



NATIONAL RENDERERS ASSOCIATION

May 10, 2013

Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508
RE: DOCKET # USTR-2013-0019

Re: Transatlantic Trade and Investment Partnership

The National Renderers Association (NRA) appreciates the opportunity to respond to the Federal Register notice of April 1, 2013, requesting comments concerning the proposed Transatlantic Trade and Investment Agreement (TTIP). NRA is the international trade association for the industry that safely and efficiently recycles and processes by-products from the food production system into valuable finished products for the livestock, pet food, chemical, cosmetic, and energy industries. The U.S. rendering industry is valued at 10 billion dollars with exports averaging approximately 1.5 billion dollars annually.

Tallow Trade (HTSUS 1502)

The World Health Organization declared in 1991 and reaffirmed in 2004 that tallow is not a health risk to either humans or animals. Also, the World Organization for Animal Health (OIE) states that tallow free of impurities (maximum level of 0.15% in weight) and derivatives made from this tallow should not be restricted for import or transit reasons “regardless of the BSE status of the exporting country.”

However, U.S. tallow has been prohibited from being exported to the EU for use in the biodiesel, renewable fuel, and oleo chemical industries via onerous and non-science based import requirements since 2002 when the EU published Regulation (EC) 1774/2002. This regulation was replaced in 2009 by the publication of Regulation (EC) 1069/2009 and in 2011 the implementing Regulation (EC) 142/2011 was published. Even though the newer regulations were supposed to relax requirements to allow the import of tallow for the aforementioned uses this has not necessarily been the case. Some requirements were relaxed while other requirements were added. The end result is that the US still will not be able to ship tallow for use in the EU biodiesel, renewable fuel, and oleo chemical industries due to prohibitive import requirements that are more process oriented as opposed to being focused on the safety of the end product. Trade in tallow for the use in the EU biodiesel, renewable fuel, and oleo-chemical industries benefits both importers and exporters with the potential **trade valued at approximately \$500 million dollars annually.**

Used Cooking Oil (HTSUS 1501000060 and HTSUS 1518000000)

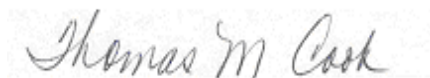
In 2006 DG SANCO allowed the imports of used cooking oil (UCO) for use in biodiesel on a bilateral agreement basis with EU member States. At that time DG SANCO left it up to the Member States to issue import requirements since UCO was not regulated under Regulation (EC) 1774/2002. This was indeed a logical decision since UCO consists of edible fats and oils left over from the food production chain. **Imports of UCO into the EU from the US were valued at 131 million U.S. dollars in 2012.** However, since the aforementioned regulation was replaced by Regulation (EC) 1069/2009 there is a lack of clarity whether UCO trade will continue. Specifically biodiesel companies in the EU have informed the NRA that DG SANCO intends to classify UCO as category 1 material. If this occurs without any amendments to existing regulations, US UCO exports will be prohibited via Regulation (EC) 1069/2009. The NRA along with EU biodiesel producers that rely on US UCO, appreciate USTR's continued efforts to protect this trade. We recommend that the negotiating objective of the USTR should be nothing less than continued market access of UCO to the EU for the biodiesel and renewable fuels industries.

Conclusion:

We believe that the main negotiating objective of the US should be full consistency with the OIE in regards to the trade in animal fats and UCO. The trade of tallow (less than 0.15% impurities) and derivatives made from this tallow should not be restricted. Verification of impurities should be from a test that is common, easy to perform, and widely recognized. As long as the EU continues to attempt to regulate tallow as if it were a toxic substance, going against OIE standards and against all available science, trade is unlikely to occur.

The NRA appreciates USTR's and the Animal and Plant Health Inspection Service's (APHIS) continuing efforts to gain market access for tallow and maintaining the export market for used cooking oil (UCO). We also commend the teamwork shown between the USTR and APHIS on these complex matters. Should you have any questions or concerns please contact Kent Swisher, NRA's vice president of international programs at 703-683-3561 or kswisher@nationalrenderers.com.

Sincerely,



Thomas M. Cook
President,
National Renderers Association