



18 May 2004

The Honourable Robert B. Zoellick
United States Trade Representative
600 17 Street, NW
Washington, D.C. 20508

Dear Ambassador Zoellick

In connection with the signing on this date of the Australia-United States Free Trade Agreement (the "Agreement"), I have the honour to confirm the following understanding reached by the Governments of Australia and the United States during the course of negotiation of the Agreement.

Australia and the United States recognize the importance of addressing both food safety and animal health issues regarding *Bovine Spongiform Encephalopathy* (BSE) in a science-based, comprehensive, and cohesive manner. Science-based responses to address BSE concerns help to ensure food safety and protect animal health while avoiding unnecessary barriers to international trade. Australia and the United States recognize the central roles of the World Health Organization and Food and Agriculture Organization of the United Nations' *Codex Alimentarius Commission* (Codex) and the International Organization for Epizootics (OIE) in establishing international standards and guidelines, and will participate actively as these organizations address BSE-related issues.

Australia and the United States note that the OIE is presently reviewing BSE standards as they relate to animal and public health. Australia and the United States will work cooperatively in the OIE, Codex, and other fora as appropriate, with the objective of securing science-based standards and guidelines that address risks to food safety and animal health from BSE.

Australia and the United States also recognize the importance of encouraging Codex and OIE members to apply internationally agreed BSE-related standards and guidelines consistently and appropriately and will work both within and outside these organizations to achieve this objective.

I have the honour to propose that this letter and your letter in reply confirming that your Government shares this understanding shall constitute an integral part of the Agreement.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Vaile'.

Mark Vaile
Minister for Trade

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

May 18, 2004

The Honorable Mark Vaile MP
Minister for Trade
Parliament House
Canberra ACT 2600

Dear Minister Vaile:

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

“In connection with the signing on this date of the Australia-United States Free Trade Agreement (the “Agreement”), I have the honour to confirm the following understanding reached by the Governments of Australia and the United States during the course of negotiation of the Agreement.

Australia and the United States recognize the importance of addressing both food safety and animal health issues regarding *Bovine Spongiform Encephalopathy* (BSE) in a science-based, comprehensive, and cohesive manner. Science-based responses to address BSE concerns help to ensure food safety and protect animal health while avoiding unnecessary barriers to international trade. Australia and the United States recognize the central roles of the World Health Organization and Food and Agriculture Organization of the United Nations’ *Codex Alimentarius Commission* (Codex) and the International Organization for Epizootics (OIE) in establishing international standards and guidelines, and will participate actively as these organizations address BSE-related issues.

Australia and the United States note that the OIE is presently reviewing BSE standards as they relate to animal and public health. Australia and the United States will work cooperatively in the OIE, Codex, and other fora as appropriate, with the objective of securing science-based standards and guidelines that address risks to food safety and animal health from BSE.

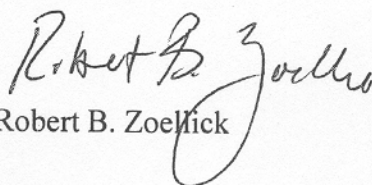
Australia and the United States also recognize the importance of encouraging Codex and OIE members to apply internationally agreed BSE-related standards and guidelines consistently and appropriately and will work both within and outside these organizations to achieve this objective.

I have the honour to propose that this letter and your letter in reply confirming that your Government shares this understanding shall constitute an integral part of the Agreement.”

The Honorable Mark Vaile MP
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I have the further honor to confirm that my Government shares this understanding and that your letter and this reply shall constitute an integral part of the United States–Australia Free Trade Agreement.

Sincerely,


Robert B. Zoellick