

May 28, 2004

The Honorable Norman Garcia
Minister of Industry and Trade
Tegucigalpa, Honduras

Dear Minister Garcia:

I have the honor to confirm the following understanding reached between the delegations of the United States and Honduras in the course of negotiations regarding Chapter Three, Section G (Textiles and Apparel) of the Free Trade Agreement between our Governments signed this day (the "Agreement"):

The United States will conduct an investigation to determine whether certain shirting fabrics are available in commercial quantities in a timely matter in the territory of any of the Parties to the Agreement, and will make the results of the investigation available to the Parties before the date of entry into force of the Agreement.

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

Sincerely,

Robert B. Zoellick

COURTESY TRANSLATION

May 28, 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 Honduras in the course of negotiations regarding Chapter Three, Section G (Textiles and Apparel) of the Free Trade Agreement between our Governments signed this day (the “Agreement”):

The United States will conduct an investigation to determine whether certain shirting fabrics are available in commercial quantities in a timely matter in the territory of any of the Parties to the Agreement, and will make the results of the investigation available to the Parties before the date of entry into force of the Agreement.

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 Governments.

Sincerely,

Norman Garcia

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

February 28, 2006

The Honorable Elizabeth Azcona
Minister of Industry and Trade
Tegucigalpa, Honduras

Dear Minister Azcona:

In a May 28, 2004 letter to the Government of Honduras in the context of the United States-Central American-Dominican Republic Free Trade Agreement (Agreement) negotiations, the United States agreed to conduct an investigation to determine whether certain shirting fabrics are available in commercial quantities in a timely manner in the territory of any of the Parties to the Agreement. The United States further agreed to make the results of the investigation available to the Parties before the entry into force of the Agreement.

After a thorough investigation which included reviewing written comments from shirt makers and fabric suppliers, meeting with industry representatives, spending time in manufacturing facilities, and observing and learning about their capabilities, we have concluded that 12 of the 53 fabrics investigated are not available in commercial quantities in a timely manner in the territory of any of the Parties to the Agreement.

These 12 fabrics are:

| Content | HTSUS# | how dyed / colored | Construction |
|---------------------------------|--------------|--------------------------|---------------------------|
| 100% cotton | 5208.23 | piece dye white | 144X100 CM50/1XCM40/1 |
| 100% cotton | 5208.23 | piece dye white | 150X100 CM50/1XCM40/1 |
| 100% cotton | 5208.23 | piece dye white | 160X100 CM50/1XCM40/1 |
| 100% cotton | 5208.43 | yarns of different color | 120X90 CM40/1XCM40/1 |
| 100% cotton | 5208.43 | yarns of different color | 144X100 CM50/1XCM40/1 |
| 100% cotton | 5208.43 | yarns of different color | 144X76 CM50/1XCM50/1 |
| 100% cotton | 5208.43 | yarns of different color | 150X100 CM50/1XCM40/1 |
| 64% cotton/36% polyester | 5210.49 | yarns of different color | 130X80 45/1XP100D |
| 55% modal rayon/45% polyester | 5516.22 | piece dye color | 187X81 P50DXMR30/1 |
| 38%polyester/34%cotton/28%rayon | 5516.22 | piece dye color | 120X70 RC32/1X40/1P+P200D |
| 80%rayon / 20% polyester | 5516.22.0040 | piece dye color | 130X85 R30/1XP75D |
| 64% rayon / 36% cotton | 5516.43 | yarns of different color | 120X80 RC32/1XRC32/1 |

Sincerely,



Scott D. Quesenberry
Special Textile Negotiator