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DATE: July 22, 1999
AIT B-486

Mr. John C. Deng
Director, Economic Division
Coordination Council for North American Affairs
Headquarters for Taipei Economic and Cultural
Representative Office in the U.S. (TECRO)
133 Po Ai Road
Taipei, Taiwan

Dear Mr. Deng,

Attached please find the agreed minutes from the pesticide discussions in Taipei, July 14 -15. We look forward to working with your office to ensure uninterrupted trade in safe food and agricultural products.

Thank you very much for your assistance with this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Christine Sloop', written in a cursive style.

Christine Sloop
Acting Chief
Agricultural Affairs Section

AGREED MINUTES BETWEEN
THE TAIPEI ECONOMIC AND CULTURAL REPRESENTATIVE OFFICE
AND THE AMERICAN INSTITUTE IN TAIWAN

Recognizing the need for the authorities represented by Taipei Economic and Cultural Representative Office in the U.S. (TECRO) to adopt and enforce measures necessary to protect human, animal or plant life or health in a manner consistent with international rules and practice, representatives of TECRO and the American Institute In Taiwan (AIT) met to discuss issues related to adoption and enforcement of maximum residue limits (MRLs) for pesticides. As the result of these discussions, TECRO and AIT have agreed that the following provisions would apply.

Adoption of MRLs: Provisional MRLs

1. Where the authorities represented by TECRO have not adopted a MRL, but a Codex Alimentarius Commission (CODEX) MRL exists, the authorities represented by TECRO will apply the CODEX MRL.
2. Where the authorities represented by TECRO have not adopted a MRL and no CODEX MRL exists, Taiwan will adopt a MRL based on the residue standards of Taiwan's major trading partners and based on scientific principles and sufficient scientific evidence. The authorities represented by AIT will supply a preliminary list of MRLs adopted in the United States, as soon as possible, and will update that list on a regular basis.
3. Where the authorities represented by TECRO have adopted a MRL significantly stricter than the MRL adopted in the United States, the authorities represented by TECRO will apply the CODEX MRL until a report, based on scientific principles and with sufficient scientific evidence to justify adoption of the stricter MRL, is completed and reviewed. Similarly, where the MRL adopted in Taiwan is significantly stricter than the MRL adopted in the United States, but no CODEX MRL exists, the authorities represented by TECRO will adopt a new MRL that takes into account the residue standards of Taiwan's major trading partners and based on scientific principles and sufficient scientific evidence, until a report, based on scientific principles and scientific evidence justifying adoption of a more stringent MRL, is completed and reviewed. The authorities represented by TECRO and AIT will complete a joint review of any of the reports referred to above, within 4-6 months after both sides receive such a report.

Permanent MRLs

4. The authorities represented by TECRO will endeavor to adopt permanent MRLs on July 16, 2000. Companies in the United States will begin applying for pesticide tolerances at the earliest opportunity. The authorities represented by TECRO will provide the authorities represented by AIT with information regarding the application process and

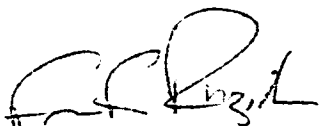
specific data required to apply for a pesticide tolerance and establish a MRL in Taiwan. The authorities represented by TECRO will continue to apply provisional MRLs to products with applications already in the review process until permanent MRLs are adopted. After July 16, 2000, the authorities represented by TECRO will continue to apply provisional MRLs only for products with applications already filed before this date with the authorities represented by TECRO.

Enforcement of MRLs

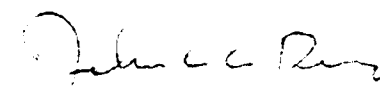
5. From July 16, 1999 to December 31, 1999, the authorities represented by TECRO will inspect and test imported products to observe what problems may occur with inspection and testing procedures. No actions will be taken against U.S. products during this period, unless the test results on a sample exceed the MRL adopted in the United States. In such cases, the authorities represented by TECRO can reject that shipment. During this period, the authorities represented by TECRO will inspect and test imported products from other major trading partners.
6. The authorities represented by TECRO will immediately sample and release shipments that are randomly selected in the normal course of testing. Testing will be completed within three working days. If a sample is found to have pesticide residues that exceed the relevant MRL, the importer will be required to make a good faith effort to recall the product in that shipment that has not yet been consumed. The next five shipments from the same origin, i.e., the same brand name/exporter, will be subject to testing. These shipments will not be released until testing is completed. Test results on samples from these shipments will also be completed and returned within three working days.
7. All shipments on the water by December 31, 1999, as documented by a Bill of Lading, will be subject to the provisions of paragraphs 5 and 6. After December 31, 1999, all shipments will be subject to the provisions of paragraphs 1, 2, 3, 4, and 6.

Consultations

8. The authorities represented by TECRO and AIT agree to consult at the request of either party to address any matter relating to the operation or implementation of this system for adoption and enforcement of MRLs


Francis F. Ruzicka
Director, Trade & Commercial Policy
American Institute in Taiwan

7/23/99
Date


John C. Deng
Director, Economic Division
Taipei Economic and Cultural
Representative Office

7/23/99
Date