

**Draft as of February 9, 2007**  
**Subject to legal review for accuracy, clarity, and consistency.**

[DATE]

The Honorable Alejandro Ferrer  
Minister of Trade and Industries  
Republic of Panama

Dear Minister Ferrer:

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 Chapter Three (National Treatment and Market Access for Goods) of the United States – Panama Trade Promotion Agreement between our two governments signed this day (the “Agreement”):

The United States will not initiate dispute settlement procedures under Chapter Twenty (Dispute Settlement) of the Agreement with respect to any restriction that Panama may apply, prior to the date of entry into force of the Agreement, on the importation of used passenger motor vehicles (cars and light trucks, including four wheel drive vehicles).

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

Sincerely,

Susan C. Schwab

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[DATE]

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

Dear Ambassador Schwab:

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

["insert text of incoming letter"]

I have the honor to confirm that my Government shares the understanding expressed in your letter and to confirm that your letter and this letter in reply shall constitute an integral part of the Agreement.

Sincerely,

Alejandro Ferrer