

Schaut, Christine (BusDir-DC)

Translated - JTG -

SAGARPA 2005

Christine M. Schaut
Business Director
Greenberg Traurig, LLP
800 Connecticut Ave, NW
Suite 500
Washington, DC 20006

Phone: 202-331-3116
Fax: 202-261-0116

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UNITED MEXICAN STATES
MINISTRY OF AGRICULTURE, LIVESTOCK,
RURAL DEVELOPMENT, FISHERIES AND FOOD

OFFICE OF THE CHIEF OF STAFF
DIRECTORATE GENERAL OF PROCUREMENT
AND STREAMLINING OF GOODS AND SERVICES

SERVICE CONTRACT
NO. DGPRBS-GREE-053/05
AMOUNT: \$15,000,000.00

A SERVICE CONTRACT ENTERED INTO BY AND BETWEEN THE EXECUTIVE BRANCH OF THE FEDERAL GOVERNMENT, THROUGH THE MINISTRY OF AGRICULTURE, LIVESTOCK, RURAL DEVELOPMENT, FISHERIES AND FOOD, REPRESENTED BY MR. GERARDO BARRIOS RIVERÓN, IN HIS CAPACITY AS DIRECTOR GENERAL OF PROCUREMENT AND STREAMLINING OF GOODS AND SERVICES, AND "GREENBERG TRAUIG, LLP," REPRESENTED BY MR. IRWIN P. ALTSCHULER, IN HIS CAPACITY AS LEGAL REPRESENTATIVE, HEREINAFTER THE "AGENCY" AND THE "PROVIDER," RESPECTIVELY, TO PROVIDE CONSULTING SERVICES ON AGRO-BUSINESS TRADE POLICY AND AGRICULTURAL TRADE LEGISLATION, IN ACCORDANCE WITH THE FOLLOWING REPRESENTATIONS AND CLAUSES:

REPRESENTATIONS

I. THE "AGENCY" REPRESENTS:

- I.1 THAT PURSUANT TO ARTICLE 26 OF THE FEDERAL PUBLIC ADMINISTRATION ACT, IT IS AN AGENCY OF THE EXECUTIVE BRANCH OF THE FEDERAL GOVERNMENT WITH THE AUTHORITY GRANTED TO IT BY ARTICLE 35 OF SAID ACT AND THE OTHER PROVISIONS EXPRESSLY SET FORTH IN LAWS AND REGULATIONS.
- I.2 THAT MR. GERARDO BARRIOS RIVERÓN, DIRECTOR GENERAL OF PROCUREMENT AND STREAMLINING OF GOODS AND SERVICES, IS AUTHORIZED TO EXECUTE THIS CONTRACT PURSUANT TO THE PROVISIONS OF ARTICLE 30, SECTIONS IV AND XXI OF THE INTERNAL REGULATIONS OF THE "AGENCY."
- I.3 THAT THE NATIONAL AGRO-FOOD HEALTH, SAFETY AND QUALITY SERVICE, THE AGRICULTURAL AND LIVESTOCK MARKETING SUPPORT AND SERVICE AGENCY (*APOYOS Y SERVICIOS A LA COMERCIALIZACIÓN AGROPECUARIA*), AND THE NATIONAL AQUACULTURE AND FISHERIES COMMISSION REQUIRE CONSULTING SERVICES ON AGRO-BUSINESS TRADE POLICY AND AGRICULTURAL TRADE LEGISLATION, THE PURPOSE OF THIS CONTRACT, AS REQUESTED IN OFFICIAL COMMUNICATIONS NOS. B00.06-00421/05, f00/1.5.00/476/2005 AND DGPPA/05484/250405.
- I.4 THAT THE "AGENCY'S" CENTRAL PROCUREMENT, LEASING, AND SERVICES COMMITTEE, IN ITS EIGHTH REGULAR MEETING HELD APRIL 28, 2005, RULED IT LAWFUL TO UNDERTAKE SUCH PROCUREMENT THROUGH A DIRECT AWARD PROCEDURE, PURSUANT TO THE PROVISIONS OF ARTICLE 26, SECTION III, 40 AND 41, SECTION X OF THE PUBLIC SECTOR PROCUREMENT, LEASING AND SERVICES ACT.
- I.5 THAT BY OFFICIAL NOTICE NO. 513-000162 DATED APRIL 26, 2005, THE DIRECTORATE GENERAL RESPONSIBLE FOR PROMOTING SERVICE EFFICIENCY AND QUALITY ISSUED AN ORGANIZATIONAL OPINION WITH RESPECT TO THE CONSULTING SERVICES UNDER THIS CONTRACT.
- I.6 THAT IT HAS THE AUTHORIZATION OF THE APPLICABLE MINISTER, ISSUED IN OFFICIAL NOTICE NUMBER 100-0558 DATED MAY 3, 2005 FOR THE APPLICABLE EXPENDITURE UNDER LINE ITEM 3304.
- I.7 THAT THIS PROCUREMENT IS NECESSARY TO MONITOR THE MATTERS UNDERTAKEN DURING 2004, AS EXPRESSED IN OFFICIAL COMMUNICATIONS B00.06-00517/05 DATED MAY 6, 2005, F00.1.5.00/551/2005 DATED MAY 11, 2005, AND UA/0578/020505 DATED MAY 6, 2005 FROM THE DECENTRALIZED ADMINISTRATIVE ENTITIES THE NATIONAL AGRO-



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FOOD HEALTH, SAFETY AND QUALITY SERVICE, THE AGRICULTURAL AND LIVESTOCK MARKETING SUPPORT AND SERVICE AGENCY, AND THE NATIONAL AQUACULTURE AND FISHERIES COMMISSION, DESCRIBING THE COST-BENEFIT OF EACH RESULT UNDER THE CONTRACT.

I.8 THAT THE BUDGET LINE ITEM HAS BEEN AUTHORIZED IN ACCORDANCE WITH THE VALIDATION GRANTED BY THE DIRECTORATE GENERAL OF FINANCIAL EFFICIENCY AND ACCOUNTING, IN ORDER TO MEET THE EXPENDITURES ARISING FROM THIS CONTRACT.

I.9 THAT IT IS REGISTERED IN THE FEDERAL REGISTRY OF TAXPAYERS UNDER NUMBER **SAG-941288 M54**.

I.10 THAT ITS LEGAL PLACE OF BUSINESS IS LOCATED AT AV. MUNICIPIO LIBRE NO. 377, COLONIA SANTA CRUZ ATOYAC, MEXICO CITY, FEDERAL DISTRICT, C.P. 03310, WHICH IT INDICATES FOR THE LEGAL PURPOSES AND EFFECTS OF THIS CONTRACT.

II. THE "PROVIDER" REPRESENTS:

II.1 THAT THE COMPANY GREENBERG TRAURIG, LLP IS A LIMITED LIABILITY PARTNERSHIP ESTABLISHED PURSUANT TO UNITED STATES LAW, AND IS ACTIVE IN ACCORDANCE WITH THE "LIMITED LIABILITY PARTNERSHIP" LEGAL CITATION CERTIFICATE OF THE STATE OF NEW YORK, ACCORDING TO THE RECORD DATED DECEMBER 28, 1999 OF THE DEPARTMENT OF STATE OF THE STATE OF NEW YORK, AND THAT IT HAS FULL LEGAL AND TECHNICAL CAPACITY TO BE BOUND BY THE TERMS OF THIS CONTRACT, AND THAT IT HAS THE EQUIPMENT, STAFF, MATERIAL AND OTHER ELEMENTS NECESSARY FOR THE PERFORMANCE OF THE SERVICES CONTRACTED HEREIN.

II.2 THAT MR. IRWIN P. ALTSCHULER DOCUMENTS HIS CAPACITY AS LEGAL REPRESENTATIVE WITH A CERTIFICATE OF THE MANAGING PARTNER OF GREENBERG TRAURIG, LLP DATED APRIL 30, 2004, GRANTED BEFORE NOTARY PUBLIC OF THE CITY OF WASHINGTON, D.C., MS. BEATRICE W. MELECIO, AND HAS THE NECESSARY AND SUFFICIENT POWERS TO EXECUTE THIS DOCUMENT, WHICH TO DATE HAVE NOT BEEN REDUCED OR REVOKED IN ANY MANNER WHATSOEVER.

II.3 THAT IN ORDER TO COMPLY WITH THE PROVISIONS OF ARTICLE 32-D OF THE MEXICAN TAX CODE, IT REPRESENTS THAT IT IS A FOREIGN RESIDENT WITHOUT A TAX DOMICILE IN MEXICAN TERRITORY, AND THEREFORE IS NOT REQUIRED TO FILE THE APPLICATION FOR REGISTRATION IN THE FEDERAL REGISTRY OF TAXPAYERS OR THE NOTICES TO SAID REGISTRY, OR FILE PERIODIC TAX RETURNS IN MEXICO.

II.4 THAT ITS PRINCIPAL PLACE OF BUSINESS IS LOCATED AT 800 CONNECTICUT AVENUE, NW, SUITE 500, WASHINGTON, D.C. UNITED STATES OF AMERICA, WHICH IT INDICATES FOR THE LEGAL PURPOSES AND EFFECTS OF THIS CONTRACT.

BY VIRTUE OF THE FOREGOING, AND PURSUANT TO ARTICLES 9, 26 AND 35 OF THE FEDERAL PUBLIC ADMINISTRATION ACT; 1793, 1794, 1798, 1858, 2606 TO 2615 AND OTHER RELATED PROVISIONS OF THE FEDERAL CIVIL CODE; 1, 3, 19, 22 SECTION II, 25, 26 SECTION III, 40, 41 SECTION X, 44, 45, 46, 48, 51, 52, 53, 54, AND OTHER APPLICABLE PROVISIONS OF THE PUBLIC SECTOR PROCUREMENT, LEASING AND SERVICES ACT; 2 SECTION IV, 13 AND 25 OF THE FEDERAL PUBLIC BUDGET, ACCOUNTING, AND EXPENDITURE ACT; 1, 3, 11, 14 SECTION VII, 24,



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27 AND 30 OF THE COPYRIGHT ACT; 28 OF THE FEDERAL EXPENSE BUDGET FOR FISCAL YEAR 2005, AND 30 SECTIONS IV AND XXI OF THE "AGENCY'S" CURRENT INTERNAL REGULATIONS, THE PARTIES ENTER INTO THIS CONTRACT IN ACCORDANCE WITH THE FOLLOWING:

CLAUSES

- ONE:** THE "PROVIDER" AGREES WITH THE "AGENCY" TO PROVIDE IT WITH THE PROFESSIONAL CONSULTING SERVICES REFERRED TO AS "CONSULTING SERVICES ON AGRO-BUSINESS TRADE POLICY AND AGRICULTURAL TRADE LEGISLATION," IN ACCORDANCE WITH THE PROVISIONS OF EXHIBIT I, WHICH, DULY EXECUTED BY THE PARTIES, FORMS AN INTEGRAL PART HEREOF.
- TWO:** THE PARTIES AGREE THAT THE AGRICULTURAL AND LIVESTOCK MARKETING SUPPORT AND SERVICE AGENCY (*APOYOS Y SERVICIOS A LA COMERCIALIZACIÓN AGROPECUARIA - ASERCA*), THE NATIONAL AGRO-FOOD HEALTH, SAFETY AND QUALITY SERVICE (SENASICA) AND THE NATIONAL AQUACULTURE AND FISHERIES COMMISSION (CONAPESCA), AS DECENTRALIZED ADMINISTRATIVE ENTITIES OF THE "AGENCY," ARE RESPONSIBLE FOR THE CONTRACTED SERVICES BEING PERFORMED IN ACCORDANCE WITH THE PROVISIONS HEREOF, AND THE "PROVIDER" AGREES TO SUBMIT A MONTHLY REPORT OF ACTIVITIES UNDERTAKEN TO THE ADMINISTRATIVE COORDINATOR OF THE OFFICES OF THE MINISTER IN ORDER TO OBTAIN APPROVAL ON THE APPLICABLE INVOICES.
- THREE:** THIS CONTRACT SHALL BE EFFECTIVE FROM MAY 2 THROUGH DECEMBER 31, 2005.
- FOUR:** THE "AGENCY" AGREES TO PAY THE "PROVIDER," AS CONSIDERATION FOR THE SERVICES INDICATED IN CLAUSE ONE, EIGHT MONTHLY INSTALLMENTS, IN ARREARS, IN THE AMOUNT OF \$1,875,000.00 (ONE MILLION EIGHT HUNDRED SEVENTY-FIVE THOUSAND AND 00/100 MEXICAN PESOS) FOR THE PERIOD CORRESPONDING TO THE MONTHS OF MAY TO DECEMBER 2005, TOTALING THE AMOUNT OF \$15,000,000.00 (FIFTEEN MILLION AND 00/100 MEXICAN PESOS), WITHIN 15 CALENDAR DAYS FOLLOWING THE DATE ON WHICH THE CORRESPONDING INVOICES ARE SUBMITTED, WITH THE APPROVAL OF THE ADMINISTRATIVE COORDINATOR OF THE OFFICES OF THE MINISTER, INDICATING THE PLACE OF PAYMENT AS CALLE DE SAN LORENZO, NO. 1151, 2^o PISO, ALA "A," COL. SANTA CRUZ ATOYAC, C.P. 03310, MEXICO CITY, FEDERAL DISTRICT, BY ELECTRONIC FUND TRANSFERS, FOR WHICH THE "PROVIDER" SHALL PROVIDE EVIDENCE OF A FINANCIAL INSTITUTION ON THE EXISTENCE OF AN CHECKING ACCOUNT IN ITS NAME.
- FIVE:** THE PARTIES AGREE THAT THE STIPULATED AMOUNT INCLUDES ALL DIRECT AND INDIRECT EXPENSES THAT THE "PROVIDER" MAY HAVE TO INCUR TO PROVIDE THE CONTRACTED SERVICES.
- SIX:** IN ORDER TO GUARANTEE COMPLIANCE WITH THE OBLIGATIONS ARISING FROM THIS CONTRACT, PURSUANT TO THE PROVISIONS OF ARTICLE 48 OF THE PUBLIC SECTOR PROCUREMENT, LEASING AND SERVICES ACT, THE "PROVIDER" SHALL PROVIDE A BOND ISSUED BY A LEGALLY ESTABLISHED MEXICAN BONDING COMPANY, IN THE NAME OF THE FEDERAL TREASURY, IN



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THE AMOUNT OF \$3,000,000.00 (THREE MILLION AND 00/100 MEXICAN PESOS), EQUIVALENT TO 20% OF THE TOTAL AMOUNT OF THIS INSTRUMENT, TO THE FEDERAL TREASURY; SAID BOND SHALL CONTAIN AT LEAST THE FOLLOWING STATEMENTS:

- a) THAT THE BOND IS GRANTED IN ACCORDANCE WITH ALL PROVISIONS SET FORTH IN THE CONTRACT;
- b) THAT THE "AGENCY" MUST ISSUE ITS EXPRESS WRITTEN STATEMENT FOR THE BOND TO BE RELEASED;
- c) THAT THE BOND SHALL REMAIN EFFECTIVE THROUGH COMPLETION OF ALL LEGAL APPEALS OR LAWSUITS FILED AND UNTIL A FINAL RULING IS ISSUED BY THE COMPETENT AUTHORITY; AND
- d) THAT THE BONDING COMPANY EXPRESSLY AGREES TO SUBMIT TO THE EXECUTION PROCEDURES SET FORTH IN THE FEDERAL BONDING INSTITUTION ACT FOR THE EFFECTIVENESS THEREOF, EVEN IN THE EVENT OF THE COLLECTION OF INTEREST, FOR PURPOSES OF THE PAST DUE PAYMENT OF THE AMOUNT OF THE BOND.

SEVEN: THE "PROVIDER" MAY NOT DISCLOSE, IN WHOLE OR IN PART, THE RESULTS OF THE ACTIVITIES UNDERTAKEN UNDER THIS CONTRACT IN ANY MANNER WHATSOEVER.

EIGHT: THE "PROVIDER" SHALL MEET THE TECHNICAL AND QUALITY STANDARDS SET BY THE "AGENCY," AND SHALL HAVE TOP-LEVEL SPECIALISTS IN THE FIELDS OF INTERNATIONAL TRADE NEGOTIATIONS, DIPLOMATIC, POLITICAL, ECONOMIC, AND LEGAL AFFAIRS, AND A PROFESSIONAL PRACTICE IN INTERNATIONAL MATTERS.

NINE: THE PARTIES AGREE TO PAY THE TAXES AND DUTIES INCURRED DUE TO THE ENTRY INTO THIS CONTRACT PURSUANT TO THE LAWS APPLICABLE TO EACH OF THEM, AT THE TIME SUCH TAXES ARE DUE, UNDER THE PROCEDURES ESTABLISHED FOR SUCH PURPOSES.

TEN: THE "PROVIDER" AGREES TO PROVIDE THE SERVICES UNDER THIS CONTRACT WITHOUT ASSIGNING, IN WHOLE OR IN PART, THE RIGHTS AND OBLIGATIONS ESTABLISHED HEREIN, TO ANY INDIVIDUAL OR LEGAL ENTITY, WITH THE EXCEPTION OF COLLECTION RIGHTS, IN WHICH CASE IT SHALL HAVE THE PRIOR WRITTEN CONSENT OF THE "AGENCY," IN THE TERMS SET FORTH IN THE LAST PARAGRAPH OF ARTICLE 46 OF THE PUBLIC SECTOR PROCUREMENT, LEASING AND SERVICES ACT.

ELEVEN: WITH THE EXCEPTION OF THE OBLIGATIONS ARISING FROM THIS CONTRACT, THE "AGENCY" SHALL NOT ACQUIRE OR ACKNOWLEDGE ANY OTHER OBLIGATIONS WITH RESPECT TO THE "PROVIDER," BY VIRTUE OF THE FACT THAT THE FEDERAL STATE WORKER ACT, REGULATING SECTION B OF ARTICLE 123 OF THE CONSTITUTION IS NOT APPLICABLE, AND THEREFORE, THE "PROVIDER" AND ITS EMPLOYEES ARE NOT EMPLOYEES OF THE "AGENCY"



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UNDER THE TERMS OF ARTICLE 5 SECTION III OF THE SOCIAL SECURITY AND SERVICES ACT FOR STATE EMPLOYEES.

- TWELVE:** THE "PROVIDER" AS EMPLOYER OF THE STAFF IT HAS OR HIRES FOR THE PERFORMANCE OF ANY ACTIVITY RELATED TO THE PROVISION OF THE SERVICES UNDER THIS CONTRACT, SHALL BE THE SOLE PARTY RESPONSIBLE FOR COMPLIANCE WITH ANY OBLIGATIONS ARISING IN LABOR, CIVIL, OR SOCIAL SECURITY MATTERS, AND IT AGREES TO TAKE RESPONSIBILITY FOR ANY DISPUTE OR LITIGATION INITIATED BY SAID STAFF AGAINST IT OR AGAINST THE "AGENCY," AND IN NO CASE SHALL THE "AGENCY" BE CONSIDERED A SUBSTITUTE EMPLOYER.
- THIRTEEN:** THE "PROVIDER" SHALL BE THE SOLE PARTY RESPONSIBLE IN THE EVENT THAT, WHILE PROVIDING THE SERVICES UNDER THIS CONTRACT, THE RIGHTS OF THIRD PARTIES OVER EXCLUSIVE RIGHTS OR COPYRIGHTS ARE VIOLATED WITH RESPECT TO THE ISSUES ADDRESSED.
- FOURTEEN:** IN ACCORDANCE WITH ARTICLE 52 OF THE PUBLIC SECTOR PROCUREMENT, LEASING AND SERVICES ACT, THIS CONTRACT MAY BE AMENDED AND/OR EXTENDED DURING ITS TERM, WITHOUT, FOR ANY REASON, THE TOTAL AMOUNT OF SUCH AMENDMENT EXCEEDING 20% (TWENTY PERCENT) OF THE TOTAL AMOUNT AGREED UPON, SUBJECT TO BUDGETARY AUTHORIZATION UNDERTAKEN FOR SUCH PURPOSES, IN ADDITION TO COMPLIANCE WITH THE FOLLOWING:
- A) THE DATE ON WHICH THE AMENDMENT IS TO TAKE EFFECT SHALL BE AGREED UPON BY THE PARTIES.
 - B) THE INCREASE IN THE SERVICE SHALL BE DULY JUSTIFIED BY THE REQUESTING DEPARTMENTS AND AUTHORIZED BY THE DIRECTORATE GENERAL OF PROCUREMENT AND STREAMLINING OF GOODS AND SERVICES.
 - C) THE SAVINGS GUIDELINES ISSUED BY THE DEPARTMENTS OF THE TREASURY AND PUBLIC DUTIES SHALL BE COMPLIED WITH.
- FIFTEEN:** THE "AGENCY" MAY ADMINISTRATIVELY RESCIND THIS CONTRACT IN THE EVENT OF NONPERFORMANCE BY THE "PROVIDER," IN ACCORDANCE WITH THE PROCEDURE ESTABLISHED IN ARTICLE 54 OF THE PUBLIC SECTOR PROCUREMENT, LEASING AND SERVICES ACT.
- SIXTEEN:** THE PARTIES EXPRESSLY AGREE THAT IN THE EVENT OF NONPERFORMANCE BY THE "PROVIDER" IN THE PROVISION OF THE SERVICES UNDER THIS CONTRACT, THE "AGENCY" SHALL TAKE THE FOLLOWING ACTIONS:
- A) IT SHALL SERVE A WRITTEN REQUEST TO THE "PROVIDER" FOR PERFORMANCE OF THE CONTRACT, SUBJECTING THE "PROVIDER" TO THE APPLICATION OF THE CONTRACTUAL PENALTY OF 2% PER BUSINESS DAY OF DELAY ON THE PORTION OF THE CONTRACT NOT PERFORMED, FOR UP TO 10 BUSINESS DAYS OR THE AMOUNT OF THE PERFORMANCE BOND.



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- B) IF AFTER 15 CALENDAR DAYS, THE "PROVIDER" HAS FAILED TO REMEDY THE NONPERFORMANCE, THE "AGENCY" MAY INITIATE THE ADMINISTRATIVE RESCISSION PROCEDURE FOR THE CONTRACT OR DEMAND ITS PERFORMANCE.
- C) THE "PROVIDER" SHALL HAVE A TERM OF 10 BUSINESS DAYS, AS OF THE DATE IT WAS NOTIFIED OF NONPERFORMANCE, TO ASSERT ITS LEGAL RIGHTS BEFORE THE "AGENCY."
- D) THE "AGENCY" SHALL SERVE WRITTEN NOTICE TO THE "PROVIDER" OF THE DETERMINATION OF WHETHER OR NOT TO RESCIND THE CONTRACT ADMINISTRATIVELY, IN ACCORDANCE WITH THE PROCEDURE ESTABLISHED IN ARTICLE 54 OF THE PUBLIC SECTOR PROCUREMENT, LEASING AND SERVICES ACT, WITHIN 15 BUSINESS DAYS AFTER THE TERM SET FORTH IN THE FOREGOING PARAGRAPH.

- SEVENTEEN:** THE "AGENCY" MAY TERMINATE THIS CONTRACT IN ADVANCE ON THE GROUNDS OF PUBLIC INTEREST, OR WHEN JUSTIFIED CAUSES ELIMINATE THE NEED FOR THE SERVICES COVERED UNDER THIS CONTRACT, WITHOUT THIS IMPLYING ANY LIABILITY WHATSOEVER FOR THE "AGENCY," BY SERVING WRITTEN NOTICE TO THE "PROVIDER" 10 DAYS IN ADVANCE.
- EIGHTEEN:** IN THE EVENT THAT THE "AGENCY" RESCINDS OR TERMINATES THIS CONTRACT IN ADVANCE, IT AGREES TO PAY THE "PROVIDER" FOR THE SERVICES IT HAS PROVIDED UNDER THE TERMS OF THIS CONTRACT THROUGH THE EFFECTIVE DATE OF THE TERMINATION OR RESCISSION.
- NINETEEN:** THIS CONTRACT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE PURPOSE HEREOF AND RENDERS NULL AND VOID ANY OTHER NEGOTIATION OR OBLIGATIONS BETWEEN THEM, WHETHER WRITTEN OR ORAL, PRIOR TO THE DATE OF EXECUTION HEREOF.
- TWENTY:** THE PARTIES REPRESENT THAT IN THE EXECUTION OF THIS CONTRACT, THERE HAS BEEN NO DEFECT, FRAUD OR BAD FAITH AFFECTING THE CONSENT GRANTED HEREIN.
- TWENTY-ONE:** THE PARTIES AGREE TO SUBMIT TO THE PROVISIONS OF THE PUBLIC SECTOR PROCUREMENT, LEASING AND SERVICES ACT AND THE FEDERAL CIVIL CODE FOR ALL MATTERS NOT EXPRESSLY SET FORTH IN THIS CONTRACT.
- TWENTY-TWO:** SHOULD A CONFLICT OR DISPUTE ARISE IN THE INTERPRETATION AND/OR PERFORMANCE OF THIS INSTRUMENT, THE PARTIES EXPRESSLY SUBMIT TO THE JURISDICTION OF THE FEDERAL COURTS OF MEXICO CITY, FEDERAL DISTRICT, AND THE "PROVIDER" HENCEFORTH WAIVES ITS RIGHT TO



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ANY OTHER JURISDICTION TO WHICH IT MAY BE ENTITLED BY REASON OF ITS
 PRESENT OR FUTURE DOMICILE, OR FOR ANY OTHER REASON.

UPON READING THIS INSTRUMENT, AND DULY INFORMED OF THE LEGAL SCOPE AND
 CONTENT OF ITS CLAUSES, THE PARTIES EXECUTE THIS CONTRACT IN FOUR
 COUNTERPARTS, IN MEXICO CITY, FEDERAL DISTRICT, ON MAY ELEVENTH, TWO THOUSAND
 FIVE.

FOR THE "AGENCY"
 DIRECTOR GENERAL OF PROCUREMENT AND
 STREAMLINING OF GOODS AND SERVICES

FOR THE "PROVIDER"
 LEGAL REPRESENTATIVE

[signature]
 MR. GERARDO BARRIOS RIVERÓN

[signature]
 MR. IRWIN P. ALTSCHULER

WITNESSES

DIRECTOR OF THE NATIONAL AGRO-FOOD
 HEALTH, SAFETY AND QUALITY SERVICE

DIRECTOR OF THE AGRICULTURAL
 AND LIVESTOCK MARKETING SUPPORT
 AND SERVICE AGENCY

[signature]
 MR. JAVIER TRUJILLO ARRAIGA

[signature]
 MR. JOSÉ RODOLFO FARIAS ARIZPE

THE NATIONAL AQUACULTURE AND
 FISHERIES COMMISSIONER

[signature]
 MR. RAMÓN CORRAL ÁVILA



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EXHIBIT I

THE PROCUREMENT OF THE CONSULTING SERVICES ON AGRO-BUSINESS TRADE POLICY AND AGRICULTURAL TRADE LEGISLATION SHALL FOCUS PRIMARILY ON, WITHOUT BEING LIMITED TO, THE FOLLOWING SPECIFIC NEEDS OF THE DECENTRALIZED ADMINISTRATIVE ENTITIES, WHILE MONITORING MATTERS WITH BACKGROUND DATING BACK TO PRIOR FISCAL YEARS:

NATIONAL AQUACULTURE AND FISHERIES COMMISSION

MATTERS OF TUNA EXPORTS AND LABELING LAW:

- NEGOTIATIONS WITH THE INTER-AMERICAN TROPICAL TUNA COMMISSION TO HIGHLIGHT THE SCIENTIFIC EVIDENCE SUPPORTING THE PENDING LITIGATION ON THIS MATTER.
- CLOSE COOPERATION AND COORDINATION WITH THE UNITED STATES DEPARTMENT OF JUSTICE TO PRESENT THE EVIDENCE ON LABELING AND ALLOW MEXICAN EXPORTS OF TUNA WITH THE "DOLPHIN SAFE" LABEL.
- PREPARATION OF AN APPEAL, IF THE RULING IS NOT FAVORABLE IN THE LOWER COURT.

SHRIMP EXPORTS:

- MONITORING AND RESEARCH OF THE SHRIMP MARKET, INASMUCH AS CHARGES COULD BE FILED OR RESTRICTIVE MEASURES IMPOSED AGAINST MEXICO BY THE UNITED STATES GOVERNMENT, IN ORDER TO EVALUATE ALTERNATIVES FOR DEFENDING THE SECTOR.

AND TO ADDRESS THE FOLLOWING MATTERS:

- TO PROVIDE LEGAL SUPPORT, INFORMATION, AND CONSULTING RELATED TO THE AMENDMENTS AND BILLS PENDING IN THE UNITED STATES ON TECHNICAL MODIFICATIONS FOR THE USE OF TEDS AND NEW REGULATIONS AND EQUIPMENT FOR THE PROTECTION OF SEA TURTLES.
- TO MONITOR AND PROVIDE PREVENTIVE LEGAL CONSULTING, IF APPLICABLE, ON POTENTIAL ACTIONS THAT MAY RESTRICT OR REDUCE ACCESS OF MEXICAN FISHERY PRODUCTS TO THE UNITED STATES OF AMERICA.
- TO PROVIDE CONSULTING SERVICES TO COUNTERACT THE TARIFF AND NON-TARIFF BARRIERS ESTABLISHED BY THE UNITED STATES GOVERNMENT.
- TO PROVIDE CONSULTING ON THE VARIOUS NEGOTIATIONS IN WHICH THE NATIONAL AQUACULTURE AND FISHERIES COMMISSION MAY PARTICIPATE, HAVING AN IMPACT ON THE MARKETING OF MEXICAN PRODUCTS OR ON THE BILATERAL FISHERIES AGENDA.



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THE AGRICULTURAL AND LIVESTOCK MARKETING SUPPORT AND SERVICE AGENCY

- MONITORING AND ANALYSIS OF INTERNATIONAL MARKETS.
- SUPPORT IN NEGOTIATIONS AND MONITORING OF INTERNATIONAL MARKET REGULATIONS
- SUPPORT IN CREATING THE PROJECT TO IMPLEMENT OFFICIAL MEXICAN STANDARDS ON QUALITY.
- MONITORING OF THE FEDERAL INFORMATION ACT'S INITIATIVE ON MARKETING OF PERISHABLE FOOD PRODUCTS FOR HUMAN AND ANIMAL CONSUMPTION.
- CONTINUING THE STRATEGY PROMOTING THE OPENING TO THE MEXICAN MARKET IN THE 52 [sic] STATES OF THE AMERICAN UNION FOR MEXICAN AVOCADOS DURING THE ENTIRE YEAR.
- DEEPENING THE AGREEMENTS AND THE DEVELOPMENT OF PROJECTS FOR THE MEXICO-UNITED STATES PARTNERSHIP FOR PROSPERITY.
- ANALYZING THE IMPACT OF SUBSIDIES TO US PRODUCERS AND ENSURING THAT MAXIMUM LIMITS ARE NOT EXCEEDED IN INTERNATIONAL AGREEMENTS, TO PREVENT UNFAIR COMPETITION.

NATIONAL AGRO-FOOD HEALTH, SAFETY AND QUALITY SERVICE

- PROVIDING INFORMATION RELATED TO THE PROJECTS AND REGULATIONS ON AGRICULTURAL AND LIVESTOCK MATTERS DISCUSSED BY THE UNITED STATES CONGRESS.
- LEGAL AND TECHNICAL CONSULTING ON ANIMAL AND PLANT HEALTH, AND AGRO-FOOD SAFETY.
- PROVIDING CONSULTING AND INFORMATION WITH RESPECT TO THE BIOTERRORISM LEGISLATION AND COUNTRY OF ORIGINAL LABELING REGULATIONS IMPOSED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE.
- CONSULTING AND INFORMATION TO ELIMINATE THE BAN ON EXPORTING CANTALOUPE, SCALLIONS, AND OTHER MEXICAN PRODUCTS.
- CONSULTING ON THE RESOLUTION OF BILATERAL DISPUTES THAT HAVE ARISEN WITH RESPECT TO BEANS, CORN, SUGAR, SCALLIONS, MELON, AND PORK PRODUCTS.
- DEVELOPMENT OF STRATEGIES TO RESOLVE DISPUTES RELATED TO FOREIGN TRADE OR TO REMOVE BARRIERS AND GAIN ACCESS TO THE UNITED STATES MARKET FOR AGRICULTURAL AND LIVESTOCK PRODUCTS AND BYPRODUCTS.
- CONSULTING IN INTERNATIONAL FORUMS ON ISSUES WITHIN THE AGENCY'S JURISDICTION, SUCH AS NAFTA, ANALYZING STRATEGIES TO ELIMINATE EXISTING AND EMERGING BARRIERS, PHYTOZOOSANITARY CONSIDERATIONS; THE WTO, WHERE PREVENTIVE MEASURES MUST BE IMPLEMENTED AND INFORMATION ON ACTIONS TO BE ADOPTED BY MEMBER COUNTRIES.
- PROVIDING INFORMATION AND ANALYSIS ON MARKETING AND ACCESS OPPORTUNITIES FOR AGRICULTURAL AND LIVESTOCK PRODUCTS IN NEW MARKETS.
- MONITORING AND CONCRETE PROGRESS BASED ON THE JOINT STATEMENT ON FOOD SAFETY SIGNED IN JUNE 1998.
- CONSULTING IN WORKING MEETINGS WITH USDA AND FDA OFFICIALS IN ORDER TO DEFEND AGRICULTURAL AND LIVESTOCK PRODUCTS AND BYPRODUCTS.



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IN GENERAL, THE "PROVIDER" AGREES TO PROVIDE SPECIALIZED CONSULTING ON WORLD TRADE AND INTERNATIONAL LAW, CONSIDERING THE FOLLOWING AS STRATEGIC AREAS:

AREA 1: POLITICAL AND LEGAL MONITORING, ANALYSIS, AND STRATEGY

THE "PROVIDER" SHALL PROVIDE THE "AGENCY" WITH CRITICAL INFORMATION OBTAINED THROUGH ITS CONTACTS WITH OFFICIALS IN THE ADMINISTRATION AND IN THE CONGRESS OF THE UNITED STATES. THE FIRM, WHOSE GROUP OF PROFESSIONALS INCLUDES STAFF PREVIOUSLY EMPLOYED IN THE ADMINISTRATION AND IN THE US INTERNATIONAL TRADE COMMISSION, HAS ESTABLISHED A NETWORK OF CONTACTS THAT ALLOWS IT TO HAVE ACCESS TO INFORMATION THAT IS NOT ALWAYS AVAILABLE TO THE PUBLIC, THEREBY ALLOWING THE "AGENCY" TO ANTICIPATE EVENTS BEFORE THEY OCCUR. THE "AGENCY" SHALL BE PROVIDED ADVANCE NOTICE OF, AMONG OTHER THINGS, POTENTIAL CHANGES IN USDA, USTR AND FDA POLICIES, BILLS TO BE DISCUSSED IN THE UNITED STATES CONGRESS, NOTICES ON QUOTA AMOUNTS OR INVESTIGATIONS BY THE OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE (USTR); HEARINGS TO BE HELD IN US CONGRESS, OPPORTUNITIES TO SUBMIT COMMENTS ON REGULATIONS AND THE UNITED STATES POSITION WITH RESPECT TO THE WORLD TRADE ORGANIZATION (WTO). SUCH ADVANCED NOTICE HAS ALLOWED THE "AGENCY" TO DEVELOP A RESPONSE STRATEGY FOR THESE EVENTS, IN SOME CASES BEFORE THEY ACTUALLY OCCUR.

THE "PROVIDER" WILL ADVISE THE "AGENCY" ON HIGH-LEVEL VISITS TO TAKE PLACE IN RELATION TO THE BI-NATIONAL COMMISSION, THE PARTNERSHIP FOR PROSPERITY, AND THE NEW CONSULTATIVE COMMITTEE ON AGRICULTURE ESTABLISHED BETWEEN THE UNITED STATES AND MEXICO. IN PREPARATION FOR THE MEETINGS, BY PROVIDING PERTINENT INFORMATION FOR THE MEETINGS OF THE MINISTER WITH THE USDA, AND SUPPORT IN THE DRAFTING OF SPEECHES FOR THE MINISTER'S PRESENTATIONS, INCLUDING THOSE AIMED AT THE PRIVATE SECTOR, AND THE DRAFTING OF PRESS RELEASES. IT WILL ALSO PROVIDE DETAILED, UP-TO-DATE INFORMATION ON THE POLITICAL CLIMATE AND RELATED NEGOTIATIONS SO THE MINISTER AND HIS TEAM HAVE CURRENT INFORMATION AND ARE FULLY INFORMED WHEN THEY ATTEND THE MEETINGS.

THE "PROVIDER" WILL REVIEW PUBLIC INFORMATION ON A DAILY BASIS SUCH AS THE PRESS AND SPECIALIZED JOURNALS, IN ORDER TO BE ABLE TO DRAFT ANY REPORT NECESSARY FOR ANY PUBLIC RELATIONS ACTIVITY. THE "PROVIDER'S" STAFF INCLUDES PROFESSIONALS WITH PRIOR EXPERIENCE AS JOURNALISTS, AS WELL AS MEDIA EXPERTS.

THE "PROVIDER" WILL CONTINUE PROVIDING THE "AGENCY" WITH INFORMATION ON A DAILY BASIS WHEN AN ISSUE WARRANTS IMMEDIATE ACTION. IN TURN, THE "PROVIDER" WILL SUBMIT WEEKLY REPORTS INCLUDING BACKGROUND INFORMATION AND THE NEXT STEPS FOR KEY ISSUES. THE REPORT WILL ALSO INCLUDE ANALYSIS AND DETAILED INFORMATION WITH RESPECT TO DATES OF HEARINGS, URGENT TERMS FOR SUBMISSION OF DOCUMENTS, COMMENTS AND TRIAL DATES; LOBBYING WORK SHALL BE UNDERTAKEN IN RESPONSE TO INSTRUCTIONS FROM THE "AGENCY."



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THE "PROVIDER" WILL WORK WITH THE "AGENCY" TO IDENTIFY IN ADVANCE SECURITY MEASURES THAT MAY DAMAGE MEXICO-UNITED STATES AGRICULTURAL TRADE AND TO MITIGATE THE IMPACT OF SUCH POLICIES. BY 2005, IT IS CLEAR THAT BILATERAL DISPUTES WILL ARISE ON THE ISSUES OF PORK, BEANS, CORN, SUGAR, HFCS, MELON, SCALLIONS AND BSE (BOVINE SPONGIFORM ENCEPHALOPATHY). THE "PROVIDER" WILL WORK WITH THE "AGENCY" AND DIRECTLY WITH THE CONGRESS TO ANTICIPATE SUCH ISSUES, AS WELL AS THEIR IMPACT ON MEXICO'S REPUTATION WITH RESPECT TO THE UNITED STATES GOVERNMENT.

AS A COMPLEMENT TO THESE DUTIES, THE "PROVIDER" WILL PROVIDE DEEP ANALYSIS AND STRATEGIC INFORMATION ON MATTERS SPECIFICALLY REQUESTED, AS WELL AS A STUDY ON MARKETING ORDERS AND POLICIES IN THE UNITED STATES.

THE "PROVIDER" WILL PROVIDE EXTENSIVE LEGAL AND TECHNICAL CONSULTING TO THE "AGENCY." THESE DUTIES INCLUDE ASSISTANCE IN THE DRAFTING OF COMMENTS ON A WIDE VARIETY OF MATTERS, INCLUDING THOSE RELATED TO FOOD SAFETY, BIOTERRORISM REGULATIONS (INCLUDING BORDER POLICIES), COUNTRY OF ORIGIN LABELING, PROPOSED PROMOTION ORDERS (AVOCADOS AND MANGOS) AND OTHER IMPORT ISSUES BEFORE THE UNITED STATES GOVERNMENTAL AUTHORITIES.

THE "PROVIDER" WILL UNDERTAKE THE REVIEW AND NEGOTIATION OF THE "FEDERAL RECOGNITION PROGRAM," A PROCESS THAT STARTED IN 2003. IT WILL ALSO MONITOR THE FDA'S "DETENTION" ACTIONS ON OTHER MEXICAN PRODUCTS. DURING 2003 AND 2004, THE FDA ADOPTED DETENTION ACTIONS ON SEVERAL PRODUCTS ON A PER COMPANY BASIS. THE "PROVIDER" WILL ALSO HELP THE "AGENCY" ANTICIPATE SUCH ACTIONS AND WORK WITH THE FDA TO AVOID ANY DETENTION ACTIONS COVERING THE ENTIRE COUNTRY.

THE "PROVIDER" WILL COLLABORATE EXTENSIVELY IN THE PREPARATION OF COMMENTS ON THE FDA'S BIOTERRORISM LEGISLATION AND THE COUNTRY OF ORIGIN LABELING REGULATIONS IMPOSED BY THE USDA. THIS SERVICE INCLUDES SUPERVISION OF THE SUBMISSION OF SUCH DOCUMENTS, IN THEIR DUE FORM, AND MONITORING THE REQUIRED PROCEDURES. THERE ARE A NUMBER OF LEGAL PROVISIONS ON WHICH THE "PROVIDER" WILL ISSUE AN OPINION BASED ON ITS ANALYSIS.

THE "PROVIDER" WILL PROVIDE STRATEGIC CONSULTING WITH RESPECT TO THE POSITION MEXICAN INDUSTRY SHOULD ADOPT TO AVOID AN ANTIDUMPING CASE RELATING TO SHRIMP.

THE "PROVIDER" WILL PARTICIPATE IN THE POLITICAL AND LEGAL ACTIVITIES ON WHICH IT CONSULTS WITH THE "AGENCY":

A. NAFTA

- REPORTING ON THE DEVELOPMENT OF OUTSTANDING CASES, IN THE WEEKLY REPORTS.
- PROVIDING SPECIAL REPORTS ON THE DEVELOPMENT OF BILATERAL CONSULTATIONS, PANELS, AND DISPUTES.



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B. WTO

- REPORTING ON THE DEVELOPMENT OF AGRICULTURAL NEGOTIATIONS, IN THE WEEKLY REPORTS.
- MONITORING OF THE "PROVIDER'S" CONTACTS IN ORDER TO PROVIDE INFORMATION ON THE DEVELOPMENT OF UNITED STATES AGRICULTURAL NEGOTIATIONS, INCLUDING THE AMERICAN PERSPECTIVE ON THE POSITION OF MEXICO AND OTHER KEY COUNTRIES.
- PROVIDING SPECIAL REPORTS ON WTO DISPUTE RESOLUTION MATTERS, SUCH AS THE UNITED STATES-BRAZIL COTTON DISPUTE AND THE EUROPEAN UNION SUGAR PROGRAM.

C. THE US FARM BILL

- PROVIDING INFORMATION ON THE DEVELOPMENT OF THE APPLICATION OF THE US FARM BILL, IN THE WEEKLY REPORTS.
- MONITORING OF THE "PROVIDER'S" CONTACTS IN ORDER TO PROVIDE INFORMATION ON THE AMOUNT AND THE PRIORITIES FOR THE APPLICATION OF THE US FARM BILL, INCLUDING INFORMATION ON ITS CONSISTENCY WITH THE WTO.
- PROVIDING ANALYSIS ON THE IMPACT OF THE FARM BILL IN THE MEXICAN AGRICULTURAL SECTOR.
- ANALYZING AND PROVIDING INFORMATION, AS WELL AS STRATEGIC CONSULTING, ON THE US CONGRESS'S PROCESS OF APPROPRIATIONS AND DISTRIBUTION OF EXPENSES.

D. EMERGING ISSUES

- PROVIDING INFORMATION AND STRATEGIC CONSULTING ON THE DEVELOPMENT OF BIOTECHNOLOGY ISSUES IN AGRICULTURE, INCLUDING: PROGRESS IN THE WTO AGRICULTURAL NEGOTIATIONS; THE INCLUSION OF THIS ISSUE IN THE NEGOTIATIONS FOR THE FREE TRADE AREA OF THE AMERICAS; THE BIOSAFETY PROTOCOL; AND THE DEVELOPMENT OF ISSUES IN INDIVIDUAL COUNTRIES.
- REPORTS OF INTEREST TO DEVELOPING COUNTRIES ON BIOPIRACY AS MORE DEVELOPED NATIONS OBTAIN PATENTS ON PLANT VARIETIES OR SPECIES.
- EXAMINING AND PROVIDING INFORMATION AND STRATEGIC CONSULTING ON THE DEVELOPMENT OF AND TRENDS IN ELECTRONIC COMMERCE IN AGRO-INDUSTRY.

AREA 2: HANDLING DEFENSE BEFORE CONGRESS AND THE EXECUTIVE BRANCH

THE "PROVIDER" WILL COLLABORATE WITH THE "AGENCY" AND ITS DECENTRALIZED ADMINISTRATIVE ENTITIES ON THE DEVELOPMENT OF STRATEGIES TO RESOLVE TRADE DISPUTES AND REMOVE BARRIERS TO MARKET ACCESS. THESE DUTIES INCLUDE THE DEVELOPMENT AND



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IMPLEMENTATION OF STRATEGIES TO INFLUENCE THE CONGRESS AND EXECUTIVE BRANCH OF THE UNITED STATES GOVERNMENT ON THE SEARCH FOR SOLUTIONS FAVORABLE TO MEXICAN AGRICULTURAL PRODUCERS.

IN RECENT YEARS, THE ISSUE OF FOOD SAFETY HAS BECOME A POLITICAL ISSUE OF GENERAL INTEREST IN THE UNITED STATES. AS THE US CONGRESS APPARENTLY MOVES TOWARD STRICTER LEGISLATION THAT COULD LIMIT MEXICO'S ACCESS TO THE UNITED STATES MARKET, THE "PROVIDER" WILL WORK WITH THE "AGENCY" TO DEVELOP A COOPERATIVE STRATEGY THAT SEEKS TO REJECT SUCH LEGISLATION. IN THE WAKE OF THE TRAGEDY OF SEPTEMBER 11, 2001, UNITED STATES LEGISLATION HAS CONSIDERED VARIOUS INITIATIVES IN THE AREA OF FOOD SAFETY. IN AN EFFORT TO PREVENT OR MODIFY THE DEVELOPMENT OF STRICT LEGISLATION ON THIS MATTER, MEETINGS WERE ORGANIZED TO EDUCATE KEY CONGRESSIONAL STAFF ON THE POTENTIAL IMPACT SUCH REGULATIONS COULD HAVE ON PRICES AND US CONSUMERS. THIS ISSUE WILL CONTINUE IN 2005, AND THEREFORE WE ANTICIPATE THAT SOME MEMBERS OF CONGRESS WILL UNDERTAKE CAMPAIGNS FAVORING NEW LEGISLATION ON FOOD SAFETY.

WITH RESPECT TO OTHER MISCELLANEOUS ISSUES, UPON PRIOR APPROVAL BY THE "AGENCY," THE "PROVIDER" WILL INITIATE A LEGISLATIVE STRATEGY IN 2005. FOR EXAMPLE, MEXICAN GRAPE PRODUCERS ARE CONCERNED ABOUT THE LOCATION OF THE GRAPE QUALITY INSPECTION. THE USDA REJECTED CONDUCTING THE INSPECTION IN MEXICO, CLAIMING EXISTING REGULATORY PROVISIONS. IN 2005, THE "PROVIDER" WILL CONSIDER THE POSSIBILITY OF A LEGISLATIVE SOLUTION APPLICABLE TO MEXICAN IMPORTS.

THE "PROVIDER" WILL PERFORM SOME ACTIVITIES ON BEHALF OF THE "AGENCY," BEFORE THE UNITED STATES CONGRESS AND THE EXECUTIVE BRANCH:

A. NAFTA

- USING NAFTA, TO INFLUENCE THE CONGRESS AND EXECUTIVE BRANCH IN THE OBSERVANCE OF THE AGREEMENTS, TO SEEK SOLUTIONS FAVORABLE FOR MEXICO.
- PROVIDING THE "AGENCY" WITH SPECIFIC CONSULTING WITH RESPECT TO TECHNICAL BARRIERS TO TRADE, AS WELL AS ON SANITARY AND PHYTOSANITARY ISSUES IN THE CONTEXT OF NAFTA.

B. WTO NEGOTIATIONS

- ADVISING THE "AGENCY" ON THE MONITORING OF DISCUSSIONS AND MEASURES ADOPTED BY WTO MEMBER COUNTRIES, PARTICULARLY THE EU, THE CAIRNS GROUP, MERCOSUR COUNTRIES, AS WELL AS JAPAN, THE UNITED STATES AND DEVELOPING NATIONS.
- ANALYZING THESE EVENTS AND PROVIDING THE "AGENCY" WITH SPECIFIC CONSULTING ON THE MATTER.



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C. OTHER ISSUES

- COLLABORATING WITH THE "AGENCY" ON THE DEVELOPMENT OF POLITICAL STRATEGIES ON VARIOUS ANTIDUMPING ISSUES, SUCH AS THE TOMATO SUSPENSION AGREEMENT BETWEEN MEXICO AND THE UNITED STATES.
- COOPERATING WITH THE "AGENCY" ON ISSUES OF INTEREST TO MEXICO THAT HAVE ARISEN IN THE MOST RECENT NEGOTIATIONS WITHIN THE FTA FRAMEWORK.
- COLLABORATING WITH THE "AGENCY" IN ITS EFFORTS TO DEMONSTRATE CONTINUOUS CONCRETE PROGRESS IN THE AREA OF FOOD SAFETY, FOLLOWING UP ON THE JOINT STATEMENT ON FOOD SAFETY OF JUNE 1998.
- COLLABORATING WITH THE "AGENCY" TO REACH SPECIFIC GOALS IN RESOLVING VARIOUS SPECIFIC MATTERS IN THE SECTOR PENDING BEFORE THE UNITED STATES GOVERNMENT.

AREA 3: CRISIS MANAGEMENT/RAPID RESPONSE TEAMS

IN 2003 AND 2004, THE UNITED STATES PRESS PUBLISHED A SERIES OF CLEARLY BIASED ARTICLES CALLING THE SAFETY OF MEXICAN MELON AND SCALLIONS INTO QUESTION. THE "PROVIDER" WILL SUPPORT THE "AGENCY" IN SETTING UP MEETINGS WITH HIGH-LEVEL USDA AND FDA OFFICIALS TO COUNTERACT THE IMPACT AND CONSEQUENCES OF THE PRESS REPORTS. IN THIS REGARD, THE "PROVIDER'S" PUBLIC RELATIONS EXPERIENCE WILL BE USED TO ADDRESS THE NEGATIVE PRESS RELATED TO MEXICO'S AGRICULTURAL POLICIES WHICH CONTINUE TO COME OUT OF IOWA SENATOR GRASSLEY'S OFFICE.

THE "PROVIDER" WILL DISSEMINATE AMONG KEY POLITICAL DECISION-MAKERS IN CONGRESS AND THE ADMINISTRATION THE SUBSTANTIAL EFFORTS OF THE "AGENCY" ON A RANGE OF ISSUES, INCLUDING, AMONG OTHERS: FOOD SAFETY; BILATERAL TRADE IN PORK; MARKET ACCESS FOR MEXICAN HASS AVOCADOS; TUNA LABELING; MEXICAN SUGAR IMPORTS INTO THE US MARKET; AND WILL ALSO SCHEDULE WORKING MEETINGS WITH THE ADMINISTRATION AND WITH CONGRESS TO ENSURE THAT THEY ARE ALL AWARE OF THE AGRICULTURAL TRADE AGENDA BETWEEN THE UNITED STATES AND MEXICO.

AREA 4: MULTILATERAL FORUMS AND NEGOTIATIONS

THE WTO NEGOTIATIONS ON AGRICULTURAL MATTERS WILL REACH A CRITICAL STAGE IN 2005 AS THEY GET BACK ON TRACK AND SUBSTANTIVE COUNTRY PROPOSALS ARE PLACED ON THE AGENDA. IN 2004 THE UNITED STATES DISTANCED ITSELF FROM ITS ORIGINAL PROPOSAL, PARTICULARLY WITH RESPECT TO ITS POSITION ON DOMESTIC SUBSIDIES, WHERE THE UNITED STATES CALLED FOR A REDUCTION OF ALL DOMESTIC SUBSIDIES TO A LEVEL OF 5% OF AGRICULTURAL PRODUCTION, AND THEY MOVED CLOSER TO THE EU POSITION. IN 2005, THE "AGENCY" WILL BE PROVIDED WITH INFORMATION ON THIS ISSUE.

THE "PROVIDER" WILL SUPPORT THE "AGENCY" WITH ACTIONS ALLOWING IT TO REVIEW AND RESOLVE MATTERS PENDING BEFORE THE WTO AND SOME



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NAFTA BODIES. IT WILL REPORT ON DEVELOPMENTS THAT AFFECT AGRICULTURAL TRADE, INCLUDING THE CASE THE UNITED STATES FILED AGAINST THE EU FOR ITS POLICIES PERTAINING TO GENETICALLY MODIFIED ORGANISMS. IT WILL EVALUATE AND DEVELOP STRATEGIES FOR THE CONSIDERATION OF ISSUES PENDING BEFORE THE SANITARY AND PHYTOSANITARY, AGRICULTURAL TRADE, AGRICULTURAL STANDARDS, CHEMICAL RESIDUES AND OTHER SUBCOMMITTEES AND THEIR VARIOUS WORKING GROUPS. IT WILL PROVIDE STRATEGIC ASSISTANCE ON SANITARY AND PHYTOSANITARY ISSUES AND STANDARDS THAT INCLUDE THE EU AND CHINA.

AREA 5: MARKET RESEARCH AND PROMOTION

ISSUES WITH CHINA

IN 2005, THE "PROVIDER" WILL CONTINUE ADVISING THE "AGENCY" ON POSSIBLE METHODS OF CHINESE TRADE PENETRATION. THE RESEARCH WILL INCLUDE THE EXAMINATION OF THE POTENTIAL FOR ENTERING THE MARKET THROUGH OTHER DISTRIBUTORS WHO HAVE DONE SO. THE "PROVIDER" WILL CONTINUE MONITORING INFORMATION ON TRADE WITH CHINA AND EXPLORING VIABLE OPTIONS FOR WINNING THIS MARKET FOR MEXICO.

GENERAL ISSUES

THE "PROVIDER" WILL ISSUE REPORTS ON THE DEVELOPMENT OF THE AGRICULTURAL MARKETS OF THE UNITED STATES AND OTHER COUNTRIES; FOR THE CONTINUATION OF THE WTO NEGOTIATIONS, IT WILL PERFORM COMMERCIAL ANALYSES ON BEHALF OF THE "AGENCY," AND WILL CONTINUE WITH THE STRATEGIC CONSULTING ON THE PROMOTION OF AGRO-BUSINESS BETWEEN MEXICO AND THE UNITED STATES. THIS ACTIVITY INCLUDES THE DEVELOPMENT OF CONTACTS WITH STATE PROMOTION ORGANIZATIONS AND THE GOVERNORS' OFFICES IN SELECT STATES.

IT WILL ALSO PROVIDE CONSULTING TO THE "AGENCY" ON THE STRUCTURING OF A PROMOTION ORDER PROGRAM MODEL FOR VARIOUS MEXICAN AGRICULTURAL PRODUCTS IN ORDER TO FIND THEM NEW MARKETS. IN DEVELOPING THIS MODEL, AND IN CARRYING OUT PILOT PROMOTION PROGRAMS, WE WILL SEEK THE COOPERATION OF THE UNITED STATES AGRICULTURAL MARKETING SERVICE (AMS). TO EXPLORE THIS POSSIBILITY, THIS PROJECT WILL REQUIRE GLOBAL RESEARCH IN THE PROMOTION PROGRAMS AREA, AS WELL AS MEETINGS WITH MEXICAN PRODUCERS.

WITH RESPECT TO THE PROMOTION OBJECTIVES FOR MEXICAN AGRICULTURAL EXPORTS, THE "PROVIDER" WILL PROVIDE ITS SERVICES TO CULTIVATE ADDITIONAL CONTACTS ON A STATE-BY-STATE BASIS. THE "PROVIDER" HAS CLOSE RELATIONSHIPS WITH SOME GOVERNORS AND STATE ORGANIZATIONS. THE "PROVIDER" WILL USE THESE CONTACTS TO DETERMINE WHETHER THERE ARE ANY STATE PROGRAMS OR OPPORTUNITIES TO ESTABLISH AGRICULTURAL PARTNERSHIPS.

IN ADDITION, THERE ARE SOME AGRICULTURAL PRODUCTS WITH WHICH THE AMERICAN CONSUMER IS NOT FAMILIAR, SUCH AS THE GUAVA, PITAYA (DRAGONFRUIT), ETC. IN THIS AREA, WORK COULD BE DONE WITH FEDERAL AND STATE AGRICULTURAL AGENCIES TO DEVELOP PROMOTION AND CONSUMER EDUCATION PROGRAMS ON THESE RELATIVELY UNKNOWN MEXICAN EXPORTS. THIS CAMPAIGN WOULD INCLUDE US AGRICULTURAL PRODUCERS



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WHO MUST BE SHOWN THE POTENTIAL FOR MUTUAL BENEFIT IN A BILATERAL AGRICULTURAL EXCHANGE PARTNERSHIP.

AREA 6: ENOLA BEAN PATENT DISPUTE

THE "PROVIDER" WILL SEEK TO HAVE THE POD-NERS PATENT NULLIFIED AND OBTAIN COMPENSATION FOR TUTULI PRODUCE FOR THE DAMAGES CAUSED BY THE LAWSUIT. THE FIRM'S TEAM HAS PROPOSED A SETTLEMENT FOR THIS CASE, BUT ONLY TO THE EXTENT THAT THIS SETTLEMENT REPRESENTS A TOTAL VICTORY (REJECTION OF THE PATENT; PAYMENT OF DAMAGES TO GILLILAND).

THIS CASE IS PENDING BEFORE THE SUPREME COURT AND IN THE PATENT CLAIMS OFFICE [sic]. THE TRIAL DATE WILL BE SET WHEN THE CASES ARE COMPLETED, PROBABLY IN MID-2005. WHEN THE CASE RESUMES, THE "PROVIDER" WILL RESUME THE EVIDENCE AND PLEADING STAGES, INCLUDING DEPOSITIONS AND EXPERT TESTIMONY. WHEN THE TRIAL DATE IS SET, THE "PROVIDER" WILL PREPARE FOR THE TRIAL AND DIRECT THE PLAINTIFF'S CASE.

AREA 7: HASS AVOCADO MARKET ACCESS

A. EXPANSION OF THE MEXICAN HASS AVOCADO IMPORT PROGRAM

THE "PROVIDER" WILL SEEK TO EXPAND MARKET ACCESS FOR THE AVOCADO, FOR WHICH IT WILL STRENGTHEN THE STRATEGY TO PRESSURE THE UNITED STATES TO OPEN THE MARKET TO MEXICAN AVOCADOS IN ALL 50 STATES, 12 MONTHS PER YEAR, AS WELL AS PROMOTING INTERNATIONAL DISPUTE RESOLUTION.

THE "PROVIDER" WILL ALSO COLLABORATE ON THE APPEALS BY MAKING ARGUMENTS TO THE DEPARTMENT OF JUSTICE. THE "PROVIDER" WILL ALSO WORK WITH THE "AGENCY" TO DEVELOP A STRATEGY FOR REOPENING THE MARKET AS SOON AS POSSIBLE.

AREA 8: THE BYRD AMENDMENT

THE BYRD AMENDMENT ESTABLISHES THAT ANTIDUMPING AND COUNTERVAILING DUTIES ON IMPORTS BE DELIVERED DIRECTLY TO US INDUSTRY. THIS ORDER WAS APPROVED AND ENACTED AS A LAW AT THE END OF THE 2000 CONGRESSIONAL SESSION. IN 2004, THE WTO RULED AGAINST THE BYRD AMENDMENT AND REQUESTED THAT THE UNITED STATES MODIFY ITS LEGISLATION. HOWEVER, THERE ARE SOME US REPRESENTATIVES WHO WILL RESIST THE CHANGE AND SEEK TO HAVE THE ADMINISTRATION APPEAL THE DETERMINATION. ALTHOUGH THE MINISTRY OF THE ECONOMY IS ALSO WORKING ON THIS MATTER, THE "PROVIDER" WILL CONTINUE COLLABORATING WITH THE "AGENCY" BY REPORTING ON US PROGRESS IN COMPLIANCE WITH THE WTO DECISION.



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AREA 9: DISPUTES ON SUGAR AND HFCS (HIGH FRUCTOSE CORN SYRUP) BETWEEN MEXICO AND THE UNITED STATES

THIS MATTER CONSTITUTES THE HIGHEST PROFILE DISPUTE BETWEEN MEXICO AND THE UNITED STATES. THE "PROVIDER" WILL TRACK THE PROGRESS OF THE BILATERAL NEGOTIATIONS THAT COULD BE COMPLETED IN 2005. IN THE EVENT AN AGREEMENT IS REACHED, THE "PROVIDER" WILL COLLABORATE BY EVALUATING THE AGREEMENT REACHED AND ITS ENTRY INTO FORCE.

AREA 10: PENDING ISSUES IN MEXICO-US AGRICULTURAL COOPERATION

IN 2005, THE "PROVIDER" WILL WORK WITH "AGENCY" OFFICIALS TO SEEK RESOLUTION AND/OR PROGRESS ON THE FOLLOWING MATTERS:

- COMPLETING THE PEST RISK ANALYSIS OF AVOCADOS FOR ALL 50 STATES AND THE PUBLICATION OF REGULATIONS ON MARKET ACCESS.
- REGIONAL SPREAD OF SWINE FEVER IN CAMPECHE, QUINTANA ROO, SONORA, AND YUCATÁN: APHIS COMPLETED THE PROPOSED DRAFT REGULATIONS, AND THEY ARE CURRENTLY UNDER REVIEW PRIOR TO PUBLICATION. A FINAL REGULATION IS EXPECTED THAT WILL RECOGNIZE THE FOUR STATES AS FREE OF SWINE FEVER.
- REGIONAL SPREAD OF POULTRY ISSUES: IN YUCATÁN, CAMPECHE AND QUINTANA ROO, THE REGULATIONS WERE COMPLETED IN JANUARY 2004, FINDING THAT THESE STATES ARE FREE OF THE EXOTIC NEWCASTLE DISEASE, ALLOWING THEM TO EXPORT TO THE UNITED STATES (FOR COAHUILA, DURANGO, NUEVO LEÓN, CHIHUAHUA AND THE LAGUNERA REGION, APHIS IS AWAITING MEXICO'S RESPONSE TO ITS INVESTIGATION QUESTIONNAIRE).
- POULTRY EQUIVALENCE: FSIS IS AWAITING ADDITIONAL INFORMATION; ONCE IT IS RECEIVED AND REVIEWED, FSIS WILL PERFORM THE APPLICABLE INSPECTION.
- REGIONAL SPREAD OF BOVINE TB IN SONORA: APHIS IS AWAITING ADDITIONAL INFORMATION AND HAS INDICATED ITS CONCERN ABOUT THE ABILITY TO TRACK THE SOURCE IN CATTLE RANCHES.
- IMPORT REQUIREMENT SHEETS: MEXICO IS MOVING FORWARD WITH ITS PLANS TO TURN THE REQUIREMENT SHEETS (IMPORT REQUIREMENT SHEETS) ON ANIMALS AND ANIMAL PRODUCTS INTO REGULATIONS. THESE REGULATIONS MUST STILL BE PUBLISHED BY MEXICO.
- FRUIT FLIES: THE "AGENCY" REQUESTED MARKET ACCESS FOR CITRUS PRODUCTS FROM AREAS WITH A LOW PREVALENCE OF FRUIT FLIES IN TAMAULIPAS AND NUEVO LEON, UNDER A SYSTEMS APPROACH. IT ALSO ASKED THE UNITED STATES TO CONDUCT AN INSPECTION AND DEMONSTRATED THAT FOR MORE THAN TWO YEARS, THE LEVELS OF



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INSPECTION HAVE BEEN THE SAME FOR MEXICO AND TEXAS, AND THUS THE SAME TREATMENT OBSERVED IN TEXAS SHOULD BE APPLIED TO MEXICAN CITRUS PRODUCTS.

- CALIFORNIA STONE FRUIT: THE USDA SHOWED THAT EXPORTS OF STONE FRUIT TO MEXICO HAVE FACED INCREASINGLY RESTRICTIVE AND COSTLY IMPORT REQUIREMENTS. THE UNITED STATES HAS ASKED MEXICO TO TAKE IMMEDIATE STEPS TOWARD A WORKING PLAN FOR THE 2005 SHIPPING SEASON, WHICH WOULD INCLUDE A SYSTEMS APPROACH. THE "AGENCY" PROPOSED CALLING ON THE NORTH AMERICAN PLANT PROTECTION ORGANIZATION (NAPPO) TO INTERVENE, WITH THE PARTIES ACCEPTING NAPPO'S DECISION.
- TABLE GRAPES: THE "AGENCY" REQUESTED THAT THE UNITED STATES ALLOW TABLE GRAPES TO BE INSPECTED AT THE POINT OF SHIPMENT INSIDE MEXICAN TERRITORY IN ORDER TO DETERMINE WHETHER THE GRAPES MEET THE QUALITY REQUIREMENTS ESTABLISHED BY THE UNITED STATES. ON BEHALF OF THE MEXICAN INDUSTRY, THE "AGENCY" OFFERED TO COVER THE COST OF THE INSPECTORS TO PERFORM THE INSPECTION AT THE POINT OF ORIGIN. THE USDA RESPONDED THAT ITS AGRICULTURAL MARKETING SERVICE WOULD PREPARE A PROPOSAL THAT WOULD EXPLAIN THE REQUIREMENTS NECESSARY TO FACILITATE MEXICO'S REQUEST.
- CITRUS PRODUCTS: THE USDA REQUESTED THE FORMATION OF A WORKING GROUP WITH MEXICO TO ESTABLISH REGULATORY CONDITIONS FOR SHIPPING FLORIDA CITRUS PRODUCTS TO MEXICO. THE USDA AND MEXICO AGREED TO REVIEW FLORIDA CITRUS ACCESS TO MEXICO, AT THE SAME TIME THAT THE USDA WOULD REVIEW MEXICO'S REQUEST FOR ADDITIONAL ACCESS OF MEXICAN CITRUS PRODUCTS TO THE UNITED STATES. IF THE TECHNICAL GROUPS DO NOT RESOLVE THIS MATTER, IT WILL BE SUBMITTED TO NAPPO ARBITRATION.
- KARNAL BUNT OF WHEAT: MEXICO MAINTAINS RESTRICTIONS ON WHEAT FROM CALIFORNIA, ARIZONA AND NEW MEXICO DUE TO CONCERNS REGARDING THE DISSEMINATION OF KARNAL BUNT OF WHEAT. THE UNITED STATES HAS ASKED MEXICO TO ACCEPT USDA RECOGNITION OF AREAS FREE OF THIS PROBLEM. MEXICO AGREED TO ACCEPT USDA CERTIFICATION OF AREAS THAT ARE FREE OF KARNAL BUNT OF WHEAT ONCE IT REVIEWS INFORMATION AND CONFIRMS THAT THE UNITED STATES IS MEETING THE NAPPO REGIONAL STANDARDS. THE "AGENCY" HAS SHOWN THAT MEXICO HAS 12 STATES CONSIDERED FREE OF KARNAL BUNT OF WHEAT AND REQUESTED THAT THEY ALSO BE RECOGNIZED BY THE UNITED STATES.
- BIOTECHNOLOGY: THE USDA NOTED THAT THE UNITED STATES AND MEXICO SHARE SEVERAL COMMON OBJECTIVES AND CONCERNS WITH RESPECT TO THE DEVELOPMENT AND USE OF AGRICULTURAL BIOTECHNOLOGY. FOR THE USDA, THE GREATEST CONCERN IS THE RECENT (AUGUST 2004) REPORT ON MAIZE BY THE SECRETARIAT OF THE COMMISSION FOR ENVIRONMENTAL COOPERATION (CEC), SINCE THE UNITED STATES BELIEVES THAT THERE IS A POLITICAL AGENDA TO PROHIBIT MEXICO FROM OBTAINING GRAIN BY BIOGENETIC ENGINEERING.
- CANTALOUPE MELON: THE "AGENCY" ASKED THE FDA TO PUBLISH GUIDELINES AND STANDARDS THAT MEXICAN PRODUCERS AND PACKERS MUST MEET IN



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ORDER TO BEGIN SHIPPING PRODUCT TO THE UNITED STATES, IN CASES WHERE THESE PRODUCERS AND PACKERS HAVE BEEN IDENTIFIED AS POTENTIAL SOURCES OF CONTAMINATED PRODUCT, AND PRODUCTS FROM THEIR FACILITIES HAVE BEEN DENIED ENTRY BY THE FDA (AND IN THE CASE OF MELONS, PRODUCERS AND PACKERS WHO HAVE NOT BEEN CONFIRMED AS SOURCES OF CONTAMINATION, BUT ARE STILL SUBJECT TO NATIONAL COVERAGE DETENTIONS). MEXICO ALSO ASKED THE FDA TO CONFIRM THAT THESE SAME GUIDELINES AND STANDARDS APPLY TO US PRODUCERS AND PACKERS AND EXPORTERS FROM COUNTRIES OTHER THAN MEXICO. THE "AGENCY" EXPLAINED THAT WHILE THE PUBLICATION OF THE GUIDELINES AND STANDARDS IS IMPORTANT FOR PURPOSES OF TRANSPARENCY, THE PUBLICATION OF HOW THE FDA WILL ENSURE COMPLIANCE WITH THESE GUIDELINES AND STANDARDS IS EVEN MORE CRITICAL. THE "AGENCY" REQUESTED THE ADOPTION AND PUBLICATION BY THE FDA OF SIMILAR, OBJECTIVE CRITERIA ON COMPLIANCE, IN SUCH A WAY THAT MEXICAN PRODUCERS AND PACKERS CAN ACCURATELY EVALUATE THEIR OWN COMPLIANCE WITH THESE GUIDELINES AND STANDARDS, IN ORDER TO OBTAIN A HIGH DEGREE OF SECURITY THAT SUCH SELF-EVALUATION, IF CONDUCTED ACCORDING SUCH CRITERIA, WOULD BE EQUIVALENT TO THE RESULTS OF AN ACTUAL FDA INSPECTION. THE US GOVERNMENT'S COMPLIANCE WITH MEXICO'S REQUEST IS STILL PENDING.

- SCALLIONS: WITH THE HARVEST TO BEGIN IN MAY 2004, THE "AGENCY" ASKED THE FDA TO SEND ITS INSPECTORS TO MEXICO TO INSPECT THOSE PRODUCERS WHO HAVE IMPLEMENTED GOOD AGRICULTURAL PRACTICES TO PREVENT THE TRANSMISSION OF HEPATITIS A. THE FDA CONTINUES WORKING WITH THE MEXICAN AUTHORITIES TO RESOLVE THE ISSUES THAT TRIGGERED THE IMPORT ALERT IN NOVEMBER 2003, BANNING THE IMPORT OF SCALLIONS FROM FOUR MEXICAN COMPANIES TO THE UNITED STATES.
- AGREEMENT ON DISCIPLINES TO BE OBSERVED IN REQUESTS FOR RECOGNITION OF PEST-FREE ZONES AND REGIONAL PREVALENCE OF DISEASES AT THE REQUEST OF THE EXPORTING COUNTRY, GIVEN THE IMPORTANCE AND THE NEED TO ESTABLISH AN AGREED UPON TERM FOR EACH STAGE IMPLICIT IN A REQUEST FOR RECOGNITION OF A REGION AS PEST-FREE, THE "AGENCY" SUBMITTED A DOCUMENT (IN MAY 2004) IN WHICH THE IMPORTING COUNTRY AGREES TO COMPLY WITH THE TEMPORARY LIMITS AND DISCIPLINES IN ORDER TO RESPOND TO REQUEST FROM THE EXPORTING COUNTRY. THE USDA AGREED TO RESPOND TO THIS REQUEST SOON.

AREA 11: FISHERIES ISSUES

ACCESS TO THE TUNA MARKET

IN 2005, THE "PROVIDER" WILL WORK CLOSELY WITH THE "AGENCY" TO HELP MEXICO GAIN ACCESS TO THE US MARKET FOR THE MEXICAN TUNA INDUSTRY, WHICH REPRESENTS \$150 MILLION DOLLARS FOR MEXICO. THIS DISPUTE HAS BEEN GOING ON FOR MORE THAN TEN YEARS AND IS CURRENTLY AT A CRITICAL POINT WITH THE UNITED STATES GOVERNMENT APPEALING THE RECENT DECISION BY THE US DISTRICT COURT IN CALIFORNIA, OVERTURNING THE FAVORABLE DECISION OF THE SECRETARY OF COMMERCE TO ALLOW MEXICAN TUNA TO USE THE "DOLPHIN-SAFE" LABEL. IN 2003, THE DEPARTMENT OF COMMERCE GAVE ITS FINAL VERDICT WITH RESPECT TO THE CHANGE IN THE "DOLPHIN SAFE"



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DEFINITION FOR LABELING PURPOSES IN THE UNITED STATES. HOWEVER, US ENVIRONMENTAL GROUPS OBJECTED IMMEDIATELY TO THE COURT DECISION. IN 2005, THE "PROVIDER" WILL COLLABORATE WITH THE "AGENCY" TO DEFEND THE CASE, INCLUDING CONSIDERING THE CHANGE OF JURISDICTION THROUGH OTHER LEGAL PROCEDURES; INTERVENTION IN THE LAWSUIT; AND WORKING CLOSELY WITH THE DEPARTMENT OF JUSTICE. MORE IMPORTANTLY, ON BEHALF OF THE "AGENCY," IT WILL COMPLETE WORK WITH THE IATTC AND SUBMIT DOCUMENTATION UNDER "AMICUS CURIAE" TO THE US DISTRICT COURT IN CALIFORNIA, AND SUBSEQUENTLY, THE NINTH CIRCUIT COURT OF APPEALS.

MAINTAINING ACCESS TO THE SHRIMP MARKET

THIS YEAR, ISSUES SUCH AS THE ANTIDUMPING CASE, THE USE OF TURTLE EXCLUDER DEVICES (TEDS) (DEVICES FOR EXCLUDING TURTLES), THE USE OF ANTIBIOTICS, AND THE EXTINCTION OF WILD SHRIMP HAVE RESULTED IN GROWING PRESSURE BY US SHRIMPERS AND NONGOVERNMENTAL ORGANIZATIONS ON THE MEXICAN INDUSTRY. FOR THE MOMENT, MEXICO HAS BEEN EXCLUDED FROM THE ANTIDUMPING INVESTIGATION ON SHRIMP, BUT THE "PROVIDER" WILL WORK JOINTLY WITH THE "AGENCY" TO MONITOR DEVELOPMENT OF THESE CASES AND ENSURE THAT MEXICO'S INTERESTS ARE PROTECTED. IT WILL ALSO CONTINUE TO MONITOR ALL OTHER ISSUES THAT COULD THREATEN THE MEXICAN SHRIMP INDUSTRY, AND THUS BE PREPARED TO NOTIFY THE "AGENCY" OF SITUATIONS WHERE MEXICO'S SHARE OF THE US IMPORT MARKET FOR SHRIMP COULD BE AFFECTED.

AREA 12: FORESTRY AND LUMBER ISSUES

TRADITIONALLY, MEXICO HAS BEEN THE LARGEST SINGLE EXPORT MARKET FOR US FORESTRY PRODUCTS IN LATIN AMERICA. NAFTA HAS FACILITATED THE FLOW BETWEEN THE TWO COUNTRIES BY ELIMINATING THE 15 PERCENT DUTIES ON LUMBER PRODUCT EXPORTS FROM THE UNITED STATES, PARTICULARLY ON SAWN LUMBER, SINCE THE AGREEMENT TOOK EFFECT IN JANUARY 1994. NAFTA ALSO CREATED A FORUM FOR THE DISCUSSION OF SANITARY AND PHYTOSANITARY MATTERS THAT HAS PERIODICALLY HINDERED US LUMBER TRADE WITH MEXICO. THE MAQUILADORA PROCESSES AND PROGRAMS IN MEXICO HAVE PERMITTED THE MANUFACTURE OF FURNITURE WHICH RETURNS TO THE UNITED STATES AS FINISH PRODUCT. THE MEXICAN GOVERNMENT HAS PROVIDED ADDITIONAL RESOURCES FOR THE CONSTRUCTION OF NEW INFRASTRUCTURE PROJECTS REQUIRING LUMBER.

THE "PROVIDER" WILL PROVIDE ANALYSIS ON VARIOUS FORESTRY AND LUMBER-RELATED TRADE MATTERS WITHIN THE CONTEXT OF NAFTA, THE WTO AND OTHER FORUMS; IT WILL EXAMINE THESE MATTERS FROM A TRADE, ENVIRONMENTAL AND SUSTAINABLE DEVELOPMENT PERSPECTIVE.

AREA 13: TRADE PROJECTS

THE "PROVIDER" WILL COLLABORATE IN THE PREPARATION FOR THE ANNUAL MEETING OF THE "AGRICULTURAL PRODUCT MARKET ASSOCIATION" [SIC], IN ORLANDO, FLORIDA, AND FOR



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THE ANNUAL MEETING IN ANAHEIM, CALIFORNIA, CONTRIBUTING BY OBTAINING LAST-MINUTE AUTHORIZATIONS AND RELEASES FOR CUSTOMS PURPOSES FROM THE FDA FOR SHIPMENTS OF MEXICAN AGRICULTURAL PRODUCTS.

THIS EXHIBIT IS EXECUTED IN FOUR COUNTERPARTS, IN MEXICO CITY, FEDERAL DISTRICT, ON MAY ELEVENTH, TWO THOUSAND FIVE.

FOR THE "AGENCY"
 DIRECTOR GENERAL OF PROCUREMENT AND
 STREAMLINING OF GOODS AND SERVICES

FOR THE "PROVIDER"
 LEGAL REPRESENTATIVE

[signature]
 MR. GERARDO BARRIOS RIVERÓN

[signature]
 MR. IRWIN P. ALTSCHULER

WITNESSES

DIRECTOR OF THE NATIONAL AGRO-FOOD
 HEALTH, SAFETY AND QUALITY SERVICE

DIRECTOR OF THE AGRICULTURAL
 AND LIVESTOCK MARKETING SUPPORT
 AND SERVICE AGENCY

[signature]
 MR. JAVIER TRUJILLO ARRAIGA

[signature]
 MR. JOSÉ RODOLFO FARIAS ARIZPE

THE NATIONAL AQUACULTURE AND
 FISHERIES COMMISSIONER

[signature]
 MR. RAMÓN CORRAL ÁVILA

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