



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 Chapter Two (Market Access for Goods and National Treatment) regarding Bourbon and Tennessee Whiskey.

1. The Australian New Zealand Food Standards Code ("the Code") allows recognition of Bourbon Whiskey and Tennessee Whiskey as products exclusively manufactured in the United States and that no variation to the Code is necessary for such recognition.
2. To the extent contemplated in the Code, Australia shall not permit the sale of any product as Bourbon Whiskey or Tennessee Whiskey, unless it has been manufactured in the United States according to the laws of the United States governing the manufacture of Bourbon Whiskey and Tennessee Whiskey and complies with all applicable U.S. regulations for the consumption, sale, or export as Bourbon Whiskey or Tennessee Whiskey.

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 cursive script, 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:

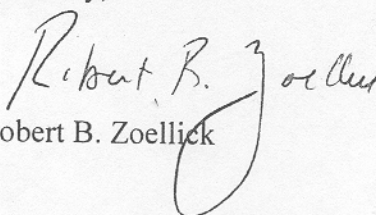
“In connection with the signing on this date of the Australia-United States Free Trade Agreement (“the Agreement”), I have the honour to confirm the following understanding reached by the Governments of Australia and the United States during the course of negotiation of Chapter Two (Market Access for Goods and National Treatment) regarding Bourbon and Tennessee Whiskey.

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2. To the extent contemplated in the Code, Australia shall not permit the sale of any product as Bourbon Whiskey or Tennessee Whiskey, unless it has been manufactured in the United States according to the laws of the United States governing the manufacture of Bourbon Whiskey and Tennessee Whiskey and complies with all applicable U.S. regulations for the consumption, sale, or export as Bourbon Whiskey or Tennessee Whiskey.

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.”

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