

**Australia's Statement to Dispute Settlement Body
19 June 2009**

As delivered

Australia refers to the bilateral agreement between the European Commission and the United States announced on 13 May and recognises that this agreement seeks to find a way forward in the long-running beef hormones dispute.

Australia notes that the agreement provides for the establishment of a new tariff rate quota for high quality beef.

As a major global beef exporter, Australia is taking a close interest in the establishment, implementation and administration of this quota.

Australia thanks the European Communities for the opportunity to discuss bilaterally the establishment and operation of this new quota.

We understand that the quota will be offered on a most favoured nation basis (MFN) and on the principle that it is open to all countries.

However, the quota as it appears in the Memorandum of Understanding between the European Commission and the United States raises concerns about consistency with the WTO Agreements.

We are keen to ensure that the quota is not discriminatory in its treatment of beef exporters, is consistent with the European Communities' WTO obligations and will provide equal access for all beef exporters including Australian beef exporters of high quality beef.

Australia obviously would welcome any increased access that flowed from the establishment of the new quota.

We note that our response today is preliminary. We welcome further details about how the quota will operate.