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

For purposes of determining whether a good is a "new or different article of commerce that has been grown, produced, or manufactured" for the purposes of ticle 5.1(b) of the Agreement, each Party should be guided by the specific rules of tariff classification set forth in section 102.20 of the United States Customs Regulations (19 CFR 102.20) (the "Specific Rules"), as may be amended.

The United States will afford the Government of Morocco the opportunity to comment on any proposed revisions to the Specific Rules. Furthermore, officials of the Office of the United States Trade Representative and other appropriate U.S. Government agencies will meet with officials of the Ministry of Foreign Affairs and Cooperation, the Ministry of Foreign Commerce, and the Administration of Customs and Indirect Taxes and representatives from other Moroccan competent authorities to discuss any concerns of the Government of Morocco regarding any proposed revisions.

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

Sincerely,

Robert B. Zoellick

COURTESY TRANSLATION

Washington, D.C. June 15, 2004

The Honorable Robert B. Zoellick United States Trade Representative

Dear Ambassador Zoellick:

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

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

For purposes of determining whether a good is a 'new or different article of commerce that has been grown, produced, or manufactured' for the purposes of Article 5.1(b) of the Agreement, each Party should be guided by the specific rules of tariff classification set forth in section 102.20 of the United States Customs Regulations (19 CFR 102.20) (the 'Specific Rules'), as may be amended.

The United States will afford the Government of Morocco the opportunity to comment on any proposed revisions to the Specific Rules. Furthermore, officials of the Office of the United States Trade Representative and other appropriate U.S. Government agencies will meet with officials of the Ministry of Foreign Affairs and Cooperation, the Ministry of Foreign Commerce, and the Administration of Customs and Indirect Taxes and representatives from other Moroccan competent authorities to discuss any concerns of the Government of Morocco regarding any proposed revisions.

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

Sincerely,

Taïb Fassi Fihri Minister Delegate for Foreign Affairs and Cooperation