

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 refer to the United States – Panama Trade Promotion Agreement between our Governments signed this day (the “Agreement”) and to discussions between the representatives of our Governments in the course of negotiations regarding Chapter Ten (Investment) of the Agreement.

I have the further honor to confirm the understanding of the Government of the United States of America that:

Nothing in Chapter 10 imposes an obligation on Panama to allow private equity investment in any of the following economic activities, which are reserved to the State: gambling activities, post and telegraph, and transmission of energy. In the event that Panama in the exercise of its sovereign rights adopts measures providing for private equity investment in any of these or other activities reserved to the State, Chapter 10 of the Agreement shall apply to such measures, as well as to any other measures relating to such investment, except as otherwise provided in this Agreement.

I would be grateful if, by a letter of confirmation in reply, you would confirm that this understanding is shared by your Government.

Sincerely,

Susan C. Schwab

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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 the understanding referred to in your letter is shared by my Government.

Sincerely,

Alejandro Ferrer