

United States Senate

WASHINGTON, DC 20510

June 16, 2011

Ambassador Ron Kirk
United States Trade Representative
600 17th Street NW
Washington, DC 20508

Dear Ambassador Kirk,

We understand the benefits which could accrue to the United States by bringing Russia into the rules-based trading system of the World Trade Organization (WTO). The WTO provides a platform whereby nations can settle trade disputes and enhance nations' abilities to bring economic growth to their people. However, Russia should not be allowed to use the WTO accession negotiations as a first step in the dispute resolution process for matters in which it is already in violation of WTO principles.

Russia represents a valuable market for U.S. pork. As little as three years ago, Russia was one of the largest export markets for U.S. pork producers. It remains a vital export market for U.S. farmers and meat processors. However, two major developments over the last few years have resulted in a drastic decline in the amount of pork being exported to Russia.

The first development pertains to a 2008 Meat Agreement Russia entered into with the United States. Through that agreement, Russia committed to allocate to the U.S. 100,000 metric tons of a global import tariff-rate quota (TRQ) of 531,900 metric tons for pork. However, Russia subsequently and unilaterally reduced the global TRQ to 472,100 metric tons and the U.S. share to just 57,500 metric tons. It is our understanding that Russian officials have indicated they want to further reduce the global TRQ, but are offering to keep the U.S. volume at around 57,500 metric tons, thus increasing the U.S. share of the overall TRQ. However, this gesture does not address the fact the U.S. allocation will still only be about half of the level agreed to in the 2008 Meat Agreement.

The United States pork industry is the lowest cost producer and number one exporter in the world. The pork industry represents a vital cog in the U.S. agricultural economy. Therefore, the amount of pork U.S. producers are able to export to Russia is an important issue for pork producers. The U.S. share of the overall Russian pork quota should be increased back to the levels agreed upon in the 2008 Meat Agreement.

The second major development negatively impacting U.S. pork exports to Russia is Russia's implementation of an array of unjustifiable sanitary restrictions. According to the WTO Agreement on Sanitary and Phytosanitary measures (SPS Agreement), WTO members recognize the sanitary measures of other trading partners as equivalent to their


own if the measures meet certain criteria. We believe U.S. producers are more than meeting the requisite standards. However, Russia has used its sanitary restrictions as a justification to delist U.S. pork plants from being eligible to ship products to Russia. At present, U.S. plants representing 60 percent of U.S. pork production capacity are banned from exporting pork to Russia. The Russian restrictions are not supported by science or valid risk assessments.

In the past, we have been able to use the WTO accession process to obtain commitments from other countries that they will recognize U.S. plant inspections as fully equivalent to their own. This was true for both the China and Vietnam accessions into the WTO. We believe it is appropriate to request Russia make the same type of commitment before it gains membership into the WTO.

The TRQ and SPS issues related to the pork industry are not the only matters Russia needs to address prior to gaining membership into the WTO. However, we believe that if Russia commits to abide by the terms of the 2008 Meat Agreement and WTO SPS Agreement, it will mark a positive step forward in Russia's accession process.

We are confident Russia's entry into the WTO can enhance our nation's trade relationship with Russia, and that it will benefit the people of Russia as their country continues to move towards a more market-based economy. However, we advise that Russia make the necessary commitments outlined above prior to membership, and we ask that you work to that end. Thank you for your consideration.

Sincerely,

<u>Chuck Grassley</u>	<u>Benjamin Nelson</u>
<u>Debbie Stabenow</u>	<u>Pat Roberts</u>
<u>Mike Johanns</u>	<u>Ken Coats</u>
<u>Jim Lubick</u>	
<u>Roy Blunt</u>	<u>Jerry Moran</u>

Ang Klubhan

Al Franken

Heidi Kohl

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Clara Kim

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Jim Durkin

Shirrod Brown

Paul Cohen

Kay R. Hagan

John A. Hume

Lloyd Wicker

Sayby Claiborne

Mark R. Warner

Ron Johnson

Rob Portman

Jim Johnson