

Washington, D.C.
September 14, 2004

H.E. Abdulla Hassan Saif
Minister of Finance and National Economy
Kingdom of Bahrain

Dear Minister Saif:

I have the honor to confirm the following understanding reached between the delegations of the United States of America and the Kingdom of Bahrain regarding Chapter Four (Rules of Origin) of the Free Trade Agreement between our Governments signed this day:

For purposes of determining whether a good is a “new or different article of commerce that has been grown, produced, or manufactured” for the purposes of Article 4.1(b) of the Agreement, each Party should be guided by the specific rules in tariff classification set forth in section 102.20 of the United States Customs Regulations (19 CFR 102.20) (the “Specific Rules”), as may be amended.

The United States will afford the Government of Bahrain the opportunity to comment on any proposed revisions to the Specific Rules. Furthermore, officials of the Office of the United States Trade Representative and other appropriate U.S. Government agencies will meet with officials of the Ministry of Finance and National Economy and representatives from other competent authorities of the Government of Bahrain to discuss any concerns of the Government of Bahrain regarding any proposed revisions.

I would be grateful if you would confirm that this understanding is shared by your Government.

Sincerely,

Robert B. Zoellick

September 14, 2004

Washington, D.C.

The Honorable Robert B. Zoellick
United States Trade Representative

Dear Ambassador Zoellick:

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 between the delegations of the United States of America and the Kingdom of Bahrain regarding Chapter Four (Rules of Origin) of the Free Trade Agreement between our Governments signed this day:

For purposes of determining whether a good is a “new or different article of commerce that has been grown, produced, or manufactured” for the purposes of 4.1(b) of the Agreement, each Party should be guided by the specific rules in tariff classification set forth in section 102.20 of the United States Customs Regulations (19 CFR 102.20) (the “Specific Rules”), as may be amended.

The United States will afford the Government of Bahrain the opportunity to comment on any proposed revisions to the Specific Rules. Furthermore, officials of the Office of the United States Trade Representative, and other appropriate U.S. Government agencies will meet with officials of the Ministry of Finance and National Economy and representatives from other competent authorities of the Government of Bahrain to discuss any concerns of the Government of Bahrain regarding any proposed revisions.

I would be grateful if you would confirm that this understanding is shared by your Government.”

I have the honor to confirm that the understanding referred to in your letter is shared by my Government.

Sincerely,

Abdulla Hassan Saif