

DRAFT
Subject to Legal Review for Accuracy, Clarity, and Consistency
March 8, 2004

This letter was negotiated during the course of the CAFTA negotiations and is related to the Agreement, but is not part of the CAFTA.

[Letter on public utility services]

[date]

The Honorable Miguel Lacayo
Minister of Economy of El Salvador

Dear Minister Lacayo,

I have the honor to refer to _____ of the United States-Central America Free Trade Agreement (the "Agreement") signed at _____ on _____, 2004.

I have the honor to confirm the shared understanding of the Government of United States of America and the Government of the Republic of El Salvador that, for greater certainty, nothing in the Agreement shall be construed to require a Party to privatize public utility services supplied in the exercise of governmental authority.

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 Agreement.

Sincerely,

Robert B. Zoellick

[identical reply letter not included]