EXECUTIVE OFFICE OF THE PRESIDENT
DEPUTY UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

JUN 10 2011

Beatriz Leycegui Gardoqui
Subsecretaria de Comercio Exterior
Secretaría de Economía
Alfonso Reyes No. 30
Col. Hipódromo Condesa
México, D.F. 06140
México

Dear Undersecretary Leycegui:

I have the honor to confirm the following understanding reached between the delegations of the Government of the United States of America (represented by the Office of the United States Trade Representative) and the Government of the United Mexican States (represented by the Secretaría de Economía) with respect to the dispute *In the matter of Cross-Border Trucking Services*, USA-MEX-98-2008-01, under the North American Free Trade Agreement (NAFTA):

(1) This letter, and your letter of confirmation in reply, constitutes a confirmation of the annexed Agreement on Lifting of Retaliatory Measures between the Office of the United States Trade Representative of the United States of America and the Secretaría de Economía of the United Mexican States. This Agreement shall enter into force with the above-mentioned exchange of the letters.

(2) Upon full termination of the retaliatory measures in accordance with paragraph 3 of the annexed Agreement, the United States and Mexico shall consult with a view to notifying their respective sections of the NAFTA Secretariat of an agreed resolution of the dispute *In the matter of Cross-Border Trucking Services.*

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an agreement between the Office of the United States Trade Representative and the Secretaría de Economía.

Sincerely,

Miriam Sapiro
Ambassador

Annex

Agreement on Lifting of Retaliatory Measures between the Office of the United States Trade Representative of the United States of America and the Secretaría de Economía of the United Mexican States

The Office of the United States Trade Representative of the United States of America (United States) and the Secretaría de Economía of the United Mexican States (Mexico), have agreed to lift retaliatory measures imposed by Mexico related to the Cross-Border Trucking Services dispute under the North American Free Trade Agreement (NAFTA) Chapter XX, as follows:

Phases of the long-haul cross-border trucking pilot program [1]	Phase out of retaliatory measures
Signature of the Memorandum of Understanding between the Department of Transportation of the United States of America and the Secretaría de Comunicaciones y Transportes of the United Mexican States on Long-Haul Cross-Border Motor Carrier Services (hereinafter referred to as MOU)	50% suspension
Granting of authority (provisional or full) to first Mexican Carrier	Complete suspension

1. Suspension of 50% of the tariff applied to all products subject to the current retaliatory measures within 10 business days of the date on which the MOU is signed.
2. Suspension of the tariff applied to all products subject to the remaining retaliatory measures within 5 business days of the date on which the first Mexican carrier is granted operating authority (provisional or full) under the cross-border long-haul trucking pilot program.
3. The retaliatory measures will be fully terminated within 10 business days of the United States notifying Mexico of the successful completion of the cross-border long-haul trucking pilot program.
4. This Agreement is without prejudice to the rights and obligations of Mexico and the United States under the NAFTA, including Mexico's right to apply retaliatory measures.

[1] In accordance with the Memorandum of Understanding between the Department of Transportation of the United States of America and the Secretaría de Comunicaciones y Transportes of the United Mexican States on Long-Haul Cross-Border Motor Carrier Services, initialed on April 8, 2011.