Washington, D.C. June 15, 2004

The Honorable Taïb Fassi Fihri Minister Delegate for Foreign Affairs and Cooperation Kingdom of Morocco

Dear Minister Fassi Fihri:

I have the honor to confirm the following understanding reached between the delegations of the United States of America and the Kingdom of Morocco in the course of negotiations regarding Article 20.7 (Establishment of Panel) of the Free Trade Agreement between our Governments signed this day:

In disputes related to a Party's implementation of Chapters Sixteen (Labor) and Seventeen (Environment), panelists other than those chosen by lot from the reserve list shall have expertise or experience relevant to the subject matter that is under dispute.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an integral part of the Agreement.

Sincerely,

Robert B. Zoellick

Washington, D.C. June 15, 2004

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 Morocco in the course of negotiations regarding Article 20.7 (Establishment of Panel) of the Free Trade Agreement between our Governments signed this day:

In disputes related to a Party's implementation of Chapter Sixteen (Labor) and Seventeen (Environment), panelists other than those chosen by lot from the reserve list shall have expertise or experience relevant to the subject matter that is under dispute.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an integral part of the Agreement."

I have the honor to confirm that your letter and this letter in reply shall constitute an integral part of the Agreement.

Sincerely,

Taïb Fassi Fihri Minister Delegate for Foreign Affairs and Cooperation