

PROJECT ANNEX 3

ENVIRONMENTAL COOPERATION IN THE FIELD OF HYDROCARBONS

The Secretariat of Energy of the United Mexican States (SE) and the Department of Energy of the United States of America (DOE), hereinafter referred to as "the Parties";

TAKING INTO ACCOUNT the provisions of the Agreement between the Secretariat of Energy of the United Mexican States and the Department of Energy of the United States of America for Energy Cooperation signed on May 7, 1996, hereinafter referred to as "the Agreement";

RECOGNIZING that the collaboration in the field of environmental technology and its use to minimize the environmental impact of hydrocarbons and remediate hydrocarbon-based contamination will contribute to sustainable development, promote global environmental protection, and stimulate the market for energy and environmental technologies;

NOTING that the Parties will mutually benefit by working together to accelerate the development and application of environmental and energy technologies in accordance with Article 5 of the Agreement;

Have agreed as follows:

ARTICLE 1

OBJECTIVES

The objectives of this Annex are to promote the use of DOE supported environmental technologies and methods in the United Mexican States and acquire performance data on these technologies with the support of U.S. environmental industries to demonstrate the technical and economic feasibility of environmental technology to the citizens of the United Mexican States. This Annex is subject to the terms and conditions of the Agreement.

ARTICLE 2

SCOPE

The Parties agree that the scope of cooperation may include, but is not limited to, developing and implementing projects relating to:

1. Joint research, development, demonstration, and evaluation of environmental technologies to increase the efficiency and reduce the environmental impacts of fuels, and of technologies to help characterize and remediate hydrocarbon-based contamination and their components and materials;

2. Cooperation in the assessment of environmental and ecological damage by hydrocarbons and cooperation in the assessment of environmental technologies and their efficiency in addressing environmental problems;
3. Collaboration in the training, in environmental technologies and methods, of researchers, engineers, and technicians; and
4. Cooperation in programs to encourage pollution prevention, monitoring of pollution and waste minimization in the production and use of hydrocarbons and related products by the public and private sectors.

ARTICLE 3

MANAGEMENT

The Mexican Petroleum Institute (IMP) shall represent SE for the programmatic aspects of this Annex. The Office of Environmental Management (EM) shall coordinate the implementation of this Annex for DOE. The DOE's Oak Ridge Operations Office, through the Hazardous Waste Remedial Actions Program (HAZWRAP), and other DOE laboratories and facilities may work directly with IMP to develop projects in the areas outlined in Article 2.

The Parties shall each designate a technical representative to be responsible for implementing each specific project under this Annex. The technical representatives will report the progress of activities to the Principal Coordinators, pursuant to Article 4 of the Agreement. A detailed work plan will be developed for each specific project. Work plans will include schedules, cost estimates, cost sharing, personnel assignments, access to facilities, use and exchange of equipment, and other matters as required by the specific nature of the project.

The Parties may invite other government organizations, including national laboratories and technical centers, or private institutions in their respective countries to participate in activities under this Annex on such terms and conditions the Parties may agree. The Principal Coordinators and relevant technical representatives of the Agreement will coordinate the participation of these entities.

ARTICLE 4

INTELLECTUAL PROPERTY, CONFIDENTIAL INFORMATION AND BUSINESS-CONFIDENTIAL INFORMATION

Pursuant to Article 7 of the Agreement, provisions for the protection and allocation of intellectual property are set forth in the Annex on Intellectual Property. Provisions for the treatment of confidential and business-confidential information are set forth in Article 6 of the Agreement.

Any scientific and technical information transmitted by one Party to another Party under this Annex shall be accurate to the best knowledge and belief of the transmitting Party, but the transmitting Party does not warrant the suitability of the scientific and technological information transmitted for any particular use or application by the receiving Party or any third party.

ARTICLE 5

COSTS AND LEGAL PROVISIONS

Except when otherwise agreed in writing, all costs resulting from cooperation under this Annex will be borne by the Party that incurs them. It is understood that the ability of each Party to carry out its obligations under this Annex is subject to the availability of appropriated funds and personnel and subject to the applicable laws and regulations of its country.

ARTICLE 6

EFFECTIVE DATE AND TERMINATION

This Annex shall enter into force upon signature by the Parties and remains in force for three (3) years unless the Agreement is terminated.

This Annex may be amended or extended by mutual written agreement of the Parties. Such amendments must be presented in writing and must specify the date on which they enter into force.

This Annex may be terminated at any time by either Party upon six (6) months written notice to the other Party.

Signed in duplicate at Mexico City, this 21st day of October, 1998, in Spanish and English languages, each text being equally authentic.

**FOR THE DEPARTMENT OF
ENERGY OF THE UNITED STATES
OF AMERICA**


BILL RICHARDSON

**FOR THE SECRETARIAT OF
ENERGY OF THE UNITED
MEXICAN STATES**


LUIS TELLEZ K.