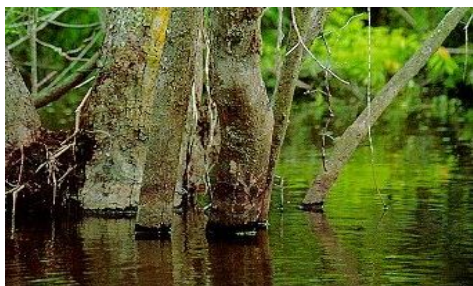


Newsletter



necessarily imply the existence of a material adverse effect.

Additionally, based on the reforms described herein, we deem convenient that prior to the execution of any project in which mangroves may be involved, a study be carried out to determine possible affectations to the mangrove; as well as to establish the feasibility of its execution or, given the case, the need to obtain an Authorization on Matters of Environmental Impact.

The addition to article 99 of the LGVS, looks to expand the list of activities that require an Authorization on Matters of Environmental Impact, through the inclusion of all those works considered as non-extractive exploitation¹; this is, that the only works that, in this particular case, will not require this kind of authorization are those that, in terms of the applicable legislation, will use specimens, parts or derivatives of wildlife specimens, through their collection, capture or hunt.

Should you have any comments or queries regarding the content and scope of the Decree, or if you are found in any of the scenarios foreseen therein, we invite you to contact us, as this document does not refer to any specific cases, and is merely a newsletter for informative purposes only.

Sincerely,

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¹ This term refers to activities directly linked to wildlife in its natural habitat, that do not imply removing specimens, parts or derivatives, and that if not adequately regulated may cause significant impacts over biological events, populations or habitat of wild species

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1 Mexican Mangroves

On February 1st, 2007, the Decree that amends the General Wildlife Law (hereinafter "LGVS") was published in the Federal Official Gazette; this amendment consists in the addition of article 60 TER, as well as a second paragraph to article 99, limiting the performance of certain activities on mangroves in Mexico.

In this regard, article 60 TER of the LGVS, establishes the following obligation:

"Removing, backfilling, transplanting, cutting out or any other activities affecting the integrity of the mangrove's hydrological flow, its ecosystem and areas of influence, natural productivity; the ecosystems' natural recharge capacity for tourist development projects, areas for nesting, reproduction, shelter, feeding and fish nursing; or, the mangroves' interaction with rivers, dunes, coral reefs, and the adjacent federal zone, or those that provoke changes in its characteristics and ecological services is forbidden.

Activities whose purpose is protecting, restoring, investigating or preserving the mangrove are exempted from the prohibition to which the previous paragraph refers".

Furthermore, the second paragraph that was added to article 99 of the LGVS sets forth that:

"...Works and activities of non-extractive exploitation that are carried out in mangroves will be subject to the provisions of article 28 of the General Law for Ecological Equilibrium and Environmental Protection (henceforth "LGEEPA)".

Based on the above, as of February 2nd, 2007 (date on which these additions came into full force and effect); thus, individuals are restricted in the execution of activities that may affect the mangrove. Notwithstanding these limitations, article 60 TER foresees an exception to carry out restricted actions, as long as their purpose is the protection, restoration, research, and/or preservation of the mangrove.

Due to the broad discretion granted to environmental authorities, these additions, in some cases, may be construed as affecting previously authorized projects. In this case, and considering possible affectations to vested rights granted through authorizations issued prior to the date on which this Decree came into full force and effect, individuals have the opportunity to protect their rights by filing one of the legal defense resources set forth by the applicable legislation; however, this possibility must be analyzed on a case by case basis; since we are of the opinion that the entering into full force and effect of the Decree does not