

**Subject to Legal Review for Accuracy, Clarity, and Consistency**  
**Subject to Language Authentication**

Side Letter on Guidelines for Research and Development Expenditures, 2004

Dear:

In connection with the signing on [this date] of the Agreement, I have the honor to confirm the following understanding reached between the governments of Canada and the United States:

It has been agreed that the *Guidelines for Research and Development Expenditures, 2004*, would not be listed as a non-conforming measure in Canada's reservation I-C-14. Notwithstanding this agreement, the United States confirms that Canada's maintenance of the *Guidelines for Research and Development Expenditures, 2004*, will not serve as an impediment to the United States' certification of this Agreement under the Bipartisan Congressional Trade Priorities and Accountability Act of 2015. This confirmation is without prejudice to the United States' or Canada's position as to whether the *Guidelines for Research and Development Expenditures, 2004*, are consistent with this Agreement.

I have the honor to propose that this letter and your letter in reply, equally valid in English and French, confirming that your government shares this understanding, shall constitute an understanding between the United States and Canada, which shall enter into effect on the date of entry into force of the Agreement.

Sincerely,