EXECUTIVE OFFICE OF THE PRESIDENT THE UNITED STATES TRADE REPRESENTATIVE WASHINGTON, D.C. 20508

NOV 1 9 2006

H.E. German Gref Minister Ministry of Economic Development and Trade of the Russian Federation

Dear Minister Gref:

I have the honor to acknowledge receipt of your letter of this date which reads as follows:

"I have the honor to confirm the following understandings reached between the Government of the Russian Federation (Russia) and the Government of the United States of America (United States) on importation of beef and beef by-products in the course of bilateral negotiations on Russia's Accession to the World Trade Organization (WTO):

The Russian side shall allow imports from the United States to the Russian Federation of beef and beef by-products, derived from animals after slaughtering, provided that these beef and beef by-products were derived from cattle not subject to:

- -- a stunning process, prior to slaughter, using a device injecting compressed air or gas into the cranial cavity; or
- -- a pithing process.

In addition, the beef and beef by-products were produced and handled in a manner which ensures that such beef and beef by-products do not contain and are not contaminated with the following tissues of cattle: brains, spinal cord, eyes, skull, vertebral column, tonsils and distal ileum of the small intestine, and the following requirements relating to Bovine Spongiform Encephalopathy (BSE) are implemented:

1. De-boned¹ meat (excluding mechanically separated meat) is derived from cattle fed in the United States that are less then 30 months of age (determined by dentition or on the basis of individual or group identification) which are slaughtered at certified facilities.

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¹ The presence of commercially accepted levels of bone fragments, other than from the skull and vertebral column, will not be a basis for rejecting imports of beef and beef by-products.

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- 2. Bone-in beef, mechanically separated beef (not derived from the skull and vertebral column), and beef by-products are derived from cattle raised in the United States that are less then 30 months of age (determined by dentition or on the basis of individual or group identification) which are slaughtered at certified facilities, under condition that:
- -- The feeding of ruminants with ruminant origin meat-and bone-meal and greaves is prohibited;
- -- the beef and beef by-products are derived from an animal which is not known to be the offspring or known to be a member of a feed cohort (as described in the OIE) of an animal diagnosed with BSE.

Upon signature, the Russian side shall permit the importation of beef and beef byproducts as specified above if such imports are accompanied by the United States Department of Agriculture Form No. FSIS 9450-5 attached to this letter.

For slaughter facilities intending to export beef and beef by-products to the Russian Federation, the Federal Service for Veterinary and Phytosanitary Supervision (Rosselhoznadzor) and the U.S. Department of Agriculture Food Safety Inspection Service (FSIS) will jointly inspect each slaughter facility. Within five working days after an inspection, Rosselhoznadzor will determine, based on that inspection, if the facility is eligible to be added to the list of facilities approved to export beef and beef by-products to the Russian Federation. Each approved facility will be added within five working days to the list of approved facilities.

These joint inspections will be conducted expeditiously and on a timely basis so that trade in beef and beef by-products is not impeded. After FSIS and Rosselhoznadzor conduct a joint inspection of a slaughter facility, the agreement between Russia and the United States on inspection of poultry and pork facilities signed on this date shall apply *mutatis mutandis* to certified slaughter facilities exporting or intending to export beef and beef by-products to the Russian Federation.



If the World Organization for Animal Health (OIE) recognizes, i.e., when the members of the OIE take a decision on the matter at the OIE General Assembly, that the United States is a controlled-risk or negligible risk country, the Russian side will permit importation from the United States of all beef and beef by-products, except for the following specified risk materials: brains, spinal cord, eyes, skull, and vertebral column and mechanically separated beef derived from the skull and vertebral column of cattle over 30 months of age, and tonsils and distal ileum of the small intestine of all cattle, if:

- (i) the beef and beef by-products are derived from an animal which is not known to be the offspring or known to be a member of a feed cohort (as described in the OIE) of an animal diagnosed with BSE; and
- (ii) the feeding of ruminants with ruminant origin meat-and bone-meal and greaves is prohibited in the United States, and

the Russian side will immediately negotiate and agree with the U.S. side on a certificate for the importation from the United States of beef and beef by-products, as described in this paragraph, that imposes no additional BSE-related sanitary requirements and is consistent with OIE requirements for the OIE- recognized BSE-risk status of the United States.

I have the honor to request that you confirm that your government shares these understandings. I have the further honor to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two governments.

I have the honor to confirm that my government shares these understandings and that your letter and this letter of confirmation in reply constitute an agreement between our two governments.

Please accept the assurances of my deepest respect.

Swar C. Schwab