

REPLY TO:

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WASHINGTON, DC 20510-1501
(202) 224-3744
e-mail: grassley.senate.gov/contact.cfm
- 721 FEDERAL BUILDING
210 WALNUT STREET
DES MOINES, IA 50309-2140
(515) 288-1145
- 150 1ST AVENUE NE
SUITE 325
CEDAR RAPIDS, IA 52401
(319) 363-6832

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- 131 WEST 3RD STREET
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- 307 FEDERAL BUILDING
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(712) 322-7103

United States Senate

CHARLES E. GRASSLEY

WASHINGTON, DC 20510-1501

June 1, 2011

First Deputy Prime Minister of the Russian Federation Igor Shuvalov
Government House
2 Krasnopresnenskaya Naberezhnaya
Moscow 103274 Russian Federation

Aide to the President of the Russian Federation Arkady Dvorkovich
The Presidential Executive Office
4 Staraya Square
Moscow 103132 Russian Federation

Dear Deputy Prime Minister Shuvalov and Mr. Dvorkovich:

As a United States Senator from Iowa, I represent a state where over 25% of all U.S. pork is produced. The pork industry is important to my state, and to the U.S. agriculture economy, and the trade barriers Russia has placed on U.S. pork imports has had a major negative impact. It is my hope that these barriers will be removed prior to Russia's accession into the World Trade Organization, which I hope to be able to support.

In the 2008 bilateral Meat Agreement, Russia agreed to provide a 534,000 MT global tariff rate quota (TRQ) for pork; of that amount, 100,000 MT was allocated to United States. Despite the above-mentioned 2008 agreement, Russia has unilaterally reduced the global quota to 472,100 MT; the U.S. allocation has been reduced to 57,200 MT. Russia's failure to abide by the terms of the 2008 Meat Agreement causes me concern.

In addition to the reduction in the U.S. TRQ, Russia has imposed a series of Sanitary and Phytosanitary (SPS) Measures which have further limited the U.S. pork imports into Russia. I am sure you are aware of the "equivalence" principle set forth in the WTO Agreement on SPS measures. According to the equivalence principle, WTO members must recognize the SPS Measures of other countries as equivalent to their own, if they provide an appropriate level of protection.

At the present time, Russia is not applying the equivalence principle to U.S. pork imports. Russia has delisted a number of U.S. pork processing plants. As a result of the delisting of those plants, nearly 60 percent of the pork processed in the U.S. is not eligible for shipment to Russia. U.S. pork processors are held to some of the highest SPS Measures in the world, and are known around the world for producing consistent, healthy, and safe pork products. Russia has no viable

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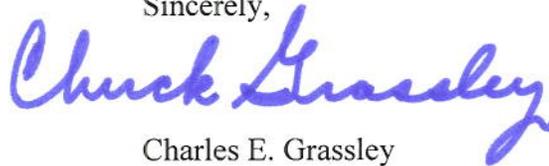
justification for delisting U.S. pork processing plants and Russia's implementation of the above-referenced SPS measures are not supported by scientific facts.

The WTO provides a platform for countries to deal with one another on trade and trade dispute issues; I certainly can understand Russia's desire to gain accession into the WTO. If Russia becomes a member of the WTO, it will increase the trade relationship between the U.S. and Russia.

While the trade barriers outlined in this letter are not the only issues Russia needs to address prior to gaining membership in the WTO, I believe that if Russia commits that it will adhere to the terms of the 2008 Meat Agreement and WTO Agreement on SPS measures, it will be viewed as a very positive step forward in the accession process.

I sincerely appreciate the opportunity to meet with you and discuss this very important matter, and I will be monitoring Russia's handling of U.S. pork trade issue very closely as the WTO accession process continues.

Sincerely,



Charles E. Grassley
United States Senator