

EXECUTIVE OFFICE OF THE PRESIDENT
THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

May 18, 2004

The Honorable Mark Vaile MP
Minister for Trade
Parliament House
Canberra ACT 2600

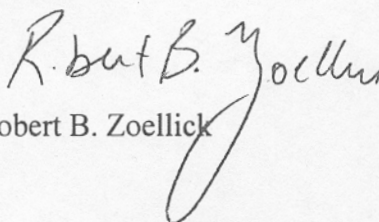
Dear Minister Vaile:

In connection with the signing on this date of the United States-Australia Free Trade Agreement (the "Agreement"), I have the honor to confirm the following understanding reached by the Governments of the United States and Australia regarding Chapter Ten (Cross-Border Trade in Services) of the Agreement:

Upon entry into force of the Agreement, the Government of the United States shall initiate a review of measures affecting cross-border trade in the higher education sub-sector for the purpose of providing greater transparency with respect to the States of Arizona, California, Colorado, Florida, New York, Texas, Illinois, Massachusetts, Michigan, Minnesota, Georgia, New Jersey, Ohio, Oklahoma, Pennsylvania, Washington, Virginia, and North Carolina. The review shall be completed three years from the date of entry into force of the Agreement. The Government of the United States shall inform the Government of Australia of the results of the review pursuant to Article 10.13 (Implementation) of the Agreement.

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

Sincerely,


Robert B. Zoellick



18 May 2004

The Honourable Robert B. Zoellick
United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Ambassador Zoellick

I have the honour to acknowledge receipt of your letter of this date, which reads as follows:

“In connection with the signing on this date of the United States-Australia Free Trade Agreement (the “Agreement”), I have the honor to confirm the following understanding reached by the Governments of the United States and Australia regarding Chapter Ten (Cross-Border Trade in Services) of the Agreement:

Upon entry into force of the Agreement, the Government of the United States shall initiate a review of measures affecting cross-border trade in the higher education sub-sector for the purpose of providing greater transparency with respect to the States of Arizona, California, Colorado, Florida, New York, Texas, Illinois, Massachusetts, Michigan, Minnesota, Georgia, New Jersey, Ohio, Oklahoma, Pennsylvania, Washington, Virginia, and North Carolina. The review shall be completed three years from the date of entry into force of the Agreement. The Government of the United States shall inform the Government of Australia of the results of the review pursuant to Article 10.13 (Implementation) of the Agreement.

I have the honor to propose that this letter and your letter confirming that your Government shares this understanding in reply shall constitute an agreement between our two Governments, to enter into force on the date of entry into force of the Agreement.”

I have the further honour to confirm that my Government shares this understanding and that your letter and this reply shall constitute an agreement, which shall enter into force on the date of entry into force of the Australia-United States Free Trade Agreement.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Vaile'.

Mark Vaile
Minister for Trade