

LETTER EXCHANGE ON BEEF SPS ISSUES
FOR UNITED STATES-PERU TRADE PROMOTION AGREEMENT

October 6, 2006

Ambassador Susan C. Schwab
United States Trade Representative
Washington, DC 20508

Dear Ambassador Schwab:

We have the honor to confirm the following understanding reached between the Governments of Peru and the United States of America with respect to trade in beef and beef products of the United States, further to the exchanges of letters between our Governments of January 5, 2006 and April 10, 2006.

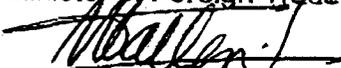
The Government of Peru recognizes the measures that the United States has taken with regard to Bovine Spongiform Encephalopathy (BSE), and confirms that, consistent with the World Organization for Animal Health (OIE) Terrestrial Animal Health Code, it shall permit, by no later than October 25, 2006, the importation of all beef and beef products of the United States, other than those listed in paragraphs 3 and 4 of the Annex to this letter, that are accompanied by a United States Department of Agriculture (USDA) Food Safety and Inspection Service (FSIS) Export Certificate of Wholesomeness with the additional certification statements set out in the Annex to this letter. Such USDA FSIS Export Certificate of Wholesomeness with the additional certification statements set out in the Annex shall meet all the Government of Peru's sanitary and health requirements.

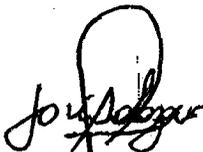
The Governments of Peru and the United States recall that the World Trade Organization Agreement on the Application of Sanitary and Phytosanitary Measures allows Members to adopt measures necessary to protect human, animal or plant life or health, subject to the requirement that these measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade.

We have the honor to propose that this letter, including the Annex thereto, and your letter in reply, confirming that your Government shares this understanding, shall constitute an agreement between our two Governments to enter into force on October 25, 2006.

Sincerely,


Mercedes Araoz
Minister of Foreign Trade and Tourism


Carlos Vallejos Sologuren
Minister of Health


Juan José Salazar
Minister of Agriculture

ANNEX

Additional Certification Statements **on USDA FSIS Export Certificate of Wholesomeness** **to Accompany U.S. Exports of Beef and Beef Products to Peru**

1. The United States has an active BSE surveillance program which meets or exceeds international standards established by the World Organization for Animal Health (OIE).
2. The meat or meat products were derived from animals that were officially given an ante and post mortem inspection by Food Safety and Inspection Service (FSIS) inspection officials.
3. The meat or meat products were produced and handled in a manner which ensures that such products do not contain and are not contaminated with the following specified risk materials: for cattle 30 months of age and older, the brain, skull, eyes, trigeminal ganglia, spinal cord, vertebral column, and dorsal root ganglia; and for any cattle regardless of age, the tonsils and distal ileum of the small intestine.
4. The meat or meat products were produced and handled in a manner which ensures that such products do not contain and are not contaminated with mechanically separated meat from the skull and vertebral column from cattle over 30 months of age.
5. The meat or meat products were derived from federally certified slaughter or processing facilities, operating under the supervision of the FSIS.
6. The slaughter or processing plant where the meat was processed has a HACCP system in place.
7. The meat or meat products are fit for human consumption.
8. The meat or meat products were packed in authorized containers bearing the mark of inspection that includes the number of the facility, and labeled to include the name of the product, lot number, net weight, and date of packing.
9. The meat or meat products are transported in containers or thermo refrigerated vehicles that are monitored to assure that they maintain appropriate refrigerated or frozen temperatures.
10. Trucks and containers have been properly washed and disinfected.
11. The feeding of ruminants with ruminant origin meat-and-bone meal and greaves is prohibited in the United States, and this prohibition has been effectively enforced.
12. The meat or meat products were obtained from cattle that were not subjected to a stunning process, prior to slaughter, with a device injecting compressed air or gas into the cranial cavity, or to a pithing process.
13. The meat or meat products were not derived from animals imported from Canada for immediate slaughter.

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

**LETTER EXCHANGE ON BEEF SPS ISSUES
FOR UNITED STATES-PERU TRADE PROMOTION AGREEMENT**

October 25, 2006

The Honorable Mercedes Araoz
Minister of Foreign Trade and Tourism
Calle Uno Oeste No 50, Urb Corpac
San Isidro, Lima 27

The Honorable Juan José Salazar
Minister of Agriculture
Pasaje Francisco de Zela s/n, Piso 6
Jesús María, Lima 11

The Honorable Carlos Vallejos Sologuren
Minister of Health
Avenida Salaverry cuadra 8 s/n
Jesús María, Lima 11

Dear Ministers Araoz, Salazar, and Vallejos:

I am pleased to acknowledge your letter of October 6, 2006, which reads as follows:

“We have the honor to confirm the following understanding reached between the Governments of Peru and the United States of America with respect to trade in beef and beef products of the United States, further to the exchanges of letters between our Governments of January 5, 2006 and April 10, 2006.

The Government of Peru recognizes the measures that the United States has taken with regard to Bovine Spongiform Encephalopathy (BSE), and confirms that, consistent with the World Organization for Animal Health (OIE) Terrestrial Animal Health Code, it shall permit, by no later than October 25, 2006, the importation of all beef and beef products of the United States, other than those listed in paragraphs 3 and 4 of the Annex to this letter, that are accompanied by a United States Department of Agriculture (USDA) Food Safety and Inspection Service (FSIS) Export Certificate of Wholesomeness with the additional certification statements set out in the Annex to this letter. Such USDA FSIS Export Certificate of Wholesomeness with the additional certification statements set out in the Annex shall meet all the Government of Peru's sanitary and health requirements.

The Governments of Peru and the United States recall that the World Trade Organization Agreement on the Application of Sanitary and Phytosanitary Measures allows Members to adopt measures necessary to protect human, animal or plant life or health, subject to the requirement that these measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade.

We have the honor to propose that this letter, including the Annex thereto, and your letter in reply, confirming that your Government shares this understanding, shall constitute an agreement between our two Governments to enter into force on October 25, 2006."

I have the honor to confirm that my Government shares this understanding and that your letter, including the Annex thereto, and this reply shall constitute an agreement between our two Governments to enter into force on October 25, 2006.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan C. Schwab". The signature is written in a cursive, flowing style with a large initial 'S'.

Susan C. Schwab