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Embassy of the United States of America

Office of the Ambassador

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October 4, 1999
Lisbon, Portugal

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Potus should see or reply as of other recent letter

Ms. Nancy Hernreich
Special Assistant to the President
The White House
Washington, D.C. 20503

Dear Nancy:

By now I am sure that you are getting tired of receiving personal letters from Portuguese Prime Ministers and Presidents to President Clinton. However, at the risk of you never speaking to Susan or I again, I'm enclosing a personal letter from President Sampaio to President Clinton as well as an official invitation from the Portuguese inviting the President to visit Portugal. I have, of course, also sent the letter through official channels.

To sweeten the pot, President Sampaio has also included a book on golf courses in Portugal. I've highlighted one course, Penha Longa, at which I've played. I can personally attest that it is not only spectacularly beautiful, but an extremely challenging course - located close to Lisbon by the Sintra mountains.

Thank you for your help.

Best Regards,

Gerald S. McGowan
Ambassador

10-7-99

Send to NSC?
Yes ✓
No

C

THE UNITED STATES OF AMERICA

OFFICIAL BUSINESS

Amb. Gerald S. McGowan
PSC 83/Box AMB
APO AE 09726

Ms. Nancy Hernreich
Special Assistant to the President
The White House
Washington, D.C. 20503

132

O Presidente da República

Lisbon, September 24th, 1999

Dear Mr. President

As friends and allies, Portugal and the United States have traditionally enjoyed close and mutually supportive relations. Our two countries share a commitment to the values of democracy and human rights. They are bound by a defence agreement which extends to the United States the use of military facilities in the Azores. Their military forces operate together in Bosnia and Kosovo within the NATO framework. Their political cooperation is expanding to a growing number of fields, and proved particularly fruitful, most recently, in the question of East Timor, in which the position taken by Your Excellency was of decisive importance. Last but not least, there is a large luso-american community in the United States.

In the first semester of next year, Portugal will hold the presidency of the European Union. The added responsibilities that Portugal will assume in this context will require our two countries to increase the pace of their contacts and to cooperate closely on matters of mutual interest.

../.

His Excellency
William J. Clinton
President of the United States of America
WASHINGTON

O Presidente da República

In order to underscore the historic ties of warm friendship and the excellent relations existing between our two countries, as well our mutual desire to strengthen them further, it would be a great pleasure and an honor to receive Your Excellency in Portugal for an official visit in the course of next year.

Although dates for the visit could be discussed through the normal diplomatic channels, were Your Excellency to give me the pleasure of accepting this invitation, I venture to suggest that it could take place immediately before or after the regular summit between the European Union and the United States, tentatively scheduled for June of next year.

I recall fondly the visit that your wife paid to Portugal in July 1997. It would, of course, give my wife and I the greatest pleasure were she to grace us with her presence during this visit.

Looking forward to an opportunity to meet with Your Excellency again, please accept, Mr. President, my sincere best wishes for Your Excellency's personal well being and the expression of my highest consideration and esteem.

Jorge Sampaio

Lisbon, 29th September 1999

O Presidente da República

Dear President Clinton

Just a word to express my appreciation for the excellent conversation we had in New York on Tuesday Sept. 21, during the lunch offered by Secretary General Kofi Annan. It was a pleasure and an honor to sit next to you.

May I take this opportunity to thank you once again for all the ~~support~~ given by your administration to the cause of East Timor and, in particular, for your personal commitment and decisive intervention in this matter.

As you may recall, I expressed the wish to welcome you in Portugal for an official visit, during our Presidency of the European Union, in the first semester of 2000. I enclose an official letter of invitation for this visit.

Knowing that you and I share a passion for golf, I am sending you a book on golf courses in Portugal, in the hope that, in the not too distant future, we may have the pleasure to play a game in one of them.

With my best regards and personal esteem

Sincerely yours

Jorge Sampaio

Personal

O Presidente da República

To

H.E. President W.J. Clinton

ASSISTANT DEMOCRATIC LEADER
UNITED STATES SENATE
WASHINGTON, D. C. 20510

copied
Lindsey
Podesta

The President
The White House

Hand Delivered

Bl - He says we can get this

Duronels

10.5.99

Judy through - BC

'99 OCT

Dear Mr. President,

Your trip to Nevada was a success, in many ways. Your steadfastness on nuclear waste is for the history books. Nevada did the right thing in twice supporting you for president.

As I told you on AF1, I have sent to you a great choice for a 9th

HARRY REID
NEVADA

ASSISTANT DEMOCRATIC LEADER
UNITED STATES SENATE
WASHINGTON, D.C. 20510-7022

10-7-99

Circuit vacancy, Steve Walther. Your staff has his bio. We can get him through before this Congress adjourns.

In addition to being so good to Nevada, let me acknowledge with appreciation, all you have done for me,

Sincerely

Harry

THE WHITE HOUSE

WASHINGTON

Date 10.7.99

To: PODESTA

From: The Staff Secretary

SANDY/GENE WANT THIS EXECUTED TODAY, PRIOR TO THE PRESIDENT'S MEETING TOMORROW W/ P.M. CHRETIEN. ANY PROBLEM?

400166

7405

10-7-99

Package to Clerk.

B.

'99 OCT 7 PM6:23

THE WHITE HOUSE

WASHINGTON

October 7, 1999

ACTION

MEMORANDUM FOR THE PRESIDENT

THROUGH: THE EXECUTIVE CLERK

FROM: SAMUEL BERGER
GENE SPERLING

SUBJECT: Proclamation to Delegate Authority for the Administration of the Tariff-Rate Quota on Sugar Containing Products and Other Agricultural Products

Purpose

To sign the attached Proclamation at (Tab A) which delegates your authority under Section 404(a) of the Uruguay Round Agreements Act (URAA) to the United States Trade Representative (USTR) and the Secretary of Agriculture to administer the tariff rate quotas (TRQs) on sugar-containing products. The Proclamation also delegates further authority to USTR and USDA on other agricultural products so that timely action on these products can be taken in the future.

Background

In 1995, in fulfillment of U.S. obligations under the Uruguay Round Agreements Act (URAA), Presidential Proclamation 6763 converted then-existing U.S. import quotas on beef, cotton, dairy goods, peanuts, peanut butter and peanut paste, sugar and sugar-containing products to tariff rate quotas (TRQs). Proclamation 6763 contains an indirect delegation to USTR and the Secretary of Agriculture of your authority under Section 404(a) of the Uruguay Round implementing law to administer TRQs related to beef, but no similar delegation for the remaining products, including sugar and sugar-containing products subject to TRQs.

As part of a December 1998 Record of Understanding with Canada on agricultural trade, we agreed as one small portion of that agreement to limit the availability of the lower "in-quota" duty

cc: Vice President
Chief of Staff

rate for Canadian exports of sugar-containing products to those shipments bearing a Canadian export certificate. USTR cannot carry out this commitment in the agreement without a specific delegation of authority under Section 404(a) to administer the TRQ for sugar-containing products. Prime Minister Chretien may raise this with you in your meeting tomorrow unless Canada receives word that USTR has received the necessary authority to implement the provision within the Record of Understanding. Additionally, USDA may need the authority to license sugar containing products in a manner that protects existing importers of the product.

State, FDA, EPA, Justice, USDA, and USTR all agree with granting this authority to USTR and USDA.

Recommendation

That you sign the Proclamation at Tab A.

Attachments

Tab A	Presidential Proclamation
Tab B	Memorandum from Charlene Barshefsky
Tab C	1998 Record of Understanding with Canada
Tab D	Incoming Correspondence

TAB A

TO DELEGATE AUTHORITY FOR THE ADMINISTRATION
OF THE TARIFF-RATE QUOTAS ON SUGAR-CONTAINING PRODUCTS
AND OTHER AGRICULTURAL PRODUCTS TO THE UNITED STATES
TRADE REPRESENTATIVE AND THE SECRETARY OF AGRICULTURE

BY THE PRESIDENT OF THE UNITED STATES

A PROCLAMATION

1. On April 15, 1994, the President entered into trade agreements resulting from the Uruguay Round of multilateral trade negotiations ("Uruguay Round Agreements"). As part of those agreements, the United States converted quotas on imports of beef, cotton, dairy products, peanuts, peanut butter and paste, sugar, and sugar-containing products (as defined in additional U.S. notes 2 and 3 of the Harmonized Tariff Schedule of the United States) into tariff-rate quotas. In section 101(a) of the Uruguay Round Agreements Act ("the URAA") (Public Law 103-465; 108 Stat. 4809), Congress approved the Uruguay Round Agreements listed in section 101(d) of that Act, including the General Agreement on Tariffs and Trade 1994.

2. On December 23, 1994, the President issued Presidential Proclamation 6763, implementing the Uruguay Round Agreements consistent with the URAA. Presidential Proclamation 6763 included a delegation of the President's authority under the statutes cited in the proclamation, including section 404(a) of the URAA, 19 U.S.C. 3601(a), to the Secretary of Agriculture, the Secretary of the Treasury, and the United States Trade Representative, as necessary to perform functions assigned to them to implement the proclamation. Section 404(a) directs the President to take such action as may be necessary in implementing the tariff-rate quotas set out in Schedule XX - United States of America, annexed to the Marrakesh Protocol to the General Agreement on Tariffs and Trade 1994, to ensure that imports of agricultural products do not disrupt the orderly marketing of commodities in the United States.

3. I have determined that it is necessary to delegate my authority under section 404(a) to administer the tariff-rate quotas relating to cotton, dairy products, peanuts, peanut butter and peanut paste, sugar, and sugar-containing products to the United States Trade Representative and to delegate to the Secretary of Agriculture authority to issue licenses governing the importation of such products under the applicable tariff-rate quotas. The Secretary shall exercise such licensing authority in consultation with the United States Trade Representative.

NOW, THEREFORE, I, WILLIAM J. CLINTON, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States of America, including but not limited to section 301 of title 3, United States Code, and section 404(a) of the URAA, do hereby proclaim:

(1) The United States Trade Representative is authorized to exercise my authority pursuant to section 404(a) of the URAA to take all action necessary, including the promulgation of regulations, to administer the tariff-rate quotas relating respectively, to cotton, dairy products, peanuts, peanut butter and paste, sugar, and sugar-containing products, as the latter products are defined in additional U.S. notes 2 and 3 of the Harmonized Tariff Schedule of the United States. The Secretary of Agriculture, in consultation with the United States Trade Representative, is authorized to exercise my authority pursuant to section 404(a) to issue import licenses governing the importation of such products within the applicable tariff-rate quotas.

(2) All provisions of previous proclamations and Executive orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of ___, in the year of our Lord nineteen hundred and ninety-nine, and of the Independence of the United States of America the two hundred and twenty-fourth.

TAB B

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

JUL 22 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Ambassador Charlene Barshefsky
United States Trade Representative

SUBJECT: Presidential Proclamation to Delegate Authority to Administer Tariff-Rate Quotas on Agricultural Products to the United States Trade Representative and the Secretary of Agriculture

I recommend that you sign the attached Proclamation, which delegates to the United States Trade Representative your authority under section 404(a) of the Uruguay Round Agreements Act, 19 U.S.C. § 3601(a), to regulate the implementation of tariff-rate quotas on agricultural products. The Proclamation also delegates to the Secretary of Agriculture the authority to issue licenses governing imports of such products.

Background

In 1995, in fulfillment of U.S. obligations under the World Trade Organization (WTO) agreements, Presidential Proclamation 6763 converted then-existing U.S. import quotas on beef, cotton, dairy goods, peanuts, peanut butter and peanut paste, sugar, and sugar-containing products to tariff-rate quotas (TRQs). Proclamation 6763 contains an indirect delegation to the U.S. Trade Representative (USTR) and the Secretary of Agriculture (USDA) of the President's authority under section 404(a) of the Uruguay Round Agreements Act[1] to administer the TRQ relating to beef, but no similar delegation for the remaining TRQ products.

As part of a December 1998 Record of Understanding with Canada on agricultural trade, we agreed to limit the availability of the lower "in-quota" duty rate for Canadian exports of SCPs to

---

[1] Section 404(a) provides that "[i]n implementing the tariff-rate quotas set out in Schedule XX . . . the President shall take such action as may be necessary to ensure that imports of agricultural products do not disrupt the orderly marketing of commodities in the United States." The Statement of Administrative Action that was approved with the passage of the URAA states that the President's authority under section 404(a) was provided so that ". . . the President could, for example, issue licenses or otherwise act to avoid having the entire in-quota quantity of a commodity enter at one time, which could disrupt the orderly marketing of the commodity in the United States." House Document No. 103-316, Vol. 1, 103d Cong., 2d Session, at 729-730.

those shipments bearing a Canadian export certificate. We cannot carry out our commitment, however, without a specific delegation of authority under section 404(a) to administer the TRQ for SCPs. Moreover, when we apply the in-quota duty rate to these shipments we may need authority to license SCP imports in a manner that will protect existing SCP importers. Finally, Proclamation 6763 did not delegate authority to the USTR and the USDA to administer fully the other TRQs and the absence of such authority might encumber taking timely action in the future. Thus, a specific grant of authority now would anticipate future requirements.

Accordingly, I recommend that you issue the attached proclamation. The proclamation would provide authority for the USTR to administer the TRQs for SCPs and cotton, dairy products, peanuts, peanut butter and paste, sugar and SCPs and for the USDA, in consultation with the USTR, to issue licenses for those same products.

The Proclamation would be effective upon signature.

RECOMMENDATION:

I recommend that you sign the attached Proclamation.

Attachment: Proclamation

TAB C

December 4, 1998

RECORD OF UNDERSTANDING
BETWEEN THE GOVERNMENTS OF THE UNITED STATES OF AMERICA AND CANADA REGARDING AREAS OF AGRICULTURAL TRADE

In the spirit of friendship and frankness that characterizes relations between our countries, the Governments of Canada and the United States of America have undertaken to discuss and resolve key issues in bilateral agricultural trade.

Recognizing that agricultural and agri-food products comprise an important component of our vibrant and mutually beneficial bilateral trading relationship, the Governments of Canada and the United States jointly reaffirm their commitment to maintaining an open and dynamic trading relationship in these products.

Canada and the United States affirm their commitment to market-oriented agricultural policies and ongoing efforts to promote more open and fairer trade in agricultural products. Canada and the United States further agree that actions that disrupt trade should be avoided and commit to address issues before they become problems as the preferred way of resolving bilateral trade differences.

Canada and the United States have agreed to work together to increase the broad dissemination of basic facts about our bilateral agricultural trade and its impact on our agricultural and agri-food industries, particularly in the grains and livestock/red meats sectors.

Canada and the United States also note the importance which our respective states and provinces attach to trade in agricultural products, and strongly support an increased dialogue on these issues at the state-province level.

Canada and the United States emphasize the importance of Chapter 7 of the North American Free Trade Agreement (NAFTA) on Agriculture and Sanitary and Phytosanitary Measures, and the World Trade Organization (WTO) Agreement on the Application of Sanitary and Phytosanitary Measures, which require the application of objective, science-based criteria as the basis for sanitary and phytosanitary measures. Chapter 9 of the NAFTA on Standards-Related Measures and its associated annexes and the WTO Agreement on Technical Barriers to Trade govern the development and application of technical requirements by Canada and the United States .

We agree that inspections will be based on scientific and technical principles. We reject the unjustified use of these or other technical measures as barriers to legitimate trade.

The Canadian Minister of Agriculture and Agri-Food and the U.S. Secretary of Agriculture will meet at least annually to review the state of our bilateral agricultural trade, to address any problems that might arise, and to foster greater cooperation between the two countries on issues of common interest in other international fora. Sub-Cabinet level officials will meet at least twice per year to ensure that progress continues to be made on issues affecting access to each other's markets. Officials will meet within 30 days to continue discussions of the resolution of outstanding agricultural issues and review progress of implementation of the agreement.

Canada and the United States agree to improve the management of bilateral agricultural trade relations by establishing a comprehensive early-warning and consultation process to resolve problems at an early stage in their development.

Canada and the United States encourage the private sector, through industry associations, to engage in a similar cross-border dialogue to increase our mutual understanding and our determination to resolve differences through consultation and discussion. For this purpose, Canada and the United States agree to urge industry to establish bilateral industry consultative mechanisms for grains, livestock and meats, and horticultural products.

Canada and the United States reiterate their strong commitment to resolving expeditiously any issues that might be brought to the attention of the respective governments in a way that is consistent with rights and obligations under the applicable international trade agreements. More specifically, Canada and the United States reaffirm their commitment as contained in international trade agreements to ensure that all necessary measures are taken to meet the obligations as contained in those agreements, including their observance by state and provincial governments.

The Governments of Canada and the United States have agreed to the attached comprehensive action plan, set forth in Annexes 1 to 17, aimed at facilitating and expanding Canada-U.S. bilateral trade in agriculture and agri-food products. The Annexes are an integral part of this Record of Understanding.

For the Government of the United States of America

/s/
Charlene Barshefsky
United States Trade Representative

/s/
Dan Glickman
Secretary of Agriculture

For the Government of Canada

/s/
Sergio Marchi
Minister for International Trade

/s/
Lyle Vanclief
Minister of Agriculture and Agri-Food Canada

/s/
Ralph Goodale
Minister of Natural Resources and Minister Responsible for the Canadian Wheat Board

December 4, 1998

UNITED STATES - CANADA ACTION PLAN REGARDING AREAS OF AGRICULTURAL TRADE

This action plan is designed to strengthen and expand Canada-U.S. agricultural trade relations. It consists of 17 annexes as follows:

1. Import of U.S. Slaughter Swine
2. Expansion of Northwest Cattle Project for Restricted Feeder Cattle
3. Animal Health Regionalization
4. Other Animal Health Issues
5. Exchange of Cattle Data
6. In-Transit Movement of Grain by Rail
7. Wheat Access Facilitation Program
8. Phytosanitary Requirements for the Importation of U.S. Wheat
9. Other Grain Related Issues
10. Seed Trade
11. Export Subsidies (Oats)
12. Veterinary Drugs
13. Pest Control Products
14. Horticulture
15. Joint Cooperation on Biotechnology
16. Labeling
17. Sugar-Containing Products

1. Import of U.S. Swine for Immediate Slaughter

On December 3, 1998, Canada passed regulations that will allow U.S. slaughter swine to enter Canada from eligible states without the testing and quarantine restrictions that are applied to breeding animals. The regulations governing the import of U.S. slaughter swine are comprehensive. Importation under permit will be allowed to a previously approved plant. The animals must originate from states that have reached Stages IV or V under the U.S. Pseudorabies Eradication Program and travel to the Canadian plant along defined routes and within defined time frames.

2. Expansion of the Northwest Cattle Project for Restricted Feeder Cattle

The Canadian "restricted feeder" regulations (Northwest Cattle Project) were amended on August 7, 1998. "Restricted feeders" that originate from approved states may be exported to Canada during the fall and winter months without test. The imported animals are treated for anaplasmosis following their arrival and are then permitted to move without restriction. To qualify to export under the new regulations, states must be officially free of bovine brucellosis and tuberculosis and be classified by Canada as low risk for bluetongue. Feeder cattle have been entering Canada from Montana and Washington State under the provisions of the new regulations. States that meet the same criteria and whose cattle producers wish to export to Canada under the regulatory provisions for restricted feeders are encouraged to contact the Canadian Food Inspection Agency (CFIA). Under normal circumstances, CFIA will evaluate and approve states within 2 weeks of request, dependent on the adequacy of information provided.

Importation under permit is allowed only to previously approved premises. In the United States, the health certification of the animals and validation of their identification is completed by a U.S. Department of Agriculture, Animal and Plant Health Inspection Service (USDA-APHIS) accredited veterinarian; there is no USDA endorsement of the export certificate required.

If a country imposes new duties on cattle trade, the other country may rebalance commitments made under this section for the duration of the duty increase.

3. Animal Health Regionalization - Recognition of the Health Status of States/Zones

Canada has initiated a review of regulations governing the import of animals and their products, with a focus on the principles of zoning and regionalization. The process is scheduled for discussion at the Canadian Animal Health Consultative Committee meeting in December 1998. Both parties expect that Canada will publish a final regulation during the first quarter of 2001.

4. Other Animal Health Issues

Brucellosis and Tuberculosis (TB) Requirements

As part of the cooperative brucellosis program, some states have mandatory brucellosis vaccination requirements for cattle within the state or imported from other states or countries. Some states also have additional testing and/or certification requirements for a number of diseases beyond the U.S. federal import requirements. The following steps will be taken to address this issue:

- The U.S. Department of Agriculture will obtain an updated list of U.S. state vaccination and test requirements for brucellosis and TB for Canadian cattle by January 1999 and provide the list to the Canadian Food Inspection Agency.

- The United States will notify state veterinarians of Canada's animal health status no later than January 1999 and will work with states and industry to address inconsistencies between U.S. state and federal requirements. Discussion between the USDA, state authorities, and industry will be scheduled during the October 1999 U.S. Animal Health Association Meetings at which time states will be given the opportunity to provide reports on actions to be taken to address these inconsistencies.

Equine Semen Imports

The United States requires an import permit and health certification for imports of equine semen from Canada. The United States agrees to initiate the regulatory process to change these regulations to eliminate the permit and certification requirements for equine semen imports from Canada and endeavor to implement a final rule eliminating these permit and certification requirements not later than January 2000.

Inspection of Live Horses

The United States currently has regulations requiring inspection at the border of all Canadian horses presented for permanent entry. Horses presented for temporary entry are not required to be inspected. The United States will initiate the regulatory process to eliminate the inspection requirement for all horses and implement a final rule eliminating this requirement by August 2000.

5. Exchange of Cattle Data

Canada and the United States will cooperate in the exchange of data on cattle trade and make publicly available a joint report within 30 days that will identify data currently available from each side; requests for additional data; and a proposal to address the needs for additional data. It is intended that the additional data will include the number of cattle on feed, cattle inventory and cattle slaughter.

6. In-Transit Movement of Grain by Rail

The Canadian Food Inspection Agency (CFIA) has developed an alternative certification program that will permit shipments of wheat, oats, barley, rye and/or triticale, excluding seed, to transit through Canada based on a certificate of origin in lieu of a phytosanitary certificate with mandatory sampling and testing. This will allow U.S. grain to be shipped on the Canadian rail system to final destinations in the United States. A certificate of origin from a state authorized under the program will be acceptable for grain if it meets all of the following conditions:

* the grain originates in U.S. approved states;
* the grain will transit through Canada only by rail (in sealed hopper cars);
* the grain will return to the United States; and
* the grain will not be unloaded in Canada.

The areas identified to participate in this program include the areas of Minnesota, Montana and North Dakota that are recognized free of Karnal bunt, wheat flag smut, and dwarf bunt. This program will become effective as soon as possible but no later than January 1, 1999 for the states of Minnesota, Montana, and North Dakota. The program will be reviewed, in cooperation with the United States, six months after implementation with a view toward expanding the program to other interested states meeting the same program and science-based criteria as soon as possible.

7. Wheat Access Facilitation Program for Canadian Licensed Primary Elevators Handling U.S. Wheat

The program will improve access for U.S. farmers to primary elevators in Western Canada, while preserving the integrity of the Canadian grain quality control system. The program codifies the rules for handling of U.S. wheat by licensed Canadian primary elevators. It will enter into force on January 1, 1999.

The Canadian Grain Commission (CGC) is giving advanced authorization to handle imported wheat from the United States for those primary elevators that have indicated a desire to participate in the Wheat Access Facilitation Program. Currently, 4 grain companies have proposed a total of 27 facilities for the program, most of which are located within 60 miles of the Canada-U.S. border.

The program facilitates U.S. wheat being trucked and sold by or on behalf of U.S. producers to participating Canadian primary elevators for storage and forwarding to domestic markets or export locations. This program complements existing arrangements that facilitate the direct movement of U.S. wheat and barley to Canadian feedlots, feed mills and flour mills.

Canada and the United States will jointly publish a fact sheet by January 1, 1999, explaining the program and how producers can participate in the program.

Within six months of implementation, Canada, in cooperation with the United States, will examine how the program has functioned with a view toward ensuring that it is working effectively and identifying potential ways to streamline procedures including inspections. Within the twelve month initial phase of implementation, Canada, in cooperation with the United States, will review the program. The review will include the clarity of the information provided to U.S. and Canadian producers, the volume of shipments under the program, the effect of Canadian Customs procedures and CGC inspections , and comments from U.S. and Canadian producers and Canadian elevators. The twelve month review will also consider procedures under the program with a view to streamlining and reducing costs of the program within 30 days of conclusion of the twelve month review.

This program will not be extended to any state that fails to exempt Canadian grain from state research and promotion check-off programs in a manner equivalent to that granted to grain from other sources.

8. Phytosanitary requirements for the importation of U.S. wheat and other cereals into Canada

Wheat Access Facilitation Program - Phytosanitary Requirements:

A procedure has been developed with the cooperation of the Canadian Food Inspection Agency (CFIA) and the U.S. Department of Agriculture, Animal and Plant Health Inspection Service (USDA-APHIS) that will reduce the amount of sampling and testing required for U.S. growers participating in the Wheat Access Facilitation Program.

Individual participants (growers) may ship wheat under a "Master Phytosanitary Certificate" without the requirement to have each individual shipment tested. Wheat must originate from an approved grower in states eligible under the program, and at least one sample per grower, per crop, must be officially tested and found free of Karnal bunt spores. The Master Phytosanitary Certificate must additionally satisfy requirements for dwarf bunt and flag smut based on area freedom or official testing as appropriate.

This program will be implemented for North Dakota and Montana by January 1, 1999. The program will be reviewed, in cooperation with the United States, six months after implementation with a view toward expanding the program to other interested states meeting the same program and science-based criteria as soon as possible.

Karnal Bunt

Following the recent review of U.S. National Karnal Bunt Survey data and the confirmation that no spores of Karnal bunt were found in the non-infested states, CFIA has worked with USDA-APHIS to develop a certification program that permits wheat to be imported into Canada without the current requirement for testing. Under this program, wheat from approved states will be accompanied by a phytosanitary certificate that certifies that the grain is produced in and shipped from a state that has been officially surveyed and found free from Karnal bunt.

Following discussion with USDA-APHIS to address concerns with the domestic movement of grain from the infested areas, Canada will be prepared to implement the above-mentioned program in a progressive, risk based approach, as follows:

- after 3 years of national surveys, the states of MT, ND, MN, WI, MI, ME, VT, NH, NY, MA, PA, NJ, RI and CT;

- after 4 years of national surveys, all of the United States except the infested states;

- after 5 years of national surveys, all of the United States except infested areas of the infested states.

Canada will initiate the process to implement the above mentioned program immediately with a view to operationalize the above program for the first tier of states by March 31, 1999.

Cereals (Wheat, barley, rye, oats)

As confidence is built through the Wheat Access Facilitation Program, the In-Transit Rail Program, and the above-mentioned phytosanitary certification program, the CFIA will consider further steps toward recognition of area freedom for Karnal bunt, dwarf bunt, and wheat flag smut. CFIA and APHIS will initiate discussions on the use of alternative certification to the issuance of phytosanitary certificates for all cereals to recognize area freedom for Karnal bunt, wheat flag smut and dwarf bunt. As a first step, the Canadian Food Inspection Agency will review the Pest Risk Assessments (PRA) for each of the 3 diseases.

9. Other Grain Related Issues

Grain Trade Consultations

In order to strengthen cooperation and trust on issues of mutual interest, Canada and the United States agree to meet quarterly, or more frequently on request, to consult on global grain production and marketing. Such consultations shall include the following:

- A projection of each country's respective production, utilization and ending stocks of grain (including wheat, barley, corn and oats) for the current marketing year;
- A projection of the quantity, by commodity (including in the case of wheat, separate projections for durum), of grain likely to be exported by each country to the other in the current marketing year;
- A projection of each country's use of subsidies, credit, or other means to facilitate grain exports; as well as the use of aid programs (involving grain); in the current marketing year;
- A review of actions by third countries that may have an impact on global grain trade; and,
- Such other grain production and marketing issues as may be raised by either country.

The first such consultations shall occur not later than February 1, 1999.

10. Seed Trade

The Canadian Food Inspection Agency (CFIA) and the Agricultural Marketing Service, U.S. Department of Agriculture agree to meet with interested state, provincial and industry representatives in the first quarter of calendar year 1999 to develop initiatives to streamline requirements and facilitate seed trade.

11. Export Subsidies (Oats)

Canada and the United States note that in the last crop year more than 700,000 tons of heavily-subsidized European Union (EU) oats were imported into North America. So far this crop year, more than 290,000 tons have been imported. Noting that the EU has eliminated barley export subsidies to North America, Canada and the United States have agreed to consider what steps might be warranted to achieve a similar result for oats.

12. Veterinary Drugs

Both the United States and Canada have stringent, scientifically based programs for the pre-market approval of veterinary drugs. While there are some differences in the regulatory approaches adopted, the outcomes are essentially equivalent in the protection of public health in the two countries.

A comparison made by the U.S. Food and Drug Administration and Health Canada has also indicated that both countries have prohibited most of the same veterinary drugs for food producing animals.

To avoid future disruption in bilateral trade, Canada and the United States have agreed to the following initiatives with respect to veterinary drugs:

- Prepare by April 30, 1999, a side-by-side comparison of veterinary drugs approved for use in both countries, the food-producing animals to which these drugs can be administered, and the maximum residue limits (MRLs) established for any foods resulting from such use.

- Bilaterally, work toward joint evaluation of drug submissions, and the harmonization of MRLs for veterinary drugs which apply to domestic and imported foods.

- Trilaterally with Mexico, implement an effective work plan for the Technical Working Group on Veterinary Drugs under the North America Free Trade Agreement Sanitary and Phytosanitary Committee.

- Multilaterally, work with Mexico to cooperate closely on matters related to the Codex Committee on Residues of Veterinary Drugs in Foods.

13. Pest Control Products

To avoid future disruption in bilateral trade, Canada and the United States agree to the following initiatives with respect to pest control products:

- The U.S. Environmental Protection Agency (EPA) and the Canadian Pesticide Management Regulatory Agency (PMRA) will work with growers and registrants in both countries to accelerate bilateral harmonization using the five year North American Initiative developed by the NAFTA Technical Working Group on Pesticides as the framework. As a result of these efforts, there will be great potential for faster and simultaneous access to a wider range of pest control products for both major and minor crops in both countries. However, the success of this initiative hinges on the full and active participation of growers and registrants in both countries.

- EPA and PMRA will continue to cooperate with respect to U.S. implementation of the Food Quality Protection Act.

- EPA and PMRA are committed to work together to develop a harmonized policy for movement of treated seeds by December 1999.

- EPA and PMRA will investigate mechanisms to improve links with state/provincial/territorial officials as a way of providing improved information sharing and a heads up mechanism for potential pesticide/trade issues.

- Canadian canola growers have requested Canadian registrants to agree voluntarily to remove canola/rapeseed claims from labels of registered canola seed treatments containing lindane by December 31, 1999. All commercial stocks containing lindane for use on canola and lindane treated canola seed would not be used after July 1, 2001. This is contingent on registrants requesting voluntary removal. EPA, PMRA, growers and registrants will continue to work together to facilitate access to replacement products.

- For those specific canola registration reviews undertaken by the EPA on an accelerated basis, EPA and the PMRA will share work on evaluation of pesticide products to the furthest extent possible.

- EPA and PMRA will request U.S. and Canadian canola associations to prioritize pesticide registration needs from a list of pesticides now available in either country which are pending approval in the other country. The associations, in consultation with pesticide registrants, would also be asked to identify alternatives to pesticides such as organophosphates (OPs) or others with risk concerns. The resulting list will then be a basis for a longer term strategy to assure adequate, reduced risk pest control tools for canola growers and will fit with current NAFTA efforts to promote a coordinated approach to Integrated Pest Management for canola.

- For dry beans (pulses), lentils, and flax (crops grown in rotation with canola), EPA and PMRA will request that growers, in consultation with pesticide registrants in the United States and Canada, identify and prioritize pest control tools and needs for purposes of identifying grower priorities for the agencies. EPA and PMRA will jointly explore efforts to share work on evaluation of pesticide products.

- The U.S. Department of Agriculture (USDA) and Agriculture and Agri-Food Canada, in conjunction with EPA and PMRA, will convene, preferably by March 1999, a high level meeting with Chief Executive Officers of North American pesticide companies to encourage companies to take advantage of the pesticide joint review process and to encourage industry's role in harmonization goals.

- USDA and Agriculture and Agri-Food Canada will jointly conduct a study of pesticide price differentials within the United States and Canada to be completed within 6 months.

14. Horticulture

Produce Pesticide Testing

Canada and the United States have stringent, scientifically-based programs for the evaluation and monitoring of pesticide residues. While there are some differences in the regulatory approaches adopted, the outcomes provide essentially equivalent protection of public health.

The Food and Drug Administration and Canadian Food Inspection Agency agree to work toward reducing the sampling of fresh produce through the exchange of scientific data, sampling plans and results, and taking such information into consideration in the development of annual national sampling plans. Both agencies agree to review the operation of import procedures with a view toward taking steps to streamline programs.

Bacterial Ring Rot Testing

In December 1998, the U.S. Department of Agriculture (USDA) and CFIA agree to work with appropriate industry, state, provincial and scientific representatives to explore the benefits and possible implementation of harmonizing testing procedures for bacterial ring rot of potatoes.

Potatoes

Canada and the United States agree to work aggressively and quickly to resolve outstanding potato industry issues. Canada and the United States agree to ask the U.S.-Canada Ad Hoc Potato Committee to review the issue of regulatory differences and restrictions affecting bilateral trade in potatoes and provide a report to Ministers by September 1, 1999, on how these issues might be addressed with a view to facilitating bilateral trade.

Nursery Stock Phytosanitary Requirements

The United States currently restricts certain nursery stock from Canada that has originated in other countries, and then is grown for a time in Canada, to be exported to the United States. USDA and CFIA agree to form a joint working group charged with moving this toward a resolution by prioritizing the regulatory changes in order to harmonize import requirements for nursery stock from offshore sources. The working group will meet initially the first quarter of 1999 with a view to identify and prioritize species where differences exist and identify time lines for implementation of harmonization measures.

15. Joint Cooperation on Biotechnology

Canada and the United States have enjoyed continued cooperation in the area of agricultural biotechnology. Both countries use a science based approach to regulating products of biotechnology, including, but not limited to genetically enhanced products. This approach means that regulatory decisions are predicated on a critical assessment of the best available scientific information about the product and not on the process used to develop it.

In September 1998, Canadian and U.S. regulatory officials signed a technical agreement on the regulatory requirements for the assessment of specific aspects of transgenic plants. Canadian and U.S. regulatory officials will continue to meet to compare and harmonize where possible, the regulatory review process for transgenic plants and to discuss and prioritize future areas of cooperation and information exchange that will facilitate the safe incorporation of transgenic plants into agricultural production and commerce.

Canada and U.S. policy officials will continue to meet to discuss cooperation on multilateral biotechnology issues. Canada and the United States will continue to work closely in areas relating to biosafety including the U.N. Biosafety Protocol. Canada and the United States share common views on the subject of biotechnology in both the Sanitary and Phytosanitary and Technical Barriers to Trade Committees of the World Trade Organization. In addition, both countries are exploring the issue of how to deal with biotechnology within the WTO and its subsidiary agreements as well as other fora such as the Organization for Economic Cooperation and Development, CODEX Alimentarius Commission and Asia-Pacific Economic Cooperation. Canada and the United States will also work together to promote the science-based approach to regulating biotechnology, including capacity-building.

16. Labeling

Canada and the United States recognize the integrated nature of the North American agriculture and food economies and agree that country of origin labeling requirements on agricultural and food products will be consistent with obligations under the North American Free Trade Agreement and the World Trade Organization Agreement

17. Sugar Containing Products

No later than June 1, 1999, the United States will require an export permit issued by the Government of Canada as a condition of entry into the United States for sugar-containing products of Canadian origin for which the exporter or importer is claiming preferential tariff treatment. The products for which export permits will be required as a condition of entry will be sugar-containing products provided for in additional U.S. Note 6 to Chapter 17 of Schedule XX of the United States annexed to the Marrakesh Protocol to the GATT 1994, as currently reflected in note 8 of Chapter 17 of the Harmonized Tariff Schedule of the United States.

Tab D

U.S. Department of Justice

Office of Legal Counsel

Office of the Assistant Attorney General

Washington, D.C. 20530

July 23, 1999

The President,

The White House.

My dear Mr. President:

I am herewith transmitting a proposed Proclamation entitled "To Delegate Authority for the Administration of the Tariff-Rate Quotas on Sugar-Containing Products and Other Agricultural Products to the United States Trade Representative and the Secretary of Agriculture." This proposed Proclamation was submitted by the United States Trade Representative, who forwarded it to this Department for review with respect to form and legality.

The proposed Proclamation is approved with respect to form and legality.

Respectfully,

Randolph D. Moss

Randolph D. Moss
Acting Assistant Attorney General

U.S. Department of Justice

Office of Legal Counsel

Office of the Assistant Attorney General

Washington, D.C. 20530

July 23, 1999

MEMORANDUM

Re: Proposed Proclamation Entitled "To Delegate Authority for the Administration of the Tariff-Rate Quotas on Sugar-Containing Products and Other Agricultural Products to the United States Trade Representative and the Secretary of Agriculture"

The attached proposed Proclamation was prepared by the Office of the United States Trade Representative, who forwarded it to this Department for review with respect to form and legality.

The proposed Proclamation delegates to the United States Trade Representative the President's authority under section 404(a) of the Uruguay Round Agreements Act to administer the tariff-rate quotas relating to cotton, dairy products, peanuts, peanut butter and peanut paste, sugar, and sugar-containing products. The Proclamation also delegates to the Secretary of Agriculture the President's authority under section 404(a) to issue licenses governing the importation of such products within the applicable tariff-rate quotas.

We rely upon the United States Trade Representative for the accuracy of all non-legal provisions. The proposed Proclamation is approved with respect to form and legality.

Randolph D. Moss

Randolph D. Moss
Acting Assistant Attorney General