is mandated by Congress as part of the Humane Handling Law, recommended by the American Veterinarian Medical Association, and which meets the requirements for humane euthanasia set forth by the Humane Society of the United States
 - The plants have a legal obligation and a financial incentive to keep the horses calm and treat them humanely because if the horse is under stress, it produces an inferior meat product
- The passage of HR 503 would result in 60-90,000 extra horses flooding an inadequate, unregulated patchwork of adoption and rescue facilities.
- We ask that Congress vote no to this misguided legislation that would constitute unprecedented government intervention.
- We ask that Congress not eliminate an entire industry just because animal rights activists find the product of this law-abiding, tax-paying legitimate business to be distasteful.