

EXECUTIVE OFFICE OF THE PRESIDENT
THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

April 12, 2006

The Honorable Alfredo Ferrero Diez Canseco
Minister of Foreign Trade and Tourism
Lima, Peru

Dear Minister Ferrero:

In connection with the signing on this date of the United States – Peru Trade Promotion Agreement (the “Agreement”), I have the honor to confirm the following understandings between the Governments of the United States of America and the Republic of Peru reached during the course of negotiation of Chapters Ten (Investment) and Eleven (Cross-Border Trade in Services) of the Agreement:

For greater certainty, nothing in Chapters Ten or Eleven prevents Peru from maintaining the following measures:

- (a) the underwriting by the *Instituto Nacional de Cultura* of costs associated with supervising archaeological research projects and emergency projects led by Peruvian archaeologists pursuant to *Resolución Suprema No. 004-2000-ED, Reglamento de Investigaciones Arqueológicas*, Article 20;
- (b) the granting of monetary prizes exclusively to Peruvian cinematographic works pursuant to *Ley N° 26370, Ley de la Cinematografía Peruana*, Articles 3, 11 and 12 and *Decreto Supremo N° 042-95-ED, Reglamento de la Ley de la Cinematografía Peruana*, Articles 22 and 23; and
- (c) the granting of tax credits and refunds that provide benefits for publishing activities in Peru pursuant to *Ley N° 28086, Ley de Democratización del Libro y de Fomento de la Lectura*, Articles 17 and 18, and *Decreto Supremo No. 008-2004-ED, Reglamento de la Ley de Democratización del Libro y de Fomento de la Lectura*, Articles 24, 25, 37 and Annex A.

I would be grateful if you would confirm, by an affirmative letter in response, that these understandings are shared by your Government.

Sincerely,



Robert J. Portman