

COURTESY COPY

June 6, 2003

The Honorable
Robert B. Zoellick
United States Trade Representative

Dear Ambassador Zoellick:

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 Chile's non-conforming measure on Open Television Programming contained in Chile's Annex I of the Free Trade Agreement between our two Governments signed this day.

For the purposes of the Free Trade Agreement between our two governments:

- the law of Chile gives the *Consejo Nacional de Television de Chile* the right to require up to 40% per channel public (open) television programming to consist of national production. This percentage is not applied to cable television.
- the 40% requirement has to be mandated through a *Consejo* resolution. However, since its creation in 1989, the *Consejo* has never needed to adopt said resolution since national production programming has always exceeded the minimum requirement. On average, national production in open television has been over 50% of programming.
- the *Consejo* monitors the percentage of national content by calculating at the end of the year the content level based on a two months sample of that year. As the level of national content has never been less than that required by law, the *Consejo* has never imposed the requirement.

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,

María Soledad Alvear Valenzuela

June 6, 2003

The Honorable
María Soledad Alvear Valenzuela
Minister of Foreign Relations

Dear Minister Alvear:

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 Chile's non-conforming measure on Open Television Programming contained in Chile's Annex I of the Free Trade Agreement between our two Governments signed this day.

For the purposes of the Free Trade Agreement between our two governments:

- the law of Chile gives the *Consejo Nacional de Television de Chile* the right to require up to 40% per channel public (open) television programming to consist of national production. This percentage is not applied to cable television.
- the 40% requirement has to be mandated through a *Consejo* resolution. However, since its creation in 1989, the *Consejo* has never needed to adopt said resolution since national production programming has always exceeded the minimum requirement. On average, national production in open television has been over 50% of programming.
- the *Consejo* monitors the percentage of national content by calculating at the end of the year the content level based on a two months sample of that year. As the level of national content has never been less than that required by law, the *Consejo* has never imposed the requirement.

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,

Robert B. Zoellick