

[COURTESY TRANSLATION]

June 28, 2007

The Honorable Susan C. Schwab
United States Trade Representative
Washington, D.C.

Dear Ambassador Schwab:

I have the honor to confirm the following understanding reached between the delegations of Panama and the United States in the course of negotiations regarding Article 9.15 (Domestic Review of Supplier Challenges) of the United States – Panama Trade Promotion Agreement between our two Governments signed this day (“the Agreement”):

For Panama, the *Sala Tercera de la Corte Suprema de Justicia* is the impartial authority for purposes of Article 9.15.1; and the remedies available in, and the procedures applicable to that court, satisfy the requirements of that Article.

I have the honor to propose that this understanding shall be treated as an integral part of the Agreement and that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments.

Sincerely,

Alejandro Ferrer

June 28, 2007

The Honorable Alejandro Ferrer
Minister of Commerce and Industry
Republic of Panama

Dear Minister Ferrer:

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

“I have the honor to confirm the following understanding reached between the delegations of Panama and the United States in the course of negotiations regarding Article 9.15 (Domestic Review of Supplier Challenges) of the United States – Panama Trade Promotion Agreement between our two Governments signed this day (“the Agreement”):

For Panama, the *Sala Tercera de la Corte Suprema de Justicia* is the impartial authority for purposes of Article 9.15.1; and the remedies available in, and the procedures applicable to that court, satisfy the requirements of that Article.

I have the honor to propose that this understanding shall be treated as an integral part of the Agreement and that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments.”

I have the honor to confirm that my Government shares this understanding, which shall be treated as an integral part of the Agreement, and that your letter and this letter in reply shall constitute an agreement between our two Governments.

Sincerely,

Susan C. Schwab