

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

June 25, 2008

The Honorable Jong Hoon Kim
Minister for Trade
Seoul, Republic of Korea

The Honorable Woon Chun Chung
Minister for Food, Agriculture, Forestry and Fisheries
Gwacheon, Republic of Korea

Dear Minister Kim and Minister Chung:

In light of the ongoing public discussion in Korea, we welcome the voluntary commitments made by Korean importers and U.S. exporters to trade only U.S. beef from cattle less than 30 months of age. This private-sector initiative will serve as a transitional measure until Korean consumer confidence in U.S. beef improves.

To support these voluntary commitments, the U.S. Department of Agriculture is establishing the "Less than 30 Month Age-Verification Quality System Assessment (QSA) Program for Korea" administered by the U.S. government under the Agricultural Marketing Act. This program will be operationally identical to the quality system requirements in place for all USDA Export Verification (EV) Programs. (See attachment.) This program will verify that all beef shipped to Korea under this program is from cattle less than 30 months of age.

We understand that in order to support this private sector initiative, if Korean government inspection officials were to find any beef shipped to Korea during the transition period that is from cattle 30 months of age or over, they would return the relevant beef or beef products to their owner.

The governments of the United States and Korea agree that brains, eyes, skull, and spinal cord from cattle less than 30 months of age are not specified risk materials under World Organization for Animal Health (OIE) guidelines or food-safety hazards. Importers and exporters in our two countries have nonetheless indicated that those items have not been traded in the past, and, until there is market demand in Korea for such products, our expectation is that such commercial practice will continue.

When auditing a representative sample of the meat establishments that export beef or beef products to Korea, as provided for in Article 8 of the Import Health Requirements, Korea's auditors have the right to focus on certain plants, such as those that are newly listed, had been previously delisted, or whose products have raised concerns during port of entry inspection. Accordingly, the concept of representative sampling does not prevent Korean officials from including in an audit a specific plant that they deem necessary to audit.

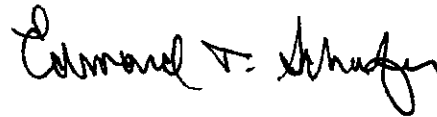
If as a result of an audit, Korean auditors find what they believe is a serious non-compliance with these Requirements, the Korean auditors will immediately consult with FSIS personnel regarding appropriate corrective action. If these technical level discussions do not resolve the matter, the two governments will consult at a senior level. If the two governments cannot agree with respect to appropriate corrective action within four weeks, Korea may increase the rate of inspection of subsequent beef and beef products from that establishment over the next five shipments notwithstanding the fact that no food-safety hazards have been detected during import quarantine inspection of the products of that establishment. As provided for in Article 24 of the Import Health Requirements, if two or more food safety hazards are detected, both during this period of increased inspection or generally under Article 24, Korea may request FSIS to suspend the relevant establishment. Upon receiving the request, FSIS will suspend the establishment. Korea may also re-audit that facility in its next system audit.

We also welcome the Korean government's publication of the Import Health Requirements for U.S. Beef and Beef Products in its government gazette. As was recently reconfirmed by Korean beef importers, U.S. beef is safe, and it is consumed by Americans every day. We look forward to the rebuilding of Korean consumer confidence in the safety and quality of U.S. beef.

Sincerely,



Susan C. Schwab
United States Trade Representative



Edward T. Schafer
Secretary of Agriculture

Attachment



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

Less Than 30 Month Age Verification QSA Program for Korea

USDA will establish for Korean importers a new Quality System Assessment (QSA) Program upon publication of the notification of import requirements. This program will be called the "Less Than 30 Month Age Verification QSA Program for Korea". This is the most effective way to verify that product from eligible plants will be derived from cattle less than 30 months of age.

QSA Programs are U.S. Government-administered programs authorized under the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 *et seq.*) and are defined in the Code of Federal Regulations (7 C.F.R. Part 62) as well as USDA, Agricultural Marketing Service (AMS) Audit, Review and Compliance Branch (ARC) 1000 Procedure Quality Systems Verification Program General Policies and Procedures, ARC 1002 Procedure Quality Systems Assessment Program and Guidance #GU7309CCA and QSA/PVP Live Animal Production Record Requirements. QSAs are based on the ISO 9001:2000 Quality Management System standards.

AMS will ensure that participants in the Less Than 30 Month Age Verification QSA Program for Korea only export beef produced under the program that is sourced from cattle less than 30 months of age. This is accomplished by requiring each participating firm to establish, document, implement, and maintain a quality management system that will be audited on a regular basis. The QSA Program will specifically require that responsible U.S. exporter plant personnel be trained to implement this program.

Korean importers and inspection authorities will be able to verify product conformance by ensuring the establishment shipping the product is listed on the USDA website as being approved under the Less Than 30 Month Age Verification QSA Program for Korea. For U.S. exporters who participate in this program, it will be operationally identical to the quality system requirements in place for all USDA Export Verification (EV) Programs. As countries come into compliance with OIE internationally recognized standards, USDA is phasing out EV Programs in favor of the underlying QSA Programs.

U.S. beef from participating plants will be accompanied by FSIS 9060-5 Export Certificate of Wholesomeness with a statement in the "remarks section" stating that the beef or beef products were produced at a verified establishment under the USDA "Less Than 30 Month Age Verification QSA Program for Korea."