April 9, 2002

VIA HAND DELIVERY & FACSIMILE

Director General de Inversión Extranjera
Dirección General de Inversión Extranjera
Secretaría de Economía
Avenida de los Insurgentes 1940
Colonia La Florida,
México, D.F. 01030

Re: GAMI Investments, Inc. v. The Government of the United Mexican States

Dear Sir:

We represent GAMI Investments, Inc., an "investor of a Party" under Chapter 11 of the North American Free Trade Agreement ("NAFTA"). Pursuant to Articles 1116 and 1120 of the NAFTA and Article 3 of the Arbitration Rules of the United Nations Commission on International Trade Law approved by the United Nations General Assembly on 15 December 1976 ("UNCITRAL Arbitration Rules"), GAMI Investments, Inc. ("GAMI" or "the Investor") hereby gives notice of the commencement of arbitration against the Government of the United Mexican States ("Mexico" or "the Government") under Chapter 11 of the NAFTA and the UNCITRAL Arbitration Rules.

Pursuant to Article 1120 of the NAFTA, the applicable arbitration rules shall govern the arbitration except to the extent modified by Section B of NAFTA Chapter 11. In the instant matter, the arbitration shall be governed by the UNCITRAL Arbitration Rules except as modified by Section B of the NAFTA. The information submitted below is in accordance with those rules.

I. DEMAND FOR ARBITRATION

1. Pursuant to NAFTA Article 1120(1)(c), the Investor hereby demands that the dispute between it and Mexico, a Party to the NAFTA, be referred to arbitration under the provisions set forth in Section B of Chapter 11 of the NAFTA and the UNCITRAL Arbitration Rules.

II. NAMES AND ADDRESSES OF THE PARTIES

Investor Claimant:

GAMI INVESTMENTS, INC.
3753 Howard Hughes Parkway
Suite 200
Las Vegas, NV 89109
USA

Address for Service:

Donald J. Liebentritt
GAMI Investments, Inc.
c/o Equity Group Investments, LLC
Two North Riverside Plaza
Chicago, IL 60606
USA

Responding Government:

GOVERNMENT OF THE UNITED MEXICAN STATES
Director General de Inversión Extranjera
Dirección General de Inversión Extranjera
Secretaría de Economía
Avenida Insurgentes 1940
Colonia La Florida
México, D.F. 01030.

2. This Submission to Arbitration is served on this entity because it is the authority designated by Mexico to receive such service pursuant to Annex 1137.2 of the NAFTA and in accordance with Article 1 of the *Acuerdo por el que se faculta a la Dirección General de Inversión Extranjera para fungir como lugar de entrega de notificaciones y otros documentos, de conformidad con lo señalado en el artículo 1137.2 del Tratado de Libre Comercio de América del Norte*[1] which was published in the *Diario Oficial de la Federación*[2] on 12 June 1996.

[1] "*Acuerdo* by which the Office of Foreign Investment is authorized to act as the place for delivery of notifications and other documents, in accordance with article 1137.2 of the North American Free Trade Agreement." Under Mexican law, an *acuerdo* is a resolution or administrative decision issued by the Executive Branch that legally binds affected parties.

[2] "The Federal Official Gazette."

III. REFERENCE TO THE AGREEMENT TO ARBITRATE

3. Pursuant to NAFTA Article 1122(1), Mexico has provided its general consent for the submission of investment disputes to arbitration under NAFTA Chapter 11. Article 1120(1) further provides that the investor may elect to submit its claim to arbitration under the ICSID Convention, the ICSID Additional Facility Rules, or the UNCITRAL Arbitration Rules. GAMI hereby submits its claim to arbitration under the UNCITRAL Arbitration Rules as modified or supplemented by Section B of NAFTA Chapter 11.

4. In accordance with Article 1122(2) of the NAFTA, the consent given by Mexico under Article 1122(1) and the submission by GAMI of its claim to arbitration shall satisfy the requirement of Article II of the New York Convention for an "agreement in writing" and Article I of the Inter-American Convention for an "agreement."

IV. CONTRACT IN RELATION TO WHICH THE CLAIM ARISES

5. The above-captioned dispute arises from Mexico's breach of its obligations under Chapter 11 of the North American Free Trade Agreement.

V. GENERAL NATURE OF THE CLAIM

A. Claims

6. The Government of Mexico has breached its obligations under Articles 1102, 1105 and 1110 of Chapter 11 of the NAFTA for which the investor GAMI has incurred damages. Pursuant to Article 1131, the Tribunal established to review the following claims shall make its decisions in accordance with both the NAFTA and international law.

Article 1102

7. Mexico has breached Article 1102 by treating GAMI less favorably than Mexican investors in like circumstances in that: (1) GAMI's shares of GAM were expropriated when shares owned by Mexican investors in other companies in like circumstances were not expropriated; (2) GAM was required to honor its export requirements while other investments in like circumstances with Mexican investors were not; and (3) GAM was treated less favorably than companies in like circumstances owned solely by Mexican Investors with regard to restructuring mill debt.

Article 1105

8. Mexico has breached Article 1105 by failing to provide fair and equitable treatment in accordance with international law in that Mexico: (1) arbitrarily failed to enforce Mexican sugar decrees and *acuerdos*; (2) arbitrarily failed to take actions that would permit the decree and *acuerdos* to operate; (3) arbitrarily prevented enforcement that would have benefited GAMI's investment; (4) arbitrarily discriminated without

justification in the restructuring of mill debt; and (5) acted inconsistently with international law in arbitrarily and inequitably expropriating the GAM mills without justification under its own criteria while not expropriating mills in like situations or situations where expropriation would have been more justifiable under Mexico's own criteria.

Article 1110

9. Mexico has breached Article 1110 by taking measures tantamount to the expropriation of GAMI's shares in GAM: (1) without a valid public purpose; (2) on a discriminatory basis; (3) inconsistent with Article 1105(1); and (4) without payment of compensation in accordance with Article 1110.

B. Factual Background To The Dispute

a. The Investor and its Investment

10. GAMI Investments, Inc., is a U.S. investment corporation created in November of 1986 and established under the laws of the State of Delaware, with its head office in Las Vegas, Nevada. GAMI is the wholly owned subsidiary of Great American Management and Investments, Inc., a company also based in Las Vegas, Nevada and established under the laws of the State of Delaware.

11. Through the course of several transactions that took place between 5 December 1996 and 28 December 1998, GAMI contributed a total of US$30,000,000 to acquire a 14.18 percent ownership interest (the "Investment") in Grupo Azucarero México, S.A. de C.V. ("GAM"), a Mexican enterprise based in Mexico City that was in the business of producing sugar. GAMI's ownership interest in GAM has been confirmed by the Secretary of the Board of Directors of GAM in her letter of 13 November 2001, attached to GAMI's letter served on the Mexican Government on 13 November 2001.

12. GAM's total production assets consisted of five Mexican sugar mills and thus the value of GAMI's ownership interest in GAM was wholly dependent of the profitability of the sugar mills. These mills were organized as the following wholly owned subsidiaries of GAM: Ingenio Presidente Benito Juárez, S.A. de C.V. (IPBJ); Ingenio José María Martínez, S.A. de C.V. (IJMM); Ingenio Lázaro Cárdenas, S.A. de C.V. (ILC); Ingenio San Francisco el Naranjal, S.A. de C.V. (ISFN); and Compañía Industrial Azucarera San Pedro, S.A. de C.V. (CIASP). These mills are located in: Cárdenas, Tabasco; Tala, Jalisco; Lázaro Cárdenas, Michoacán; Lerdo, Veracruz; and Lerdo, Veracruz, respectively.

b. The Mexican sugar industry

13. Sugar mills in Mexico such as the mills previously owned by GAM purchase sugarcane from Mexican cane-growers (the "*cañeros*"), and then process the sugarcane into "standard sugar" ("*azúcar estándar*") and the more processed "refined sugar" ("*azúcar*

refinada") for consumption. The principle variables affecting the profitability of sugar mills are the price they pay for sugarcane, and the price they receive for the standard and refined sugar they produce. The difference between the price of sugarcane and the price the mills receive for the standard and refined sugar they sell is called the refining margin, and the size of that margin, as compared to the processing costs they incur, determines the profitability of a sugar mill.

14. Mexico agreed in paragraph 17 of Annex 703.2 of the NAFTA to adopt a sugar import regime comparable to that of the United States. Generally, Mexican mills can obtain the highest prices by selling in the protected U.S. market, but the United States restricts imports of sugar from all sources, including Mexico. The Mexican market, which generally has prices that are lower than in the United States, but still well above the price attainable on the world market, is by far the largest market for all Mexican mills. Exporting to the world market is the least desirable outlet for Mexican mills, including the mills owned by GAM.

15. Mexican sugar programs are structured around government set prices that must be paid by mills to the *cañeros* for sugarcane, generally expressed as a percentage of a reference price for sugar. As that price rises, it increases the costs of the sugar mills and at the same time encourages increased production of sugarcane. However, since Mexico produces more sugar than it consumes, the only way that Mexican domestic prices can be sustained in accordance with Mexican sugar decrees is either to require surpluses be exported or to limit production. With regard to exports, each individual producer has an economic incentive to sell as much as possible into the Mexican market and to ignore export requirements, if it can, because it receives a significantly higher price in the domestic Mexican market than in the world market. However, if all do this, as can happen if the Government does not act, the effect is that the domestic price will decrease, eroding or eliminating the refining margin for all sugar producers.

C. The Mexican Sugar Regime

16. Between 1971 and 1980, the Mexican Government expropriated the vast majority of Mexican sugar mills. Beginning in the late 1980s, Mexico began to privatize many of the Government owned sugar mills. This newly privatized sugar industry was to operate under the legal framework created by the *Decreto por el que se declaran de interés público la siembra, el cultivo, la cosecha y la industrialización de la caña de azúcar,*[3] which was published on 31 May 1991, and later amended in 1993 (the "Sugarcane Decree"). The purpose of the Decree is evidenced in paragraphs 2, 6 and 7 of the Preamble:

> [g]iven the importance of sugar related activities for the national economy, based on the value of production, the number of

[3] "Decree by which the sowing, cultivation, harvest and refining of sugar cane was declared in the public interest."

> individuals that it employs and the importance that this product has in the daily diet of the Mexican people, it is necessary to promote it by providing economic certainty to the different sectors that participate in production, in a manner that will render it profitable generating, in turn its own growth.
>
> . . .
>
> Given that the international supply of sweeteners is characterized by surpluses, prices in the sugar market often do not reflect production costs and, thus, the sugar sector requires adequate protection.
>
> That trade policy must guarantee the permanent supply of sugar by tying the price of sugar cane to the price of sugar, so as to provide equity to all participants in the production chain. (Emphasis added.)

17. Article 2 of the Sugarcane Decree creates the *Comité de la Agroindustria Azucarera*[4] ("CAA"), an entity presided over and controlled by the Government of Mexico through the participation of the *Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación*[5] ("SAGARPA") and the *Secretaría de Economía*,[6] although it also includes the nominal representation of both the *cañeros* and sugar mill owners. Article 4 of the Sugarcane Decree states that the CAA is responsible for:

> ". . . contribut[ing] to strict compliance with the [Sugarcane Decree] and all the provisions that derive from it." (Emphasis added).

18. The stated objectives of certainty, profitability, protection, and equity under the Sugarcane Decree require the intervention and direction of the Government, either directly, or through the CAA that it controls.

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[4] "Committee of the Sugar Agroindustry."

[5] "Secretary of Agriculture, Livestock, Rural Development, Fish and Nutrition." Most recently, this agency was known as the *Secretaría de Agricultura, Ganadería y Desarrollo Rural* ("Secretary of Agriculture, Livestock, and Rural Development") ("SAGAR"), and before that was known as the *Secretaría de Agricultura y Recursos Hidráulicos* ("Secretary of Agriculture and Water Resources") ("SARH").

[6] "Secretary of the Economy." This agency was formerly known as the *Secretaría de Comercio y Fomento Industrial* ("Secretary of Commerce and Industrial Development") ("SECOFI").

19. In addition to the Sugarcane Decree, the Government has issued: (i) the *Acuerdo por el que se establecen reglas para la determinación del precio de referencia del azúcar para el pago de la caña de azúcar*[7] of 26 March 1997 (the "1997 *Acuerdo*"), as amended on 31 March 1998 (the "1998 *Acuerdo*"); (ii) the *Acuerdo por el que se ponen a disposición de los ingenios azucareros las cuotas de exportación por ingenio para la zafra 1999-2000 y los niveles de producción base por ingenio que surtirán efectos a partir de la zafra 2000-2001*[8] of 9 March 2000 (the "2000 *Acuerdo*"); (iii) different *acuerdos* regarding the allocation of subsidies for the handling of domestic sugar inventories; and (iv) other related measures. Together with the Sugarcane Decree, these *acuerdos* established a regime that, by law, was to have the following characteristics:

- determination of a reference price for sugar through an objective mathematical formula that would also be used to fix the price of sugarcane, so as to ensure the equity and profitability in the margins of both the *cañeros* and the sugar producers;

- determination of base production levels with a view to restricting domestically sold standard and refined sugar such that a remunerative domestic price for sugar can be achieved, commensurate with the increased price required to be paid to the *cañeros* for sugarcane; and

- requirement that sugar producers export and/or reduce production in excess of their respective base production levels.

D. Recent Government Conduct That Has Negatively Affected The Sugar Industry

20. The Government has failed to implement the measures described above. Rather than achieving the objectives of certainty, profitability, protection and equity, the Government's actions and failures to act have caused the erosion of the refining margin for sugar producers. Furthermore, the Government has treated GAM in an inequitable and discriminatory manner.

21. Specifically, the Government:

- increased the price that sugar mills were required to pay the *cañeros* for sugarcane, without regard to the actual price of sugar and the refining margin;

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[7] "*Acuerdo* by which rules are established for the determination of the sugar reference price for the purpose of the payment of sugarcane."

[8] "*Acuerdo* that makes available to sugar mills export quotas for each mill for the 1999-2000 sugar harvest as well as the base production levels for each mill that will apply for the 2000-2001 sugar harvest."

- failed to equitably enforce export requirements for surplus production, such that the Government: did not require the Government-owned mills to comply with their export requirements, did not enforce the export requirements against some privately owned mills, and prevented the *cañeros* from enforcing the penalty provisions against sugar mills that failed to meet their export requirements;

- failed to determine each mill's base production level in a timely and transparent fashion that would enable enforcement of provisions for exporting or reducing surplus sugar production, thus frustrating the object and purpose of the Sugarcane Decree and *acuerdos*; and

- discriminated against GAM in the restructuring of GAM's government debt.

a. The Government increased the price of raw sugarcane

22. Pursuant to the Sugarcane Decree and the 1997 and 1998 *Acuerdos*, the Government increased the minimum price that mills had to pay the *cañeros* in successive years. In addition to the increase in price required under the basic formula, the 1998 *Acuerdo* established that sugar mills had to pay the *cañeros* an additional 2 percent above that price for the 1997/1998 harvest. The Government also raised the price for sugarcane a further 1.38 percent as a condition for financing the carrying of certain inventories. Finally, the Government altered the reference price formula by manipulating its variables (*e.g.*, domestic production of sugar, NAFTA export quotas, expected domestic consumption and surplus to be exported) in such a way as to increase the sugar price.

b. The sale of surpluses in the domestic market and the consequential effect on the domestic price of refined sugar.

23. As noted above, the 1997 *Acuerdo* compelled sugar mills to pay higher prices for sugarcane, which would erode the mills' refining margin if not accompanied by measures to assure that the domestic price of sugar would be maintained at a level sufficient to accommodate the higher prices mandated for sugarcane. To this end, the 1997 *Acuerdo* provides that each mill must export a certain percentage of its output so that surplus production of standard and refined sugar would not be sold into the Mexican market, destabilizing the price. This export regime was placed under the authority of the *Secretaría de Economía* which was required to assign each mill an annual quota amount that the mill would have to export during the year based on its pro-rata share of domestic production. The *Secretaría de Economía* was also responsible for enforcing this export regime.

24. To strengthen enforcement of the export requirement, Article 5(II) of the 1997 *Acuerdo* also provides that the *cañeros* have a right to demand that the mills that have failed to comply with their export quotas pay an extremely high penalty price for sugarcane. This

legal right to receive this penalty price is enforceable by an appeal of the *cañeros* to the *Junta de Conciliación y Arbitraje de Controversias Azucareras*[9] ("JCACA").

25. The Government of Mexico, however, failed to implement the export regime as originally contemplated by the 1997 *Acuerdo* through both its own mismanagement of the export regime and by undermining the recourse of the *cañeros* to the JCACA.

26. The export quota regime was implemented in a completely ineffectual manner. First, Government owned mills have failed to comply with any sugar exports, contributing to the domestic surplus while enabling these mills to avoid the need to accept lower prices for exports. The Government did nothing to require compliance by the government mills. Second, while GAM and other privately owned mills were complying with the law in meeting their export quotas, the Government allowed other similarly situated mills owned wholly by Mexican investors (and who were substantially indebted to the Government) to avoid such requirements. Third, the Government failed to respond adequately to numerous allegations that certain mills were falsifying their export documentation in order to make it appear that their quotas were being satisfied.

27. Finally, In 2000, the Government actively interfered with the admission and adjudication of *cañero* suits before the JCACA for enforcement of the payment of the penalty price, effectively blocking all enforcement of the export quota regime. In their requests, the *cañeros* sought: "[t]he payment of sums . . . resulting from the adjustment of the price for a kilogram of standard sugar in view of failure by the sugar mills to comply with their export quotas . . ."[10]

28. Thus, due to its own failure to fulfill its responsibilities under the law, the Government guaranteed that the domestic price of sugar would fall to such a level that the mills would suffer substantial economic harm.

c. Failure to determine each mill's base production level

29. The 1998 *Acuerdo* introduced a provision under which sugar producers were authorized to deduct production below their individual base production level from their surplus export quota.

30. Conversely, producers that exceeded this level were required to export amounts in excess of their base production level. Moreover, mills that did not comply with their obligation

[9] "Panel of Conciliation and Arbitration of Sugar Controversies."

[10] According to the *cañeros*, what is now *Secretaría de Economía* did not release the necessary export data, thereby prohibiting the *cañeros* from determining which producers were in compliance with the export regime and which were not. Thus, the *cañero* suits name all sugar producers as defendants, including the producers that were in compliance with the export regimes.

to export sugar produced in excess of their base production level would be required to pay a penalty price for the corresponding sugarcane. This penalty was in addition to the penalty price described in paragraph 24 of this Submission.

31. Significantly, under this 1998 *Acuerdo*, the penalty price that sugar producers were required to pay for failure to export production beyond their base production level was to be deposited into a *Fondo Nacional*,[11] for use as determined by the CAA and the *Secretaría de Hacienda y Crédito Público*.[12]

32. Finally, Article 2 of the 2000 *Acuerdo* provided for the issuance of implementation rules that were never issued.

33. Thus, effective application of the export regime required the *Secretaría de Economía* and SAGARPA to make timely determinations of base production levels for each sugar mill in a given harvest year. The Mexican Government frustrated the operation of this mechanism by failing to timely and effectively comply with this obligation.

d. Debt Restructuring

34. The Government's unfair and discriminatory treatment of GAM was compounded by the fact that, in 1996, it induced GAM to restructure its debt with the threat that opportunity to do so would not be available to any sugar producer in the future. Notwithstanding, other sugar mills, including CAZE, were invited to restructure as late as 1999 in conditions that were more advantageous than those offered to GAM (*e.g.*, the grant of a 2 year grace period).

e. Effect of Government Conduct on the Investment

35. In sum, by raising the prices for sugarcane while failing to enforce the export and production reduction requirements for sugar and to make timely and effective determinations of base production levels, the Mexican Government failed to implement its own law and thwarted the objectives of certainty, profitability, protection and equity. The Government's failure to implement its legal responsibilities had a direct and highly damaging effect on GAM's sugar mills, and by extension, GAMI's investment in GAM. Beginning in 1998, GAM posted an overall loss and subsequently posted operational losses in 1999, 2000 and 2001. Ultimately, GAM was forced to protect itself from its creditors by filing for the benefit of a *suspensión de pagos* ("suspension of payments"), a procedure designed to enable companies in distress to return to normal economic activity and avoid declaring bankruptcy. During the *suspensión de pagos*, the debtor continues to manage the company under the surveillance of a trustee.

[11] "National Fund."

[12] "Secretary of Finance and Public Credit."

E. The Expropriation Decree And Aftermath

36. The destruction of GAM's sugar mills as viable investments was soon followed by the formal, *de jure* expropriation of GAM's sugar mills by the Mexican Government via the promulgation and application of the *Decreto por el que se expropian por causa de utilidad pública, a favor de la Nación, las acciones, los cupones y/o los títulos representativos del capital o partes sociales de las empresas que adelante se enlistan*,[13] a measure published in the *Diario Oficial de la Federación* on 3 September 2001 (the "Expropriation Decree").

37. This Decree expropriated several companies, including the shares and assets of the five sugar mills owned by GAM (*i.e.*, IBJ, IJMM, ILC, ISM and CIASP). The Investor contends that the Expropriation Decree:

- is based on false allegations; and
- is a discriminatory measure because it applies to GAM, a company which has NAFTA investors, but not to sugar mills that are owned exclusively by Mexican investors that are in circumstances similar or worse than those mills which were expropriated.

38. Although the Government pursued a course of action that greatly diminished the value of sugar mills prior to enacting the Expropriation Decree, since that time the price of sugar has risen in Mexico, reflecting greater confidence that the Government will enforce the necessary measures now that the Government is the owner of a larger share of the industry.

39. Accordingly, as a direct result of Governmental conduct, the value of sugar mills once owned by GAM has risen since being expropriated by the Government. The benefits flowing from this conduct, however, have gone to the new Government owners, not to the Investor. The Government has thus chosen to strengthen and enforce the legal regime created by the Sugarcane Decree and its implementing *acuerdos* only after it has seized ownership of the expropriated mills.

40. The cumulative effect of both the Expropriation Decree and the Government conduct prior to the issuance of the Decree is that value of GAMI's investment in GAM was reduced to a nominal amount.

[13] "Decree in which the share certificates, dividend coupons and/or the representative titles or portions of the capital of the companies that are listed ahead are expropriated in favor of the nation for reasons of public interest."

VI. THE RELIEF AND REMEDY SOUGHT

41. The Investor claims damages for the following:

(i) Damages of not less than US$55,016,808.00 for the harm to the Investor caused by or arising out of Mexico's breach of its obligations contained in Part A of Chapter 11 of the NAFTA;

(ii) Costs associated with these proceedings, including all professional fees and disbursements;

(iii) Pre-award and post-award interest at a rate to be fixed by the Tribunal;

(iv) Tax consequences of the award to maintain the integrity of the award; and

(v) Such further relief that counsel may advise and that this Tribunal may deem appropriate.

VII. JURISDICTION

42. In accordance with paragraph 10 of this Submission, GAMI qualifies as "an investor of a Party" for purposes of NAFTA Article 1139 and Chapter 11 generally.

43. In accordance with paragraph 11 of this Submission and part (b) of the definition of "investment" provided in NAFTA Article 1139, GAMI's 14.18 percent equity interest in GAM qualifies as an "investment" for purposes of Chapter 11.

44. Accordingly, GAMI, as a U.S. investor, may bring a claim under NAFTA Article 1116 for the damage done to its Mexican investment by the Government of Mexico.

VIII. PROPOSAL FOR ARBITRATORS

45. Pursuant to NAFTA Article 1123, three (3) arbitrators shall be appointed to settle the above-captioned dispute.

IX. CLAIM IS RIPE FOR THE DISPUTE AND IS OTHERWISE PROPERLY SUBMITTED

46. Pursuant to NAFTA Article 1116(2), and as more fully explained below, less than three years have elapsed from the date on which the Investor first acquired, or should have first acquired, knowledge of both the alleged breaches and that these breaches caused the Investor to incur losses.

47. Pursuant to NAFTA Article 1118, counsel for both parties met in Mexico City, Mexico on 5 March 2002 to attempt to settle the above-captioned dispute. This effort was not successful.

48. Pursuant to NAFTA Article 1119, written notice of Investor's intent to submit this claim was properly served on the Government of Mexico on 1 October 2001, which is more than 90 days from the date of this Submission of Claim. Mexico has, however, contested the validity of the 1 October 2001 notice on grounds that the notice was not translated into Spanish and did not include documentary proof that GAMI qualified as an "investor of another Party." Without prejudice to the Investor's position that the notice of 1 October 2001 was properly served, the Investor provided to the Government of Mexico a courtesy translation of the Notice of Intent to Submit a Claim on 16 October 2001 and a power of attorney declaration for Donald J. Liebentritt as well as proof of the corporate nationality of GAMI on in GAMI's letter to Mexico which was served on the Government on 13 November 2001. A power of attorney declaration for Charles E. Roh, Jr. was provided to the Government on 8 January 2002**.**

49. Pursuant to NAFTA Article 1120(1), and as more fully explained below, six months have elapsed between the date of this Submission of Claim and the events giving rise to the Investor's claims.

X. RESERVATION

50. GAMI reserves the right to supplement or modify this Submission to Arbitration in response to any arguments or assertions advanced by Mexico.

XI. ATTACHED DOCUMENTS

51. Pursuant to Article 1121(1)(a) and (b), Investor has attached a consent and a waiver to this Submission of Claim.

52. Investor has also attached a power of attorney declaration for Guillermo Aguilar Alvarez.

Respectively served,

_____

Guillermo Aguilar Alvarez
Lucía Ojeda

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_____

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SERVED TO:

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cc: Hugo Perezcano Diaz
Secretaría de Economía