

(Translation)

Secretaría de Economía

Mexico, D. F.
December 5, 2001

The Hon. Pierre S. Pettigrew
Minister of International Trade
125 Sussex Drive, Lester B. Pearson Bldg.
Ottawa, Ontario K1A 0G2

Dear Minister Pettigrew:

I have the honour to confirm the understanding achieved by the Governments of the United Mexican States and Canada in accordance with Article 302(3) of the North American Free Trade Agreement (NAFTA) to accelerate the elimination of customs duties on certain goods as specified in the annex to this letter.

It is my honour as well to propose that this letter and your response, together with the annex included with your response, shall constitute an agreement between the United Mexican States and Canada. In conformity with Article 302(3) of the NAFTA, this agreement between the Parties shall supersede the duty rate or staging category determined pursuant to each Party's tariff reduction schedule to Annex 302(2) of the NAFTA for the goods specified in the enclosed annex. It is my further honour to propose that, subject to the conclusion of our respective legal formalities, this agreement shall enter into force on 1 January 2002, and that our two governments shall exchange written notifications confirming the conclusion of our respective legal formalities.

Very truly yours,

[Signature]
Luis Ernesto Derbez Bautista
Minister