

November 30, 2018

The Honorable Chrystia Freeland
Minister of Foreign Affairs
Canada

Dear Minister Freeland:

In connection with the signing on this date of the Protocol Replacing the North American Free Trade Agreement with the Agreement Between the United States of America, the United Mexican States, and Canada (the Protocol), I have the honor to confirm that the Government of Canada (Canada) and the Government of the United States (United States) have agreed as follows:

The *Guidelines for Research and Development Expenditures, 2004*, would not be listed as a non-conforming measure in Canada's reservation I-C-14. The United States confirms that Canada's maintenance of the *Guidelines for Research and Development Expenditures, 2004*, will not serve as an impediment to the United States' certification of the Agreement Between the United States of America, the United Mexican States, and Canada (the Agreement) under the Bipartisan Congressional Trade Priorities and Accountability Act of 2015. This confirmation is without prejudice to the United States' or Canada's position as to whether the *Guidelines for Research and Development Expenditures, 2004*, are consistent with the Agreement.

I have the honor to propose that this letter and your letter in reply confirming that your Government shares this understanding, shall constitute an agreement between the United States and Canada, which shall enter into force today, and shall constitute an integral part of the Agreement when it enters into force.

Sincerely,

Ambassador Robert E. Lighthizer
United States Trade Representative