

Washington, D.C.
June 15, 2004

The Honorable Taïb Fassi Fihri
Minister Delegate for Foreign Affairs and Cooperation
Kingdom of Morocco

Dear Minister Fassi Fihri:

I have the honor to confirm the following understanding reached between the delegations of the Kingdom of Morocco and the United States of America in the course of negotiations regarding Chapter Nineteen (Administration of the Agreement) of the Free Trade Agreement between our Governments signed this day:

To assist in the administration and implementation of the Agreement, the Government of the United States of America and the Government of the Kingdom of Morocco (the “Parties”) hereby establish subcommittees on Agricultural Trade, Environmental Affairs, Financial Services, Labor Affairs, Sanitary and Phytosanitary Matters, Trade in Goods, and Cross-Border Trade in Services (excluding financial services), in accordance with the attachments to this letter. The subcommittees shall comprise officials of each Party and be subject to the supervision of the Joint Committee established pursuant to Article 19.2 of the Agreement.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an integral part of the Agreement.

Sincerely,

Robert B. Zoellick

Washington, D.C.
June 15, 2004

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 between the delegations of the Kingdom of Morocco and the United States of America in the course of negotiations regarding Chapter Nineteen (Administration of the Agreement) of the Free Trade Agreement between our Governments signed this day:

To assist in the administration and implementation of the Agreement, the Government of the United States of America and the Government of the Kingdom of Morocco (the 'Parties') hereby establish subcommittees on Agricultural Trade, Environmental Affairs, Financial Services, Labor Affairs, Sanitary and Phytosanitary Matters, Trade in Goods, and Cross-Border Trade in Services (excluding financial services), in accordance with the attachments to this letter. The subcommittees shall comprise officials of each Party and be subject to the supervision of the Joint Committee established pursuant to Article 19.2 of the Agreement.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an integral part of the 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 integral part of the Agreement.

Sincerely,

Taïb Fassi Fihri
Minister Delegate for Foreign Affairs and Cooperation

Subcommittee on Agricultural Trade

1. The Subcommittee shall provide a forum for:
 - (a) monitoring and cooperating on the implementation and administration of Section A (Agriculture) of Chapter Three of the Agreement (Agriculture and Sanitary and Phytosanitary Measures); and
 - (b) consultation between the Parties on issues related to Section A (Agriculture) of Chapter Three of the Agreement in coordination with other subcommittees, working groups, or other bodies established under the Agreement.
2. The Subcommittee shall meet at least once a year unless the Parties agree otherwise.

Subcommittee on Environmental Affairs

1. The Subcommittee on Environmental Affairs shall comprise appropriate officials from each Party, including officials from agencies responsible for environmental protection, environmental diplomacy, and trade.
2. The Subcommittee shall meet at such times as the Parties agree to discuss matters related to the operation of Chapter Seventeen of the Agreement (Environment).
3. Each meeting of the Subcommittee shall include, unless the Parties agree otherwise, a session where members of the Subcommittee have an opportunity to meet with the public to discuss matters related to the operation of Chapter Seventeen.
4. The Subcommittee, when it considers appropriate, shall prepare reports on matters related to the implementation of Chapter Seventeen, and shall make such reports public, except as otherwise provided in the Agreement.
5. Any formal decision of the Subcommittee concerning the implementation of Chapter Seventeen shall be made public, unless the Parties decide otherwise.

Subcommittee on Financial Services

1. The principal representative of each Party to the Subcommittee on Financial Services shall be an official of the Party's authority responsible for financial services set out in Annex 12-D of the Agreement.
2. The Subcommittee shall:
 - (a) supervise the implementation of Chapter Twelve of the Agreement (Financial Services) and its further elaboration;
 - (b) consider issues regarding financial services that are referred to it by a Party; and
 - (c) participate in the dispute settlement proceedings under the Agreement in accordance with Article 12.18 of the Agreement (Investor-State Dispute Settlement in Financial Services).
3. The Subcommittee shall meet annually, or as otherwise agreed, to assess the functioning of the Agreement as it applies to financial services. The Subcommittee shall inform the Joint Committee established pursuant to Article 19.2 of the Agreement of the results of each meeting.

Subcommittee on Labor Affairs

1. The Subcommittee on Labor Affairs shall comprise officials from the labor ministry and other appropriate agencies or ministries of each Party.
2. The Subcommittee shall meet at such times as the Parties deem appropriate to discuss matters related to the operation of Chapter Sixteen of the Agreement (Labor), including the Labor Cooperation Mechanism established under Article 16.6 (Labor Cooperation) and matters referred to it pursuant to Article 16.7 (Labor Consultations).
3. Each meeting of the Subcommittee shall include a public session, unless the Parties agree otherwise.
4. The Subcommittee may utilize working groups, good offices, conciliation, mediation, or other means to resolve matters as needed and as mutually agreed.

Subcommittee on Sanitary and Phytosanitary Matters

1. The Subcommittee on Sanitary and Phytosanitary Matters shall comprise officials from each Party's relevant trade and regulatory agencies or ministries who have responsibility for the development, implementation, and enforcement of sanitary and phytosanitary measures.
2. The objectives of the Subcommittee shall be to enhance the implementation by each Party of the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement), protect human, animal, and plant life and health, enhance consultation and coordination between the Parties on sanitary and phytosanitary matters, and facilitate trade between the Parties, including by addressing trade-related sanitary and phytosanitary matters that may arise between them.
3. The Subcommittee shall seek to enhance any existing or future relationships between the Parties' agencies with responsibility for sanitary and phytosanitary matters.
4. The Subcommittee shall:
 - (a) enhance mutual understanding of each Party's sanitary and phytosanitary measures and the regulatory processes that relate to those measures;
 - (b) consult on, and improve each Party's understanding of, specific implementation issues concerning the SPS Agreement and matters related to the development or application of sanitary and phytosanitary measures that affect, or may affect, trade between the Parties;
 - (c) consult on issues, positions, and agendas for meetings of the WTO SPS Committee, the various *Codex* committees (including the *Codex Alimentarius* Commission), the *International Plant Protection Convention*, the International Office of Epizootics, and other international and regional fora on food safety and human, animal, and plant health; and
 - (d) review progress in addressing trade-related sanitary and phytosanitary matters that may arise between the Parties' agencies with responsibility for such matters.
5. The Subcommittee shall meet at least once a year, unless the Parties agree otherwise.
6. The Subcommittee may agree to establish *ad hoc* working groups as needed.

Subcommittee on Trade in Goods

1. The Subcommittee on Trade in Goods shall meet on the request of either Party or the Joint Committee to consider any matter arising under Chapter Two (National Treatment and Market Access for Goods).
2. The Subcommittee shall:
 - (a) promote the trade in goods between the Parties, including providing a forum for consultations on accelerating tariff elimination and other issues as appropriate;
 - (b) consider issues that hinder the access of goods of one Party to the territory of the other Party, especially issues related to the application of non-tariff measures.
3. If a Party or the Joint Committee requests a meeting of the Subcommittee relating to textiles and apparel (including rules of origin for such goods), the Subcommittee shall establish a textiles and apparel working group and refer the matter to the working group.

Subcommittee on Cross-Border Trade in Services

Pursuant to Article 11.12 of the Agreement (Implementation), the Subcommittee on Cross-Border Trade in Services shall meet annually, and as otherwise agreed, on any issues or questions of mutual interest relating to the implementation of Chapter Eleven of the Agreement (Cross-Border Trade in Services).