IN THE HATTER OF THE ARBITRATION PROCEEDINGS PURSUANT TO NAFTA CHAPTER 11 AND THE UNCITRAL RULES

BETWEEN

GAMI INVESTMENTS INC.

Claimant

AND

THE GOVERNMENT THE UNITED MEXICAN STATES

Respondent

Procedural Order No.2

22 May 2003
Considering the Respondent’s (i) comments on whether the proceeding should be separated into different phases (bifurcation) and (ii) notification of any objections to jurisdiction and admissibility filed in accordance with Procedural Order No.1 on 11 March 2003;

Considering the Claimant’s letter to the Arbitral Tribunal seeking clarification regarding two procedural issues raised by the Respondent’s submissions referred to above dated 13 March 2003;

Considering the Arbitral Tribunal’s clarification provided in its letter dated 21 March 2003;

Considering the Respondent’s definitive submissions on its objections to jurisdiction and admissibility filed in accordance with Procedural Order No.1 on 12 April 2003;

Considering the Respondent’s corrigenda relating to its submissions referred to above provided to the Arbitral Tribunal on 15 April 2003;

Considering Claimant’s Reply to the Respondent’s Objections to Jurisdiction and Admissibility filed in accordance with Procedural Order No.1 on 8 May 2003;

Considering the Respondent’s letter to the Arbitral Tribunal seeking a clarification with regards to the next procedural steps in the arbitration dated 14 May 2003;

Considering the Claimant’s response to the Respondent’s letter seeking clarification dated 15 May 2003;

Whereas Procedural Order No.1 envisages that the Arbitral Tribunal shall decide whether the Respondent’s objections to jurisdiction and/or admissibility will be resolved separately as preliminary matters or be joined to the merits by 22 May 2003;

THE ARBITRAL TRIBUNAL HEREBY RULES:

1. The jurisdictional objections raised by the Respondent shall be decided at a separate hearing in accordance with an expedited timetable;

2. The venue of the hearing shall be Washington, or, if it is more convenient to the Parties, New York;
3. One further set of written pleadings on these jurisdictional objections shall be allowed before the hearing with deadlines to be communicated shortly;

4. The deadlines fixed at points (f), (g) and (h) of the procedural timetable set out in clause 5 of Procedural Order No.1 dated 31 January 2003 shall be vacated. The new deadline for the Respondent to file its Statement of Defence and other evidence described in point (f) shall be one month after the final day of the jurisdictional hearing. The deadlines fixed in points (g) and (h) shall be amended *mutatis mutandis* to preserve an interval of a month between the deadlines. A revised procedural timetable specifying the exact dates shall be issued when the jurisdictional hearing dates have been finalised;

5. The Secretary of the Arbitral Tribunal shall promptly contact the Parties to arrange the earliest convenient date for the jurisdictional hearing;

6. If they are reached, issues of liability and quantum shall not be bifurcated (subject to the Arbitral Tribunal's discretion in light of developments).

JanPaulsson
for the Arbitral Tribunal