The Honorable María Soledad Alvear Valenzuela Minister of Foreign Relations

Dear Minister Alvear:

I have the honor to confirm the following understanding reached by the delegations of the United States of America and the Republic of Chile in the course of negotiations regarding the supply of engineering services and Annex 11.9 (Professional Services) of the Free Trade Agreement between our two Governments signed this day.

In the interest of greater transparency, this is to notify the Government of Chile that upon entry into force of the US-Chile Free Trade Agreement, the United States will initiate a review of state-level measures in the states of Florida, Texas, California, Arizona, Colorado, and New York in the following engineering subsectors: engineering for mining projects, seismic and structural engineering, cellulose and paper engineering projects, electric generation and transmission projects, mechanical and piping projects, and engineering for the construction of buildings. The focus of the review will be on measures requiring permanent residency or citizenship and will be completed one year from the date of entry into force of the Agreement. The United States will inform the Government of Chile of the results of the review pursuant to Article 11.10 (Implementation).

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments, to enter into force on the entry into force of the Free Trade Agreement.

Sincerely,

Robert B. Zoellick

COURTESY COPY

June 6, 2003

The Honorable Robert B. Zoellick United States Trade Representative

Dear Ambassador Zoellick:

I am pleased to receive your letter of today's date, which reads as follows:

"I have the honor to confirm the following understanding reached by the delegations of the United States of America and the Republic of Chile in the course of negotiations regarding the supply of engineering services and Annex 11.9 (Professional Services) of the Free Trade Agreement between our two Governments signed this day.

In the interest of greater transparency, this is to notify the Government of Chile that upon entry into force of the US-Chile Free Trade Agreement, the United States will initiate a review of state-level measures in the states of Florida, Texas, California, Arizona, Colorado, and New York in the following engineering subsectors: engineering for mining projects, seismic and structural engineering, cellulose and paper engineering projects, electric generation and transmission projects, mechanical and piping projects, and engineering for the construction of buildings. The focus of the review will be on measures requiring permanent residency or citizenship and will be completed one year from the date of entry into force of the Agreement. The United States will inform the Government of Chile of the results of the review pursuant to Article 11.10 (Implementation).

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments, to enter into force on the entry into force of the Free Trade Agreement."

I have the honor to confirm that the understanding referred to in your letter is shared by my Government, and that your letter and this letter in reply shall constitute an agreement between our two respective Governments, to enter into force on the entry into force of the Free Trade Agreement.

Sincerely,

María Soledad Alvear Valenzuela