DRAFT SUBJECT TO LEGAL REVIEW FOR ACCURACY, CLARITY, AND CONSISTENCY MARCH 1, 2004

[Letter from Australia to the United States]

The Honourable Robert B. Zoellick United States Trade Representative 600 17 Street, NW Washington, D.C. 20508

Dear Ambassador Zoellick:

This letter confirms the understanding reached by the Government of Australia and the Government of the United States (the 'Parties') regarding a consultative process on communications and information technology issues.

The Parties recognise that the dynamic nature of the information technology and communications industries justifies an ongoing exchange of views on domestic market and regulatory developments and how they relate to trade commitments, including the Australia-United States FTA.

The Parties shall endeavour to meet annually or as otherwise mutually agreed to review relevant developments in market access, market structure, technological innovation and standards development, domestic regulation and international policy trends in telecommunications and information technology.

At these consultations, the Parties shall work to address and resolve specific issues. Both Parties recognise the value of including, as appropriate, private sector representatives from both or either Party at the consultations. Each Party will identify for the other the agency responsible for coordinating its participation in these consultations.

Current issues where the potential for rapid future change may justify discussion at the initial consultation include (but are not limited to): developments in market structure, convergence, technological innovation including in relation to advanced wireless services, Internet charging, voice over Internet protocol, broadband, number portability, and digital products.

I would be grateful if you would confirm that your government shares these understandings.

Yours sincerely,

MARK VAILE

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The Honourable Mark Vaile MP Minister for Trade Parliament House Canberra ACT 2660

Dear Minister Vaile:

I have the honour to confirm receipt of your letter of this date, which reads as follows:

"Dear Ambassador Zoellick:

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MARK VAILE

I have the honour to confirm that my government shares these understandings.

Sincerely,

Robert B. Zoellick

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