

**Agreement Between the Government of the United States of America and the Government of the Russian Federation on Trade in Certain Types of Poultry, Beef, and Pork**

The Government of the United States of America and the Government of the Russian Federation (hereinafter "the Parties") have agreed to the following:

Article 1

Trade between the United States and the Russian Federation in certain types of poultry, beef, and pork will be carried out on the terms and conditions set forth in Annexes 1 and 2 to this Agreement. Annex 1 and Annex 2 are an integral part of this Agreement.

Article 2

The Government of the United States and the Government of the Russian Federation understand that the provisions of Sections I and II and the principles set out in Section III of Annex 1 of the present Agreement will be an integral part of the bilateral agreement between the Government of the United States and the Government of the Russian Federation that will be reached as a result of the negotiations on market access for trade in goods for the accession of the Russian Federation to the World Trade Organization.

Article 3

Taking into account the importance of the present Agreement for both Parties and to ensure the interests of both Parties under this Agreement, the present Agreement shall be subject to review upon request of either Party. Any amendment, extension, or other modification of this Agreement shall enter into force only if both Parties agree in writing to such amendment, extension, or other modification.

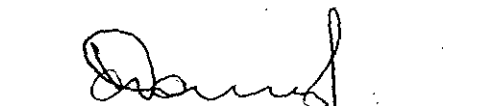
Either Party may request consultations regarding issues relating to the implementation of the Agreement or its termination. Such consultations shall be held within 30 days after receipt of a written request, or at such other time as the Parties agree.

This Agreement shall enter into force on the date of signature and shall remain in force through December 31, 2009.

Done at Washington, D.C., in two copies each in the English and Russian languages, both texts being equally authentic, on the 15<sup>th</sup> day of June, 2005.



For the Government of  
the United States of America



For the Government of  
the Russian Federation

## Annex 1

### Terms and Conditions of Trade in Certain Types of Poultry, Beef, and Pork

#### I. Establishment of a Special Measure of Tariff Regulation

1. Imports of certain types of poultry (HS 0207), beef (HS 0202), and pork (HS 0203) from the United States into the Russian Federation will be pursuant to subnotes 1 and 2 of Russian Federation Notes to Chapter 2 of the Customs Tariff of the Russian Federation, covering entry to the Customs Territory of the Russian Federation during a calendar year of a defined volume of the aforementioned types of poultry, beef, and pork at a reduced tariff rate pursuant to a special measure of tariff regulation (hereinafter "special measure").

The quantitative measure currently applied to U.S. exports of poultry into the Russian Federation will be replaced with the special measure. The special measure on certain types of poultry, beef, and pork will be applied pursuant to the following provisions of the Agreement Between the Government of the United States of America and the Government of the Russian Federation on Trade in Certain Types of Poultry, Beef, and Pork (hereinafter "the Agreement"):

- (a) Imports of "high quality" beef\* are not subject to the special measure. Special tariff lines for high quality beef will be included in the Customs Tariff of the Russian Federation. The tariff rate applied by the Russian Federation prior to April 2003 to imports under HS 0201 and HS 0202 will be applied to imports under the special tariff lines for high quality beef, subject to any market access commitment and time period of its implementation to be agreed in the course of negotiations on accession of the Russian Federation to the World Trade Organization (WTO).
- (b) The special measure established for certain types of poultry will include boneless meat (codes HS 0207.14.10 and HS 0207.27.10), but without establishing separate volumes.
- (c) If the Government of the Russian Federation decides to exclude any type of pork, such as "pork trimmings," from the current coverage of the special measure established for pork, the Parties' experts will agree on the definition of these products. Any such decision to exclude any type of pork will be applied based on most-favored nation (MFN) treatment.

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\*High quality beef--carcasses or any cuts obtained from bovine animals of less than 30 months of age which have been fed for at least 100 days on nutritionally balanced, high-energy-content rations containing not less than 70 per cent grain and comprising at least 20 pounds (9.07 kilograms) total feed per day. Beef graded "choice" or "prime" according to the United States Department of Agriculture (USDA) standards automatically meets this definition.

- (d) The total quantity for each special measure and the U.S. share of it, at a minimum, consist of the volumes set out in the Special Measure Parameters Table in Annex 2 to the Agreement. In the event of any increase in the total volume of the special measure for certain types of poultry, beef, or pork, the volume allocated to the United States under the special measure shall be increased in proportion to the U.S. share specified in percentages in the Special Measure Parameters Table for the particular type of poultry, beef, or pork, and the terms and conditions for its allocation will be those set forth in this Agreement.
- (e) The *ad valorem* equivalent of the rate for imports subject to the special measure and for volumes above the special measure quantity for each type of poultry, beef, and pork included in the special measure is specified in the Special Measure Parameters Table.

2. If the Government of the Russian Federation decides to initiate an investigation to determine if safeguard measures should be applied against imports of poultry, beef, or pork that are subject to the special measure defined in paragraph 1 of this Annex, such investigation shall be based on imports of the relevant product that is subject to the special measure over a three-year period, which will be from January 2005 through December 2007. Any safeguard measure on poultry, beef, or pork applied prior to the Russian Federation's accession to the WTO shall be applied only in respect to the quantities of the product above the special measure quantity.

3. After the Russian Federation becomes a WTO member, this issue will be governed by the WTO Agreement on Safeguards and the application of safeguard measures to poultry, beef, and pork subject to the special measure defined in paragraph 1 will be agreed by the Parties.

## **II. Administration of the Special Measure, Licensing and Veterinary Permits**

The Government of the United States and the Government of the Russian Federation will not impose unjustified requirements relating to importation into the Russian Federation of certain types of poultry, beef, or pork that create obstacles to trade in these products. Both Parties will work to ensure that trade in products under a special measure receives effective market opportunities.

To that end:

- (a) No requirements for re-export of product from the Russian Federation will be applied to certain types of poultry, beef, and pork imported under the special measure.
- (b) Any import licensing system that is necessary for administration of the special measure will be transparent, timely, automatic (in accordance with the requirements of the WTO Agreement on Import Licensing Procedures) and will not be used as a disguised barrier to trade. Import licenses for certain types of poultry, beef, and pork under a special measure will be issued no later than five calendar days after receipt of the application and will not be conditioned on the end use of the product.

- (c) Authorized representatives of the Parties responsible for trade and agriculture will consult to determine if it is necessary to preserve the system of veterinary permits for importation. If such permits are required for shipments under the special measure, administration of such permits will not act as an obstacle to trade.

### **III. Consultations**

1. Authorized representatives of the Parties will consult at least twice a year on facilitating trade in poultry, beef, and pork between the United States and the Russian Federation. Participants in such consultations would include representatives of the Office of the U.S. Trade Representative and Ministry of Economic Development and Trade of the Russian Federation, the U.S. Department of Agriculture (USDA) and Ministry of Agriculture of the Russian Federation (MOA). This means that:

- (a) Such consultations will take place in the Spring and Autumn, unless the Parties otherwise agree, with the location of the consultations alternating between the Russian Federation and the United States.
- (b) During the consultations, and without prejudice to their results, the aforementioned representatives shall review market conditions and whether to increase the total volume of the special measure on certain types of poultry, beef, and pork as well as to consider the Russian Federation's requests for re-allocation of unused U.S. share to other countries and U.S. requests for carryover of U.S. share from year-to-year. Action on any requests shall be agreed between the Parties taking into account that:
- These consultations may also cover other issues related to the re-allocation of any unused special measure allocations that could impede the volume and structure of imports from the United States.
  - Without prejudice to the results of consultations, consultations linked to re-allocation of any unused volumes of special measure allocations, will be held at least two months before any decision is taken on re-allocation of any unused volumes under the special measure. Such decisions must be agreed with the aforementioned representatives of the United States.
  - In urgent cases potentially affecting supplies of poultry, beef and pork as defined in Section I, paragraph 1 to the Russian Federation's market, consultations will be held within ten working days of the receipt of a request by either Party, unless the Parties agree otherwise. If the consultations identify a serious actual or potential threat to vital supplies of the relevant poultry, beef, and pork to the Russian Federation's market, the Government of the United States, in considering such a request, will give sympathetic consideration to a temporary re-allocation of its part of the special measure.

- Any re-allocation of special measure allocations will be limited to the year in which such re-allocation has been done, without prejudice to U.S. rights to the relevant share of the special measure quantity in any subsequent year under the Agreement.

(c) Authorized representatives of the Parties shall also consult on issues concerning special measure administration and any other issues relevant to trade in agricultural and food products between the United States and the Russian Federation.

2. Consultations could also take place in conjunction with work done pursuant to the Memorandum of Understanding between USDA and MOA.

#### **IV. Incorporation of Annex 2 to the Agreement in the Russian Federation's WTO Schedule of Concessions on Market Access for Goods.**

The provisions of Annex 2 (Special Measure Parameters) to the Agreement, including *ad valorem* equivalents as verified by the Parties, will be included in the WTO Schedule of Concessions of the Russian Federation on Market Access for Goods.

#### **V. Sanitary and Phytosanitary Issues**

Recognizing the connection between providing effective market opportunities under the special measure and sanitary and phytosanitary issues, the Parties will continue to work to address concerns related to sanitary and phytosanitary issues, including:

- (a) Resolution of all plant inspection issues for poultry, beef, and pork from the United States;
- (b) Possible recognition of U.S. standards and procedures for preventing *trichinae* in pork; and
- (c) The ban on imported ground beef from the United States.

## Annex 2

### Special Measure Parameters

The Parties will additionally review the question of the special measure parameters for poultry, beef, and pork that may be in effect beyond 2009. Such review shall build on the special measure parameters set forth in this Annex and shall be aimed at resolving the question of whether to switch to a tariff-only regime (based on the duty rate under the special measure defined in the Agreement) or to continue the system of special measures. If the special measure for pork is extended beyond 2009, the U.S. share will be 11.5%.

		2005	2006	2007	2008	2009
<b>Beef (HS 0202)</b>						
Special measure quantity	Thous Tons	430.0	435.0	440.0	445.0	450.0
U.S. allocation	Thous. Tons	17.7	17.9	18.1	18.3	18.5
Share	%	4.1	4.1	4.1	4.1	4.1
Special measure duty	%	15	15	15	15	15
Duty applied to imports above the special measure quantity	%	60	55	55	50	50
<b>Pork (HS 0203)</b>						
Special measure quantity	Thous. Tons	467.4	476.1	484.8	493.5	502.2
U.S. allocation	Thous. Tons	53.8	54.8	49.0	49.8	50.7
Share	%	11.5	11.5	10.1	10.1	10.1
Special measure duty	%	15	15	15	15	15
Duty applied to imports above the special measure quantity	%	80	60	60	60	40
<b>Poultry (HS 0207)*</b>						
Special measure quantity	Thous. Tons	1090.4	1130.8	1171.2	1211.6	1252.0
U.S. allocation	Thous. Tons	811.3	841.3	871.4	901.4	931.5
Share	%	74.4	74.4	74.4	74.4	74.4
Special measure duty	%	25	25	25	25	25
Duty applied to imports above the special measure quantity	%	--	62.5	62.5	62.5	50

\*Subject to transformation from the currently applied quantitative restriction to a special measure from January 1, 2006.