

Joint Press Statement on the Arrangement for the Resumption of U.S. Beef Import
Procedures by GOJ and USG

June 21, 2006

On June 20 and 21, 2006, The Government of Japan (GOJ) and the Government of the United States (USG) held a digital video conference on the issue of U.S. beef trade.

As a result of this consultation, the two governments shared an understanding on the implementation of the following measures and resumption of import procedures.

I. Measures to be taken by the U.S.

The USG will ensure that measures, including the ones listed below, be taken so that Japan EV Program will be complied with.

1. Measures by establishments

- 1) The Japan EV accredited establishment will produce a list of products eligible to be exported to Japan, and clearly describe the list in its Manual. Particularly at fabrication-only-establishments, supplier list as well as eligible product list must be made for each of the suppliers of material products (e.g. carcasses) destined for Japan, and these lists will be described clearly in the Manual.
- 2) The Japan EV accredited establishment will describe in its Manual SRM removal and other specific requirements under the Japan EV program.
- 3) The Japan EV accredited establishment will thoroughly educate its management and employees of Japan-EV requirements including the products that the establishment is approved to export to Japan.

2. Measures by AMS/USDA

- 1) Upon accrediting an establishment, AMS will confirm that the establishment's Manual is appropriate and that its management and employees have thorough understanding of Japan EV Program. Accreditation/approval of establishments can be made only after completion of training of FSIS inspectors at the subject establishment.
- 2) AMS will manage the product list produced by each of the Japan EV accredited establishments, and upon reviewing the export application, will confirm that the products on the document are exportable to Japan based on this list.

- 3) In order to confirm compliance of Japan EV program by establishments AMS will conduct unannounced audit targeting all Japan EV establishments at least once a year, in addition to AMS' routine biannual audit.

3. Measures by FSIS/USDA

- 1) FSIS will thoroughly educate its inspectors on Japan EV Program requirements through such means as requiring inspector's passing of an exam on EV Program requirements.
- 2) Upon issuing of the export certificate, FSIS will confirm the inspected products are on the eligible product list and that they are in compliance with Japan EV Program requirements.
- 3) FSIS will conduct unannounced inspections for the purpose of verifying adequate implementation of export certificate issuance at Japan EV accredited establishments.

II. Measures to be taken by Japan

GOJ will take the following measures:

1. Conduct on-site audit of establishments prior to resumption of shipment to Japan

GOJ will conduct on-site audit of Japan EV accredited establishments, prior to resumption of shipment to Japan, in order to verify compliance by each establishment as well as appropriate implementation of USG measures. In addition, it will review ranches/feedlots and feedmills to confirm such issues as production record transfer and feeding practice.

2. Accompany USDA's unannounced audit/inspection

In addition to routine GOJ audit, GOJ will accompany unannounced audit/inspection by AMS and FSIS to verify compliance with Japan EV program by Japan EV accredited establishments.

3. Strengthen border inspection

By utilizing the establishment-by-establishment eligible product list provided by AMS, GOJ will confirm product compliance, and strengthen border inspection, for a probationary period, by increasing the frequency of visual inspection including all-box eligibility confirmation with the cooperation of importers. Upon a finding of noncompliant product at port of entry, GOJ will take appropriate action commensurate with the nature of the violation, keeping in contact with USG.

4. Thoroughly educate the Japanese importers on Japan EV Program requirements

GOJ will re-educate Japanese importers and permeate thorough understanding of Japan EV Program requirements amongst the traders, and promote their voluntary management such as prevention of placing orders for ineligible products.

III. Resumption of import procedures

1. Japan will verify the efficacy of the U.S. inspection system and Japan EV program, and will resume import procedures expeditiously for establishments where GOJ's initial onsite audits do not identify noncompliances. In the event that establishments with noncompliances are identified, GOJ and USG will consult closely on those noncompliances.

Note: 1) Upon completion of the audit, GOJ will expeditiously provide USG with results of the audits.

2) Upon the above provision (Note1)), those establishments without any noncompliances identified may start Japan destined slaughter.

3) In the event that establishments with noncompliances are identified, after consulting with GOJ, USG will confirm corrective measures necessary to bring those establishments into compliance. Once those corrective measures are in place, GOJ will be notified and provided the opportunity to confirm corrective measures. USG will certify those establishments as eligible to export to Japan.

2. With regard to the pipeline products that are stored in Japan, according to the USG's retrospective review, no noncompliances were identified. Therefore, if no noncompliances are identified by GOJ's confirmatory review during the upcoming audit, importation will be permitted for products without any problem upon all-box eligibility confirmation.
3. "Animal health requirements for beef and beef offal to be exported to Japan from the United States of America," effective December 12, 2005 is in effect.