

August 5, 2004

The Honorable Sonia Guzmán de Hernández
Secretary of State of Industry and Commerce
Santo Domingo, Dominican Republic

Dear Secretary Guzmán:

I have the honor to confirm the following understanding reached between the delegations of the United States and the Dominican Republic in the course of negotiations regarding Article 11.2 (National Treatment) of the Dominican Republic – Central America – United States Free Trade Agreement signed this day (the “Agreement”):

Articles 135, 137, and 141 of the Labor Code of the Dominican Republic:

- treat as employees only natural persons under the dependency and immediate or delegated direction of the employer;
- do not apply to enterprises organized under the laws of a foreign country or their employees;
- do not apply to services supplied from the territory of a foreign country into the territory of the Dominican Republic;
- do not govern services provided by a liberal professional who practices independently; and
- do not apply to services supplied on a temporary basis.

I have the further honor to confirm, for greater certainty, our shared understanding that nothing in the preceding statements regarding the cited articles of the Labor Code is inconsistent with application of these articles to natural persons under the dependency and immediate or delegated direction of enterprises established in the Dominican Republic.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute and agreement between our two Governments.

Sincerely,

Robert B. Zoellick

COURTESY TRANSLATION

August 5, 2004

The Honorable Robert B. Zoellick
United States Trade Representative
Washington, D.C.

Dear Ambassador Zoellick:

I am pleased to acknowledge 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 and the Dominican Republic in the course of negotiations regarding Article 11.2 (National Treatment) of the Dominican Republic – Central America – United States Free Trade Agreement signed this day (the “Agreement”):

Articles 135, 137, and 141 of the Labor Code of the Dominican Republic:

- treat as employees only natural persons under the dependency and immediate or delegated direction of the employer;
- do not apply to enterprises organized under the laws of a foreign country or their employees;
- do not apply to services supplied from the territory of a foreign country into the territory of the Dominican Republic;
- do not govern services provided by a liberal professional who practices independently; and
- do not apply to services supplied on a temporary basis.

I have the further honor to confirm, for greater certainty, our shared understanding that nothing in the preceding statements regarding the cited articles of the Labor Code is inconsistent with application of these articles to natural persons under the dependency and immediate or delegated direction of enterprises established in the Dominican Republic.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments.”

I have the honor to confirm that the understanding referred to in your letter is shared by my Government, and that your letter and this reply shall constitute an agreement between our two Governments.

Sincerely,

Sonia Guzmán de Hernández