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

MOV 2 7 2002

The Honorable Pierre S. Pettigrew
Minister for International Trade
Department of Foreign Affairs and International Trade
125 Sussex Drive
Ottawa, Ontario K1A 0G2

Dear Minister Pettigrew:

I have the honor to confirm the understanding, as set forth in the Annex to this letter, reached by the delegations of the United Mexican States, Canada, and the United States of America in the Working Group on Rules of Origin, established pursuant to Article 513 of the North American Free Trade Agreement (the "NAFTA"), to make certain adjustments to the rules of origin contained in Annex 401 of the NAFTA. The adjustments concern the following products: alcoholic beverages, chassis fitted with engines, esters of glycerol, headphones with microphones, pearl jewelry, petroleum, and photocopiers.

I have the honor to propose that this letter and its Annex and your letter of confirmation in reply, and my letter to Secretary Derbez and its Annex and his letter of confirmation in reply, together with Secretary Derbez' letter to you and its Annex and your letter of confirmation in reply, shall constitute an agreement among our three Governments. I have the further honor to propose that this agreement shall enter into force as specified in notes to be exchanged by the Parties certifying the completion of necessary legal procedures required to bring this agreement into force.

Sincerely,

Robert B. Zoellick

cc: His Excellency Luis Ernesto Derbez

Enclosure