

**Subject to Legal Review for Accuracy, Clarity, and Consistency**  
**Subject to Language Authentication**

The Honorable Ildefonso Guajardo Villarreal  
Secretary of Economy  
Mexico

Dear Secretary Guajardo,

In connection with the signing on this date of the Agreement, I have the honor to confirm the following understanding reached between the Government of the United States of America (hereinafter the United States) and the Government of the United Mexican States (hereinafter Mexico) regarding consideration of American Rye Whiskey, Charanda, Sotol, and Bacanora as distinctive products:

1. Mexico shall initiate, subject to its applicable laws and regulations, the process to consider prohibiting the sale of any product in Mexico as American Rye Whiskey, if it has not been manufactured in the United States in accordance with the laws and regulations of the United States governing the manufacture of American Rye Whiskey.
2. The United States shall initiate, subject to its applicable laws and regulations, the process to consider prohibiting the sale of any product in the United States as Charanda, Sotol, or Bacanora, if it has not been manufactured in Mexico in accordance with the laws and regulations of Mexico governing the manufacture of Charanda, Sotol, and Bacanora.
3. For greater certainty, nothing in this letter shall be construed to create or confer any right relating to a trademark or geographical indication.
4. This understanding is without prejudice to the outcome of the processes initiated by the United States and Mexico pursuant to this letter.

Mexico and the United States shall discuss preserving the integrity of Mezcal marketed in the territories of both Parties and ensuring that the laws and regulations of both Parties operate effectively to preserve the status of Mezcal as a distinctive product of Mexico, and, if appropriate, consider a bilateral agreement.

I have the honor to propose that this letter and your letter in reply confirming that your Government shares this understanding, equally valid in English and Spanish, shall constitute an agreement between our two Governments, to enter into force on the date of entry into force of the Agreement.

Sincerely,

Ambassador Robert E. Lighthizer

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Ambassador Robert E. Lighthizer  
U.S. Trade Representative  
Office of the U.S. Trade Representative  
600 17<sup>th</sup> Street, N.W.  
Washington D.C. 20508

Dear Ambassador Lighthizer,

I am pleased to acknowledge your letter of XX, 2018, which reads as follows:

“In connection with the signing on this date of the Agreement, I have the honor to confirm the following understanding reached between the Government of the United States of America (hereinafter the United States) and the Government of the United Mexican States (hereinafter Mexico) regarding consideration of American Rye Whiskey, Charanda, Sotol, and Bacanora as distinctive products:

1. Mexico shall initiate, subject to its applicable laws and regulations, the process to consider prohibiting the sale of any product in Mexico as American Rye Whiskey, if it has not been manufactured in the United States in accordance with the laws and regulations of the United States governing the manufacture of American Rye Whiskey.
2. The United States shall initiate, subject to its applicable laws and regulations, the process to consider prohibiting the sale of any product in the United States as Charanda, Sotol, or Bacanora, if it has not been manufactured in Mexico in accordance with the laws and regulations of Mexico governing the manufacture of Charanda, Sotol, and Bacanora.
3. For greater certainty, nothing in this letter shall be construed to create or confer any right relating to a trademark or geographical indication.
4. This understanding is without prejudice to the outcome of the processes initiated by the United States and Mexico pursuant to this letter.

Mexico and the United States shall discuss preserving the integrity of Mezcal marketed in the territories of both Parties and ensuring that the laws and regulations of both Parties operate effectively to preserve the status of Mezcal as a distinctive product of Mexico, and, if appropriate, consider a bilateral agreement.”

I have the honor to propose that this letter and your letter in reply confirming that your Government shares this understanding, equally valid in English and Spanish, shall constitute an agreement between our two Governments, to enter into force on the date of entry into force of the Agreement.

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I have the further honor to confirm that Mexico shares this understanding and that your letter and this letter in reply constitutes an understanding between Mexico and the United States, which shall enter into force on the date of entry into force of the Agreement.

Sincerely,