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 in the course of negotiations regarding Chapter Ten (Cross-Border Trade in Services) of the Free Trade Agreement between our Governments signed this day:

No provision of this Agreement shall be construed as imposing any obligation on a Party regarding its measures concerning immigration (including with respect to visas) or, except as provided in Chapter Fifteen (Labor), the right to secure employment in the territory of a Party.

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 in the course of negotiations regarding Chapter Ten (Cross-Border Trade in Services) of the Free Trade Agreement between our Governments signed this day:

No provision of this Agreement shall be construed as imposing any obligation on a Party regarding its measures concerning immigration (including with respect to visas) or, except as provided in Chapter Fifteen (Labor), the right to secure employment in the territory of a Party.

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