

The Honourable L'honorable Pierre S. Pettigrew

His Excellency Dr. Luis Ernesto Derbez Secretary of the Economy Alfonso Reyes 30, Piso 10 Col. Hipodromo de la Condesa 06179 Mexico D.F. MEXICO

DEC 12 2001

Excellency:

Thank you for your letter of December 5, 2001, concerning the understanding reached by the governments of Canada and the United Mexican States, under Article 302(3) of the North American Free Trade Agreement (NAFTA), to accelerate the elimination of customs duties with respect to certain goods as specified in the enclosed Annex.

I have the honour to propose that this letter and the Annex to this letter, which are equally authentic in English and French, and your letter to me, shall constitute an agreement between Canada and the United Mexican States. Pursuant to Article 302(3) of the NAFTA, this agreement shall supersede duty rates or staging categories determined pursuant to our respective tariff schedule to Annex 302.2 of the NAFTA for the goods specified in the enclosed Annex. I have the further honour to propose that, subject to the completion or our respective domestic legal procedures, this agreement shall enter into force on January 1, 2002, and that our two governments shall promptly provide written notice of the completion of our domestic legal procedures.

Please accept, Excellency, the assurances of my highest consideration.

Sincerely,

Pierre S. Pettigrew

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