

June 6, 2003

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 non-conforming measures on cross border services commitment of the Free Trade Agreement between our two Governments that was signed on this day.

For the purposes of the Free Trade Agreement between the Government of the United States and the Government of Chile, it is understood that formalities permitting business to be conducted, such as measures requiring registration under local laws, an address or agent for service in the local jurisdiction or requiring that records be kept in the jurisdiction, need not be reserved against Article 11.2 or 11.5 under Annex I, provided that the measure does not impose a requirement to establish a functional office or other ongoing business presence as a condition of providing the supply of the service in the jurisdiction.

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 non-conforming measures on cross border services commitment of the Free Trade Agreement between our two Governments that was signed on this day.

For the purposes of the Free Trade Agreement between the Government of the United States and the Government of Chile, it is understood that formalities permitting business to be conducted, such as measures requiring registration under local laws, an address or agent for service in the local jurisdiction or requiring that records be kept in the jurisdiction, need not be reserved against Article 11.2 or 11.5 under Annex I, provided that the measure does not impose a requirement to establish a functional office or other ongoing business presence as a condition of providing the supply of the service in the jurisdiction.

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