

January 19, 2006

H.E. Maqbool Bin Ali Sultan  
Minister of Commerce and Industry  
Ministry of Commerce and Industry  
Sultanate of Oman

Dear Mr. Minister:

In connection with the signing on this date of the United States-Oman Free Trade Agreement (the "Agreement"), I have the honor to confirm the following understanding reached by the Governments of the United States of America and the Sultanate of Oman regarding the Agreement:

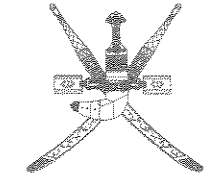
For greater certainty, the list of incentives in subparagraph (b) of Article 17.4.1, including the development of programs for exchanging or trading permits, credits, or other instruments, is illustrative. The encouragement of the development of such incentives is at the discretion of each Party, as appropriate and in accordance with its law.

I would be grateful if you would confirm that your Government shares this understanding.

Sincerely,

Rob Portman

*Sultanate of Oman*  
*Ministry of Commerce and Industry*  
*Muscat*



*مكتب الوزير*  
*Minister's Office*

*سُلْطَنَة عُومَان*  
*وَزَارَة التِّجَارَة وَالصِّنَاعَة*  
*مَسَقَط*

January 19, 2006

The Honorable Robert J. Portman  
United States Trade Representative

Dear Ambassador Portman:

I have the honor 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-Oman Free Trade Agreement (the “Agreement”), I have the honor to confirm the following understanding reached by the Governments of the United States of America and the Sultanate of Oman regarding the Agreement:

For greater certainty, the list of incentives in subparagraph (b) of Article 17.4.1, including the development of programs for exchanging or trading permits, credits, or other instruments, is illustrative. The encouragement of the development of such incentives is at the discretion of each Party, as appropriate and in accordance with its law.

I would be grateful if you would confirm that your Government shares this understanding.”

I have the honor to confirm that my Government shares the understanding referred to in your letter.

Sincerely,

Maqbool Bin Ali Sultan