

III LINK WITH THE PLANNING INSTRUMENT AND APPLICABLE LEGAL STATUTES

III.1 Sector Information

In order to establish the legal status and the forestall land use change for the Proyecto Hidroeléctrico Veracruz, the analysis of several planning and normative documents of the state were analyzed, as well as cartographic information generated on this subject in the different state and federal instances.

The National Development Plan (*Plan Nacional de Desarrollo*) 2007-2012 of the Federal Executive Power, is the document prepared to mandatorily rule its institutional an sector programs.

The environmental sustainability refers to the efficient and rational administration of the natural resources, in such a manner to make possible to improve the current population welfare without compromising the life quality of future generations. One of the main challenges faced by Mexico is to include the environment as one of the competitiveness and economic and social development elements. Only this way may a sustainable development be attained. Unfortunately, the natural resources and ecosystems conservation efforts are sometimes hindered by a defective circle that includes poverty, complete consumption of the natural resources, environmental deterioration and more poverty.

In accordance with the foregoing and in general terms, in environmental matters the Federal Executive Power contemplates to transform the environmental sustainability in a transversal axis of the public policies. Mexico is still on time to put in practice the measures necessary so all projects, particularly the infrastructure and the productive sector ones, are compatible with the environment protection. It is necessary that the development of new economic activities in the rural and semi-rural regions contributes to keep the environment in the better possible conditions.

Thus, the environmental sustainability requires a close coordination of the public policies at the medium and long term. This is a fundamental premise for the Federal Government, and in this National Development Plan (*Plan Nacional de Desarrollo*) it is translated into significant efforts to improve the inter-institutional coordination and the inter-sector integration. The environmental sustainability will be a rector criteria in the fostering of productive activities, therefore, in the decisions making on investment, production and public policies, considerations of environmental impact and risk will be incorporated, as well as of the efficient and rational use of the natural resources. Likewise, a greater participation of all the governmental levels and of the society as a whole in this effort will be encouraged. The consideration of the environmental subject will be an axis in the public policy that will be present in all the governmental activities.

III.2 Link with the development planning policies and instruments in the region.

III.2.1 Regional development plans.

Veracruz National Development Plan (Plan de Desarrollo Veracruz) 2005 – 2010 (PVD) Mountain Region

Establishes the need to create and strengthen a State Information and Statistic System for the development planning, to actively contribute in the State's strategic planning of the economy sectors and of its regions.

The guidelines of the Regional Development in the State of Veracruz are contained in the Veracruz Development Plan (PVD), which contemplates the geographic dimension in the slope of the regional and urban planning, based on the territorial statute, development of hydraulic infrastructure, in the impulse to urban equipment and housing.

The regions contemplated in the PVD are ten: high Huasteca, low Huasteca, Totonaca, Nautla, Capital, Sotavento, Montañas (Mountain), Papaloapan, Tuxtlas and Olmeca.

- *[In the particular case of the project under research its location is in the Mountain Region]*

Chapter I Veracruz facing the 21st Century

The economic structure of Veracruz is may be one of the State's most serious problems, in addition to the vast and firmly established social exclusion in which many of the Veracruz inhabitants live and the limited ability demonstrated, until now, by the Government and society to stop and revert such reality.

Increase the welfare levels implies, among other things, reactivate the economy to generate employments.

- *[In the project's particular case it is estimated to generate in the site preparation and construction stages around 232 works for the maximum simultaneous activity period in the different fronts, it being understood that the number will be variable as of the beginning of the work, in which persons will be incorporated in accordance with the needs and will decrease as the stages thereof are completed. In the operation stage the impact is less significant because only 9 employments will be generated.]*

Chapter VI Urban and Regional Development

Territorial statute:

The geographic situation and the population distribution and of the economic activities of Veracruz result in an uneven development, that privileges 14 urban zones and makes the development of almost 21,757 towns of less than 2,500 inhabitants lethargic. Veracruz

population distribution makes it difficult to carry out regional coverage works that allow to timely and efficiently take care of the population demanding services in the State.

Within the purposes is to favor a sustainable urban and regional development, harmonic with the nature, which raises the social and economic welfare indexes, grounded on the modern technologic tools.

Chapter VII Environment

Veracruz has a great biologic, physiographic and cultural biodiversity, that has been and is the material basis of its development. However, for more than 50 years the productive capacity of the State has decreased, parallel to the loss of the biologic and cultural diversity, without an integral and coherent effort present to stop its deterioration. The time has come to act with responsibility and decision to revert this situation.

The biodiversity is the transmission belt between the structure and dynamics of the ecosystems, between the use and conservation of the natural resources and between the economic and cultural exchanges.

The State has lost the major part of its forestall coverage. Pasture ground, cattle lands and the cultivation of sugar cane have substituted the original vegetation. The amount of available water has sensibly decreased, due to a violent superficial and uncontrolled dripping and the amount thereof has been reduced due to the land dragging, dissolution of fertilizers, insecticides, industrial and urban waste.

The legal framework is insufficient to plan the development and conservation in a context that guarantees the respect to the national and international environmental regulations and protocols.

- *[With the development of the Proyecto Hidroeléctrico Veracruz electric power will be produced, which may indirectly support the economic development and improve the life quality in the served area. The hydroelectric projects have positive impacts on the society, because they contribute to increase the wealth of the local communities not only with the activities derived from the construction and maintenance of the premises, but they in fact provide electricity to the nearest surrounding, with this research it is intended to avoid or minimize the negative impacts under the environmental protection directive].*

III.2.2 Sector programs.

Among other sector programs which Veracruz has, the following are the ones that somehow are linked with the project:

Sector programs

- Veracruz Agriculture, Cattle Raising, Forestall, Fishing and Alimentation Program.

- *[Reference to the project with the program in respect to the activities generated in the region and that the project involves some of the activities contained therein, in*

order to achieve the State's economic development inclusive as priority the lowest resources zones.]

Within Special Programs 2005 – 2010 is the “Veracruz Environment Program”.

- *[It is linked with the project because it is adjusted to the sustainability policies of this Program, by timely identifying the activities than imply environmental deterioration and provide the relevant attenuation measures.]*

III.2.3 Natural Protected Areas Handling Programs.

In the research site there is no kind of Protected Area decreed by the National Commission of Natural Protected Areas (CONANP), or by the State or Municipality.

III.2.4 Partial Urban Development Program.

In the zone where the research will be carried out there is no Urban Partial Development Program realized.

III.2.5 Regional Ecologic Statutes Decreed.

The ecologic statute (OE) is the most important instrument of the environmental policy in our county, the (OE) is legally defined as the "Environmental policy instrument the purpose of which is to regulate or induce the land use and the productive activities, in order to attain the environment protection and the preservation and sustainable utilization of the natural resources, as of the analysis of the deterioration trends and the utilization potentialities thereof". (LGEEPA, 1981).

– Regional Ecologic Statutes Southeast Region (Puebla – Panama Plan)

Upon the Mexican government's initiative to reduce the gap in the socio-economic differences of the county's south east region and the rest of the country, the Puebla-Panama Plan has been created. The General Direction of Investigation on Ecologic Statute and Conservation of Ecosystems will contribute in the necessary programs and actions that allow to comply the Puebla-Panama Plan purpose: Impulse an integral development in Mexico's south-east, based on a sustainable economic growth, which at the same time is socially inclusive, environmentally sustainable and territorially ordered.

With the performance of these actions the population of the county's south east region may be benefited, specifically the states of Puebla, Veracruz, Tabasco, Yucatán, Campeche, Quintana Roo, Chiapas, Oaxaca and Guerrero; as well as the population of the seven central American countries, Nicaragua, Panama, Belize, Honduras, Costa Rica, Guatemala and El Salvador.

Within the Ecologic Statutes of the State of Veracruz, the following ones are listed:

TABLE III.1 VERACRUZ STATE ECOLOGIC STATUTES

| Ecologic Statute | Surface (ha) | Date | Importance of the zone | Region's ANP |
|---|--------------|----------------|---|--|
| Pánuco River outlet | 155,800 | September 1993 | The region is characterized by a great plain interrupted by hillocks. The confluence of the Pánuco and Tamesí rivers, propitiates the conformation of several water corps that constitute a whole lagoon system. Presence of oil fields. Industrial, port and urban development. | Without presence of ANP |
| Low basin Coatzacoalcos river | 470,000 | December 1998 | Important presence of the oil industry, Industrial Port, Important fluvial resources. | Without presence of ANP |
| Tuxtlas | 329,940 | December 1998 | Great biologic richness, great topographic variety in the los Tuxtlas region, climatic variety, cultural patrimony since the 5 th century b.c. | Special Biosphere Reserve Santa Martha. Special Biosphere Reserve San Martín Volcano. |
| Veracruz north coast | 2,231,847 | 1998 | Agriculture, cattle raising, industrial, port, oil and touristic zone. | Without presence of ANP |
| Sedeño river basin | 12,500 | 1998 | Constitutes, together with the Pixquiac parallel basin, the water with quality supply for the cities of Banderillas and Xalapa. | Without presence of ANP |
| Ecologic Statute Program the Bobos and Solteros rivers basins | 340,990 - | April/2008 | Decree that issues the Regional Ecologic Statute Program that regulates and rules the development of the region denominated Cuenca de Río Bobos, Veracruz. The Bobos River basin includes 17 municipalities: Martínez de la Torre, Tecolutla, Tlapacoyan, Papantla, Atzalan Las Vigas, Altotonga, Misantla, Las Minas, Perote, Jalacingo, Tlacolulan, Tatatila, Nautla, Villa Aldama, Tenochtitlan and San Rafael | There are areas with high ecologic and landscape value as the dyke and the falls la Tomata and El Encanto, swamps, tidelands and beaches, because of its biodiversity and of the Environmental Services offered. |

* ANP Natural Protected Areas

Fuente: SEMARNAT, Subsecretaría de Planeación y Política Ambiental. Dirección General de Política Ambiental e Integración Regional y Sectorial, Mexico, 2002.

- *[The research zone is not within a basin involved within the above mentioned statutes.]*

III.2.6 Regional Sustainable Development Programs (PRODERS).

Priority Earthy Region RTP-130

Responsible area: National Commission of Natural Protected Areas

Biotic aspects

Value for the conservation:

Functional ecologic integrity: _____ 4 (high)

Both in flora and in fauna, however,
The dry zone probably has a high integrity and
In the humid zone the integrity is low.

Function as biologic corridor: _____ 3 (high)

It could be considered as a corridor between
La Chinantla and los Chimalapas in the high part.

Extraordinary natural phenomenon: _____ 2 (important)

The high evergreen rain forests are the ones that, in structure,
present the major basal area among all the
ones sampled in the country.

On the other hand, it is considered a
Pleistocene Tertiary refuge.

The spectacular limestone outcropping
and wind in La Ventosa.

Presence of endemism: _____ 3 (high)

Both in flora and in fauna. Two levels may be distinguished: low in the humid zone,
High in the dry zone for plants, mammals and birds and very high in reptile fauna and plants
in La Ventosa rain forest.

Specific richness: _____ 3 (high)

Region with high richness of plant, mammals and bird species.

Function as origin and natural diversification centre: _____ 3 (very important)

Mainly for butterflies and salamanders.
Diversification centre of *Lepanthes spp.*
(Orchidaceae).

- [A fraction of the Zongolica municipality is located in the above mentioned Región Terrestre Prioritaria RTP-130, however it is located 12 Km. away from the nearest point of this zone, south to the site where the work will be developed.]

III.2.7 Environmental indicators

- a. Indicators of environmental pressures caused by the human being.

- Deforestation Veracruz presents the 2nd highest of the county in 1993 and 2000 lost 18.7% (286,547 ha) of its forests and rain forests (that is 2.7% or 40,936 ha/year). The rate of national forest and rain forests deforestation is of 1.1% on an annual basis.
 - Veracruz is among the 3 states with major ecologic transformation, more than 72% of the territory has been transformed for urban productive uses.
- b. Indicators of the environment's and natural resources' conditions or quality.
- It is estimated that Veracruz has more flora and fauna endangered species than any other state.
- c. Indicators of the society responses to the pressures on the environment.
- Creation of sustainable infrastructure projects.
 - Application of environmental regulations

The importance of developing indicators lays in three fundamental environmental purposes that allow to achieve the sustainable development:

- Protect the human health and the population's general welfare
- Guarantee the sustainable utilization of the resources
- Maintain the ecosystems' integrity

III.2.8 The concordance degree is the project's affinity in respect to the land use and the natural resources

- Its vocation.

The land uses correspond to the forestall use of Mountain Mesophyll forest, Gallery Forest and riparian vegetation

- Its current uses.

Agriculture, Coffee growing, Pasture ground, reforested pine, oak pine forest and riparian vegetation.

- The projected uses

Hydraulic infrastructure for the generation and transmission of electric power.

III.3 Analysis of normative instruments

III.3.1 Laws

1) Environmental Protection Law (Law General del Equilibrio Ecológico y la Protección al Ambiente) (LGEEPA), last amendment DOF-16-05-2008.

- *[Establishes the conditions to which the performance of works and activities that may cause an ecologic imbalance shall be subject. The main articles with which it is linked are mentioned herein below.]*

In its Title I “General provisions”, Chapter IV “Environmental Policy Instruments”, Section V “Environmental Impact Assessment”, particularly in the following article, it establishes:

Article 28. The environmental impact assessment is the procedure through which the Ministry establishes the conditions to which the performance of works and activities that may cause ecologic imbalance or exceed the limits and conditions established in the applicable provisions to protect the environment and preserve and restore the ecosystems shall be subject, in order to avoid or reduce to the minimum its negative effects on the environment. Theretofore, in the events determined by the Regulation issued to that effect, whoever intends to carry out any of the following works or activities, shall require the prior authorization from the Ministry in environmental impact matters:

- Paragraph II.- Oil, oil-chemical, chemical, steel, paper, sugar, cement and electric industry
- Paragraph VII.- Land use change of forestall areas, as well as in rain forests and arid zones;

Article 88. For the sustainable utilization of water and the aquatic ecosystems, among others, the following criteria are considered:

IV. The preservation and sustainable utilization of water, as well as of the aquatic ecosystems is responsibility of its users, as well as those who carry out works or activities that affect such resources.

2) National Water Law (Ley de Aguas Nacionales) (last amendment DOF 29-04-2004)

- *[Since the construction of a small dam that will impound the Apatlahuaya river dripping is considered and because the project is located in zones adjacent to superficial currents, it is expected that the link with this law is required in order to regulate the use and prevention of contamination to the hydric resource, among the articles, the ones set forth herein below are highlighted]*

TITLE FIRST

Preliminary Provisions

CHAPTER Unique

Article 1. This Law is regulatory of Article 27 of the Politic Constitution of the United Mexican States in respect to national waters; it is of general observance in all the Mexican territory, its provisions are of public order and social interest social and its purpose is to

regulate the exploitation, use or utilization of such water, its distribution and control, as well as the preservation of its quantity and quality to achieve an integral sustainable development.

Article 2. The provisions of this Law are applicable to all national waters, whether superficial or underground water. These provisions are also applicable to the national properties set forth in this Law.

TITLE SECOND

Water Administration

CHAPTER II Federal Executive

Article 7. It is declared of public use:

Paragraph III The utilization of national water for the generation of electric power used for public services.

TITLE FOURTH

Exploitation, Use or Utilization of National Water Rights

CHAPTER II Concessions and Assignments

Article 20. The exploitation, use or utilization of national water by individuals or corporations shall be made with a concession granted by the Federal Executive Power through National Water Commission (*Comisión Nacional del Agua*), in accordance with the rules and conditions set forth in the National Water Law (*Ley de Aguas Nacionales*) and its regulations.

Article 24. The term of the concession or assignment for the exploitation, use or utilization of national waters shall not be of less than five years nor more than fifty years.

Such concessions or assignments in terms of article 22, shall be prorogued for a term equal as the one for which they were granted if the holder thereof does not incur in any of the termination events provided for in this law and request it within five years prior to the expiration thereof.

While the concession or assignment prorogue requests are resolved, the titles shall continue in effect in respect to which such requests are formulated.

CHAPTER III Rights and Obligations of the Concessionaires or Assignees.

Article 28. The concessionaires or assignees shall have the following rights:

I.- Exploit, use and utilize the national waters and the properties referred to in article 113, in terms of this law and of the relevant title;

II.- Carry out at its own expense the works to exercise the water exploitation, use or utilization right, in terms of this law and its regulation;

III.- Obtain the creation of the legal easements in the lands, indispensable to carry out the utilization of waters or the displacement thereof, such as drainage, aqueduct and the other ones established in the relevant law or agreed upon;

IV.- Transfer the rights of the titles they have, adjusting to the provisions contained in this law;

- V.- Waive to the concessions or assignments and to the rights derived therefrom;
- VI.- Request administrative corrections or duplicates of their titles;
- VII.- Obtain a prorogue of the titles for the same term in effect, in accordance with the provisions contained in article 24; and
- VIII.- The other ones granted by this law and its regulation.

Article 29. The concessionaires or assignees shall have the following obligations:

- I.- Execute the exploitation, use or utilization of water works under the terms and conditions set forth in this law and its regulation and verify its execution to prevent negative effects to third parties or to the hydraulic development of the supply sources or of the basin;
- II.- Cover the payments corresponding thereto in accordance with the provisions contained in the fiscal law in effect and in the other applicable provisions;
- III.- Submit to the general provisions and rules in respect to hydraulic safety and ecologic balance and environment protection;
- IV.- Operate, maintain and keep the works necessary for the stability and safety of dams, floods control and other which in accordance with the regulations are required for hydraulic safety;
- V.- Allow to “The Commission’s” personnel the inspection of the hydraulic works used to exploit, use or utilize the national waters, including the perforation and lighting of underground waters, and allow the reading and verification of the measurer’s functioning and the any other activities required to verify the compliance with the provisions contained in this law;
- VI.- Provide the information and documentation requested by “The Commission” in order to verify the compliance with the conditions contained in this law and in the concession, assignment or permit titles referred to in this law;
- VII.- Comply with the requirements of water efficient use and reuse it in accordance with the terms of the official standards and of the particular conditions issued to that effect; and
- VIII.- Comply with the other obligations established in this law and its regulation.

TITLE SIXTH

Water Uses

CHAPTER III Use in the Generation of Electric Power

electric power 80. The individuals or corporations shall request the concession to “the Commission” when they require the exploitation, use or utilization of national waters in order to generate electric power, in terms of the law applicable to that matter.

TITLE SEVENTH

Prevention and Control of Water Contamination and Responsibility due to Environmental Damage

CHAPTER I Prevention and Control of Water Contamination

electric power 86 Bis2. It shall be prohibited to throw or deposit in the receiving bodies and federal zones, in contravention to the legal and regulatory provisions in environmental matters, garbage, materials, sludge derived from the treatment of residual water and any

other residues or waste that due to dissolution or dragging effect, pollute water of the receiving bodies, as well as those residues or wastes considered as hazardous in the relevant Mexican Official Standards. The breach to this provision shall be penalized in terms of the Law.

TITLE EIGHTH

Investment in hydraulic infrastructure

CHAPTER I General Provisions

Article 97.- The national waters users may carry out, directly or through third parties, any hydraulic infrastructure work required for its exploitation, use or utilization.

The administration and operation of these works shall be the responsibility of the users or of the associations formed to that effect, regardless of the exploitation, use or utilization effectuated in the national water.

Article 98.- When due to such works the hydraulic and hydrological regime of the basins or receptacles of national ownership or of the relevant federal zones may be affected, and in the cases on perforation of ditches in regulated or closed season zones, a permit will be required in terms of articles 23 and 42 of this law and its regulation.

In these cases, "The Commission" may issue the Mexican official standards required or those requested by the users. Likewise, it shall supervise the construction of the works, and at any time it may adopt the corrective measures necessary to be executed in order to guarantee the compliance with the permit and with such standards.

3) Sustainable Forestall Development Law (*Ley General de Desarrollo Forestal Sustentable*) (DOF 25-02-2003).

- *[This law is linked with the project in respect to the need to carry out the forestall land use change (Gallery Forest, Oak-Pine Forest and Renewal of Pine Forest) in a surface equal to 4.29 Ha and in Coffee with shadow trees in a surface of 10.54 Ha, therefore, the forestall land use change is required in a total surface of 14.83 Ha.]*

Title First

Article 7. Paragraph V. Forestall land use change: The total or partial removal of the vegetation in the forestall lands to use them in non forestall activities.

TITLE FIFTH

Forestall Conservation Measures.

CHAPTER I Land Use Change in Forestall Lands.

electric power 117. The Ministry may only authorize the forestall land use change, as an exception, with the prior technical opinion of the members of the relevant Forestall State Board and based on the technical justification researches demonstrating that the biodiversity is not in risk, nor the land erosion, the deterioration of water quality or decrease in the impound thereof will be provoked; and that the alternative land uses proposed are more productive on a long term. These researches shall be considered jointly and not in an isolated form.

In the forestall land use change authorizations, the authority shall provide a response duly grounded and motivated to the proposals and remarks posed by the members of the Forestall State Board.

The land use change authorization shall not be granted in a fired land without 20 years having elapsed, unless it is indubitably evidenced to the Ministry that the ecosystem has been totally regenerated, through the mechanisms established to that effect in the relevant regulation.

The authorizations issued shall consider, as the case may be, what is provided for in the relevant ecologic statute programs, the Mexican official standards and any other applicable legal provisions and regulations.

The Ministry, with the participation of the Commission, will coordinate with the Ministry of Agriculture, Cattle Raising, Rural Development, Fishing and Alimentation, the land use policy to stabilize its agribusiness use, including the stubbing, felling burning system, developing permanent practices and impeding that the agribusiness production grows in detriment of the forestall lands.

The authorizations de land use change shall be filed in the Registry.

The Ministry, with the participation of the Commission, will coordinate with several public entities, joint actions to harmonize and make efficient the construction programs of the electric, hydraulic and communication sectors, complying with the relevant regulations.

electric power 118. Those interested in the forestall lands use change, shall evidence that a deposit in the Fund has been made, as environmental compensation for reforestation or restoration activities and maintenance thereof, under the terms and conditions established by the Regulation.

electric power 145. The Commission shall coordinate with the Ministries and Federal entities in charge of the impulse to the electrification, hydraulic development, conservation of lands and water, road system infrastructure and broadening of rural communication programs, so the promotion of actions and works respond to the integral development concepts.

The competent authorities shall overview that the construction of electricity networks, hydraulic works and roads in forestall lands, cause the less damage to the forestall ecosystems, respecting the density of the road network and forestall breccias.

The specifications to mitigate the impacts will be established in the relevant Mexican official standards.

- *[In this project, no commercial utilization will be carried out, therefore, no road opening will be performed].*

4) Prevention and Integral Handling of Waste Law (*Ley General de Prevención y Gestión Integral de Residuos*) (amendments DOF 19-06-07)

- *[The link with the project derives from the prevention of the generation, the valorization and integral handling of the hazardous waste, of the urban solid waste and of special handling; prevent the contamination of sites with these wastes and carry out the remediation thereof. Sets forth the generator's obligations in accordance with the annual generation volume. As well as the guidelines for the integral handling of waste generated]*

TITLE THIRD

Classification of Wastes

CHAPTER Unique

Purposes, criteria and general basis

Article 18.- The urban solid waste may be sub-classified into organic and inorganic in order to facilitate their primary and secondary separation, in accordance with the State and Municipal Programs for the Prevention and Integral handling of Waste, as well as with the applicable legal statutes.

Article 19.- The special handling wastes are classified as indicated herein below, except in respect to waste considered hazardous under this Law and in the relevant Mexican official standards:

I. Waste from rock or the products derived from the decomposition thereof that may only be used for the manufacture of construction materials or are used for this purpose, as well as products derived from the decomposition of rock, excluded from the federal competence under paragraphs IV and V of article 5 of the Mining Law;

VII. Wastes from the construction, maintenance and demolition in general;

Article 21.- In order to prevent and reduce health and environment risks, associated to the generation and following factors that contribute to the hazardous waste constitute a risk:

I. Handling form;

II. Amount;

III. Persistence of the toxic substances and the virulence of the infectious agents contained therein;

IV. The capacity of the toxic substances or infectious agents contained therein, to move to the place where living beings or supply water corps are located;

V. The bio-availability of the toxic substances contained therein and their bio-accumulation capacity;

VI. The exposure's duration and intensity, and

VII. The vulnerability of the human beings and other living organisms exposed thereto.

CHAPTER IV Integral Handling of the Hazardous Waste

Article 54.- The mixture of hazardous waste with other materials or waste shall be avoided in order to not contaminate them nor provoke reactions, that may put health, the environment or the natural resources in risk.

The Ministry shall establish the procedures to be followed in order to determine the incompatibility among a hazardous waste and other materials or waste.

CHAPTER V Responsibility About Contamination and Remediation of Sites

Article 68.- Whoever results liable in the contamination of a site, as well as for damages to health as a consequence thereof, shall be obligated to repair the damage caused, in accordance with the relevant legal provisions.

Article 69.- The persons responsible for activities related to the generation and handling of hazardous materials and waste that have caused the contamination of sites therewith, shall be obligated to carry out the remediation actions in accordance with the provisions contained in this law and in any other applicable provisions.

Article 72.- Regarding contamination of sites with hazardous materials or waste, due to acts of god or force majeure, the competent authorities shall impose the emergency measures necessary to face the contingency, in order to avoid placing health or environment in risk.

Article 73.- In the case of abandonment of sites contaminated with hazardous waste or that the owner to possessor of the real property is unknown, the Ministry, in coordination with the federative entities and the municipalities, may formulate and execute remediation programs, with the purpose of carrying out the activities necessary for its recovery and reestablishment and, if possible, its reincorporation to productive processes.

CHAPTER II Safety measures

Article 104.- In case of imminent risk for health or the environment derived from the handling of hazardous waste, the Ministry, in grounded and motivated from, may order any one or several of the following safety measures:

I. The temporary closing down, total or partial of the contaminating sources, as well as of the premises where the same are generated, handled or where the hazardous waste involved in the hypothesis referred to in this provision are finally disposed of;

II. The suspension of the relevant activities;

III. The repacking, treatment or remittance of hazardous waste to authorized confinement or temporary storage;

IV. The preventive seizure of hazardous materials or waste, and any other properties involved in the conduct that gives rise to the imposition of the safety measure, and

V. The stabilization or any other analogous action which impedes that the hazardous waste cause the adverse effects provided for in the first paragraph of this article.

Likewise, the Ministry may file before the competent authority, the execution of any safety measure established in any other statutes.

5) Wildlife Law (*Ley General de Vida Silvestre*) (Last amendment DOF 26-06-06)

- *[The reservoir, as well as the infrastructure proposed will provoke the affectation to the habitat of some of the wildlife fauna species and their shifting to other sites, therefore this law is linked with the project in the handling of samples that might be found in the works and the obligation to observe this legal provision during the site preparation and construction, operation and maintenance stages.]*

TITLE V

Common provisions for the conservation and sustainable utilization of wildlife

CHAPTER I preliminary provisions

Article 18. The owners or legitimate possessors of properties where wildlife is distributed, shall be entitled to carry out the sustainable utilization and the obligation to contribute to conserve the habitat in accordance with the provisions contained in this Law; likewise, they may transfer this prerogative to third parties, keeping the right to participate in the benefits derived from such utilization.

The owners and legitimate possessors of such properties, as well as the third parties that carry out the utilization, shall be jointly and severally liable for the negative effects which the same might have for the conservation of wild life and its habitat.

Article 19. The authorities that, when exercising their duties, must intervene in the activities related to the utilization of land, water and any other natural resources with agriculture, cattle breeding, fish breeding, forestall and any other purposes, shall observe the provisions contained in this Law and the ones derived therefrom, and shall adopt the measures that are necessary so such activities are carried out in a manner such to avoid, prevent, repair, compensate or minimize the negative effects thereof on wild life and its habitat.

CHAPTER VII Mobility and Dispersion of Populations of Native Wild Species

- *[It is linked with the project in respect to the prohibition to capture, hunt or maltreat the native species found during the project's different stages, to interfere as less as possible with the fauna's natural activities.]*

Article 73. The use of fences or other methods shall be prohibited, in accordance with the provisions contained in the regulation, to retain or attract samples of native wildlife species that otherwise would develop in several real estate properties. The Ministry shall approve the establishment of non permeable fences and other methods as handling measure for native species samples and populations, when so requested for recovery projects and reproduction, repopulation, reintroduction or pre-release activities.

6) Federal Law on Firearms and Explosives (*Ley Federal de Armas de Fuego and Explosivos*)

- *[The provisions of this law are applicable to the project's site preparation and construction activities during the excavations where explosives are used]*

TITLE THIRD

Fabrication, Trade, Importation, Exportation and Related Activities

CHAPTER IV Transportation

Article 60 The general permits for any of the activities regulated under this title, include the authorization for transportation within the Mexican territory, of those weapons, objects and materials covered thereby, but the holders thereof shall be subject to the relevant laws, regulations and provisions.

Article 61 The transportation derived from permits granted by the Department of National Defense to persons or enterprises, to negotiate any of the activities set forth in this title, shall observe the safety measures described in the permits.

CHAPTER V Storage

Article 65 The storage of arms, objects and materials referred to in this title, may be authorized as supplementary activity of the general permit granted, or as specific of persons or enterprises.

Article 66 The arms, objects and materials covered by the permits, may only be stored up to the amounts and in the premises authorized.

Article 67 The storage of arms, objects and materials referred to in this Title, shall be subject to the requirements, compatibility tables and distance-amount indicated by the Department of National Defense.

CHAPTER VI Control and surveillance

Article 68 Whoever have a general permit, shall render to the Department of National Defense, within the first five days of each month, a detailed report on their activities, specifying the movement occurred in the preceding month.

Article 73 The licensees referred to in this Title shall be required to comply the information, control and safety measures established by the Department of National Defense, subject to this Law.

Article 76 The holders of general permits shall be required to keep, for a five-year term, all the documentation related to such permits.

III.3.2 International and national agreements.

International Environmental Treaties:

- Treaties on global climate change
(Currently there is an agreement executed on actions in respect to the accelerated climate changes at a worldwide level. In the Rio Statement, carried out in Rio de Janeiro from June 3 to 14, 1992, the matters in respect to the imminent climate changes in the planet were discussed.)
- Treaties on the depletion of stratospheric ozone
(Regarding the subject referring to the depletion of stratospheric ozone, also a series of agreements among several countries have been established. One of the most important ones was the Montreal Protocol, developed in the years from 1987, 1990 and 1992, in order to determine what kind of substances caused to depletion of the ozone layer.)
- Treaties on changes to the covering of lands and desertification
(Desertification is a serious threaten against all human beings. The main agreements of this kind have been executed in the following regions: north and northwest Africa, Meddle and Close East, and southeast Asia.)
- Treaties on deforestation
(The most important International Treaty executed in this regard is the International Agreement on Tropical Wood, first in year 1983 and later in year 1994. Deforestation is one of the most serious problems throughout the whole world).
- Treaties on commerce, industry and environment

(All and each of the possible affectations shall be assessed, at a short term as well as at medium and long term, in order to avoid that the human being's commercial and industrial activities degrade the planet)

- Treaties on population dynamics

(The Rio Statement and Agenda 21. These agreements try to analyze the world's population movements and their effects in the natural environment)

- *[The relevant project was assessed by the Comisión Intersecretarial de Cambio Climático (CICC) issuing a preliminary favorable opinion, in respect to the project's initial formulation, to the extent it is compatible with the country's sustainable development and achieves reductions in the green house gas emissions. This Non Objection letter in respect to the project was issued by the Ministry of Environment and Natural Resources, in representation of the CICC by the alternate president Dr. Fernando Tudela Abad.]*

III.3.3 REGULATIONS

1. Regulation of the Environmental Law in Environmental Impact Assessment Matters. (LAST AMENDMENT DOF 30-05-00).

- *[It is linked with the project in respect to this Environmental Impact Statement and in respect to the prevention of environmental contamination]*

Article 5. Whoever intends to carry out any of the following works or activities, shall require the prior authorization of the Ministry in respect to the environmental impact:

A) Hydraulic:

- *[A storage dam with a capacity of 194,430 m³ of NAMO capacity will be constructed. The gravity dam is 30 m high as of the location with top in the elevation 1,371 masl located in the Apatlahuaya river basin, the elevation of which at the basin bottom is 1,343 masl ; impound work for the underground conduction with a call canal at an elevation of 1350.50 located on the left margin of the river 65 m upstream from the dam.*

The conduction to the hydroelectric generation central will be carried out through a tunnel excavated with portal section of 3.00 width and 3.0 m height, 2,790 m long and that will work at full section with low pressure; oscillation ditch 30 m height and an area of 60 m², in circular section; immediately after the tunnel, water will be conducted through a steel pipeline which will be at a pressure in external ram of about 2,300 m long, that initiates in the elevation 1347 masl in the tunnel's exit and will be located throughout the Tepetzala ravine up to the power house the turbine horizontal axis of which is located at an elevation of 584 masl;]

K) Electric Industry:

- I. Construction of nuclear-electric, hydroelectric, carbon electric, geo-thermo-electric, aeolian-electric or thermoelectric, conventional, combined cycle or turbo-gas unit plants, except for the generation plants with a capacity lower than or equal to half MW, used as support in residences, offices and housing units.
- II. Construction of power or distribution electric stations or substation;
- III. Electric transmission and sub-transmission works, and
- IV. Electric power co-generation and self-supply plants greater than 3 MW.

- *[The power house will include a 42 MW generation capacity Pelton turbine and final venting to Zongolica river through canal excavated in land and rock.]*

Near to the power house a substation will be constructed, which will receive the power generated and that will be sent to CFE'S substation located in the Zongolica town, theretofore, at the same time, a simple circuit transmission line of 4.3 km length will be installed, with which the link will be made.]

O) Land Use Changes of forestall areas, as well as in rain forests and arid zones:

- I. Land use change for agribusiness, water activities, real estate development, urban infrastructure, general communication road system activities or for the establishment of commercial, industrial or services premises in properties with forestall vegetation.
- *[Based on the provisions contained in the Sustainable Forestall Development General law (Ley General de Desarrollo Forestal Sustentable), the corporation Consultoría Forestal y Servicios Agropecuarios, S.A. de C.V. (COFOSA) represented by Ing. Juan Martín Hernández Arizmendi in his capacity as General Manager, carried out the technical justification research for the forestall land use change in the lands that contain gallery forest, oak-pine forest, pine forest (renewals), and coffee with shadow trees, to use them for non forestall activities that receive the proposed infrastructure for the hydroelectric project.]*

Article 11.

The environmental impact statements shall be presented in the regional modality regarding:

I. Industrial and water activities parks, water farms of more than 500 hectares, highways and rail roads, nuclear power generation projects, dams and, in general, projects that alter the hydrologic basins;

- *[The environmental impact statement is submitted in the regional modality, in accordance with Article 11 of the regulation because it is an electric power generation project that requires the construction of a dam and that alters the hydrologic basin due to the storage of the resource.]*

Article 14. When the performance of a work or activity that requires to be subject to the environmental impact assessment procedures additionally involves the land use change of forestall areas and in rain forests and arid zones, the petitioners may present only one environmental impact statement including the information regarding both projects.

- *[The environmental impact statement submitted includes the requirements set forth in the relevant guidelines for each sector in accordance with the projects involved.]*

2. Regulation of the National Water Law (Last amendment 29-08-2002)

- *[In the rational use or utilization of the national water and in the preservation of its quantity and quality, in the site preparation and construction, operation and maintenance stages.]*

TITLE SECOND

WATER ADMINISTRATION

CHAPTER IV Organization and Participation of Users

Article 18.- The users may exploit, use or utilize water, directly or through the organization form that better fits to them, theretofore, they may be incorporated as any of the corporations acknowledged in the legislation in effect.

Article 19.- "The Commission" shall promote and support the organization of the water users so they assist and participate in the rational exploitation, use or utilization of the national water and in the preservation of the quantity and quality thereof, in terms of the "Law" and this "Regulation". For the purposes of the preceding paragraph, "The Commission" may evidence those water users organizations incorporated under other laws.

Article 21.- "The Commission" shall promote and support the water users, concessionaires or assignees organization in a certain basin, region or federative entity and shall establish the mechanisms to evidence their participation in the hydraulic programming and water administration, through the Basin Boards and the other mechanisms established to that effect under the "Law" and this "Regulation".

TITLE SIXTH

Water Uses

CHAPTER III Use in the Generation of Electric Power

Article 119.- In the applications for the concession for the exploitation, use or utilization of national waters for the production of motor power or electric power, the applicant shall submit to "The Commission" the constructive project that it intends to develop, the application to be given thereto, the water return site and the actions to be carried out in respect to control and preservation of the water quality and in respect to the environmental impact, prevention and floods control, and the non affectation to the currents flows.

Article 120.- No concession for the exploitation, use or utilization of water shall be required, in terms of article 80 of the "Law", when it is for the generation of hydroelectric power in a small scale, it being understood as the one carried out by individuals or corporations taking

advantage of rivers and canal currents, without deviating the water nor affecting its quantity or quality, and the generation capacity of which does not exceed 0.5 Megawatts.

Notwithstanding the foregoing, the individuals or corporations referred to in this provision shall, in all cases, comply with the provisions contained in the Electric Power Public Service Law and its regulation.

TITLE SEVENTH

Water Contamination Prevention and Control

CHAPTER Unique

Article 134.- The individuals or corporations that exploit, use or utilize water in any use or activity, shall be required, under their responsibility and in terms of law, to carry out the measures necessary to prevent the contamination thereof and, as the case may be, to reintegrate them in adequate conditions, in order to allow its subsequent utilization in other activities or uses and to maintain the ecosystems' balance.

3. Regulation of the Sustainable Forestall Development Law

- *[Is linked with the project in respect to the need to carry out the forestall land use change (Gallery Forest, Oak-Pine Forest and Pine Forest Renewal) in a surface equal to 4.29 Ha and in coffee with shadow trees in a surface of 10.54 Ha, therefore, the forestall land use change is required in a total surface of 14.83 Ha]*

In Title Fourth, Chapter Second.- Land Use Change in Forestall Lands, it mentions:

Article 120. To request the authorization for the forestall land use change, the interested party shall request it through the format issued by the Ministry, which shall contain the following:

I. Petitioner's name, corporate name and domicile;

II. Place and date;

III. Property or group of properties data and location, and

IV. Forestall surface requested for the land use change and the kind of vegetation to be affected.

Together with the request, the technical justification research shall be submitted, as well as simple copy of the applicant's official identification and original or certified copy of the ownership title, duly filed in the relevant public Registry or, as the case may be, of the document evidencing the possession or the right to carry out activities that imply the forestall land use change, as well as simple copy for the comparison thereof. Regarding common lands or agrarian communities, the original or certified copy of the meeting's minute in which the land use change agreement on the relevant land is evidenced, as well as simple copy for the comparison thereof.

Article 121. The technical justification researches referred to in article 117 of the Law, shall contain the following information:

- I. Intended uses to be given to the land;
- II. Property or group of properties location and surface, as well as the delimitation of the portion in which the land use change in the forestall lands is intended to be carried out, through the geo-referral maps;
- III. Description of the physical and biotic elements of the hydrologic-forestall basin where the property is located;
- IV. Description of the property's conditions, including the purposes to which it is used, climate, kind of land, medium slope, relief, hydrography and kinds of vegetation and fauna;
- V. Estimation of the volume per species of the forestall raw materials derived from the land use change;
- VI. Term and form of execution of the land use change;
- VII. Vegetation to be respected or established to protect fragile lands;
- VIII. Prevention measures and mitigation of impacts on the forestall resources, wild flora and fauna, applicable during the several stages of the land use change development;
- IX. Environmental services that may be put in risk because of the proposed land use change;
- X. Technical, economic and social justification that motivates the exceptional authorization of the land use change;

4. Regulation of the General Law for the Prevention and Integral Handling of Waste (*Ley General para la Prevención and Gestión Integral de los Residuos*) (DOF 30-11-2006).

- *[It is linked with the project in respect to the identification and integral handling of hazardous waste in the site preparation and construction, operation and maintenance stages.]*

CHAPTER I Identification of Hazardous Waste

Article 39.- When a mixture of wastes listed as hazardous or deemed as such because of their toxicity, with other waste, exists such mixture shall be hazardous.

When within a process a mixture of waste with another deemed as hazardous, because of their corrosiveness, reactivity, explosiveness or flammability, and such waste keeps such characteristics, it shall be deemed hazardous waste subject to particular handling conditions.

Article 40.- The mixture of lands with hazardous waste listed shall be deemed as hazardous waste, and shall be handled as such when transferred.

Section III

Reutilization, recycling and co-processing

Article 87.- The containers that have had contact with hazardous materials or waste may be reused to contain the same kind of hazardous materials or waste or others compatible with the ones originally packed, provided that such containers do not allow the release of hazardous materials or waste contained therein.

CHAPTER II Remediation Programs

Section I General provisions

Article 132.- The remediation programs will be formulated when a site is contaminated derived from an emergency or when an environmental liability exists.

5. Regulation of the Wildlife Law (*Ley General de Vida Silvestre*). DOF (30-November-2006)

- *[It has an influence on the fauna handling program in the site preparation and construction stages.]*

TITLE THIRD

Common Provisions for Wildlife Conservation and Sustainable Utilization

CHAPTER FIFTH

Release of Samples into the Natural Habitat

Article 89. In case of illicit flagrant collection or capture, the Ministry may immediately release the relevant samples, with the prior positive assessment of the feasibility of the release, by preparing the relevant minute, which shall explicitly set forth the elements assessed.

Article 90. It shall be prohibited to release exotic or domestic species samples.

III.3.4 Mexican Official Standards

TABLE III.2 MEXICAN OFFICIAL STANDARDS APPLICABLE AND THEIR LINK WITH THE PROJECT

| MEXICAN OFFICIAL STANDARD | ➤ [LINK WITH THE PROJECT] |
|---|--|
| Water matters | |
| NOM-001-SEMARNAT-1996 Establishing the maximum permissible limits of contaminants in the discharges of residual water in water and national properties. | <i>In order to protect the aquatic environment against possible environmental contingencies that alter the quality characteristics of water, the following shall be taken into account:</i> 1) <i>Avoid at maximum the change of oil and lubricant service in the area.</i> 2) <i>Avoid to throw in the open tows impregnated with oils and lubricants in the area.</i> 3) <i>Provide to the vehicles and heavy machinery the maintenance service before initiating the work (change of oils, lubricants,</i> |

| MEXICAN OFFICIAL STANDARD | ➤ [LINK WITH THE PROJECT] |
|--|--|
| | <p><i>filters, etc.).</i></p> <p><i>Notwithstanding that the project has contemplated the utilization of portable lavatories and septic tank in the operation. It will be prohibited to discharge residual water in water corps.</i></p> |
| Air matters | |
| <p>NOM-041-SEMARNAT-2006, Establishing the maximum permissible limits of contaminant gas emissions derived from the exhaust pipe of automotive vehicles in circulation that use gasoline as fuel. (DOF. 06-Mzo-07)</p> <p>NOM-045-SEMARNAT-2006 Vehicles in circulation that use diesel as fuel.- Maximum permissible limits of opacity, test procedure and technical characteristics of the measuring equipment.(DOF. 13-Sep-07)</p> | <p><i>This standard will be linked with the project in the site preparation and construction stages with the utilization of machinery and equipment, which must operate in an optimal manner, otherwise the same shall be replaced with others that are in perfect conditions</i></p> <p><i>This standard will be linked with the project in the site preparation and construction stages with the utilization of machinery and equipment, which must operate in an optimal manner, otherwise the same shall be replaced with others that are in perfect conditions</i></p> |
| MEXICAN OFFICIAL STANDARD | ➤ [LINK WITH THE PROJECT] |
| Wastes matters | |
| <p>NOM-052-SEMARNAT-2005, Establishing the characteristics, the procedure of identification, classification and listing of hazardous waste. (DOF. 23-Jun-2006).</p> <p>NOM-054-SEMARNAT-1993 Establishing the procedure to determine the incompatibility between two or more wastes considered hazardous (DOF. 22-Oct-1993).</p> | <p><i>Establishes the procedure to identify if a waste is hazardous, including the hazardous waste list and the characteristics that cause them to be considered as such. It is of compulsory observance. Applicable in all the project's stages to identify if hazardous waste is being generated and, as the case may be, provide the relevant integral handling under the law in effect.</i></p> <p><i>In any of the project's stages, in case any doubts exist in respect to compatibility of materials to be used, the procedure in accordance to the rule shall be applied</i></p> |
| Natural resources matters | |
| <p>NOM-007-SEMARNAT- 1997 Establishing the procedures, criteria and specifications in order to carry out the utilization, transportation and storage of branches, leaves or cactus leaves, flowers, fruits and seeds. (DOF. 23-Apr-03).</p> <p>NOM-059-SEMARNAT-2001 Environmental protection – Mexican native species of wild flora and fauna – risk categories and specifications for their inclusion, exclusion or change, list of species in risk. (DOF. 06-March-02).</p> <p>NOM-060-SEMARNAT-1994, Establishing the specifications to mitigate the adverse effects caused to the land and water corps due to the forestall utilization</p> <p>NOM-061-SEMARNAT-1994, Establishing the specifications to mitigate the adverse effects</p> | <p><i>Handling of forestall products</i></p> <p><i>This standard will be linked with the project in the preparation and construction stage for the protection of species with any conservation status.</i></p> <p><i>This standard will be linked with the project in the preparation stage in respect to the forestall handling and its relationship with the conservation of lands and water corps.</i></p> <p><i>This standard will be linked with the project in the preparation stage in respect to the forestall</i></p> |

| MEXICAN OFFICIAL STANDARD | ➤ [LINK WITH THE PROJECT] |
|--|--|
| <p>caused to the wild flora and fauna due to the forestall utilization.</p> <p>Ecologic Technical Standard NTE-CRN-002/92, Establishing the conditions for the demolition and extraction of forestall products. (DOF. 04-Sep-92)</p> | <p><i>handling and its relationship with the conservation of Biodiversity.</i></p> <p><i>This standard will be linked with the project in the site preparation stage in respect to the manner in which the demolition of trees authorized through the Technical Justification Research for Forestall Lands Use Change will be carried out.</i></p> |
| Noise matters | |
| <p>NOM-080-SEMARNAT-1994.- Establishing the maximum permissible limits of noise emission derived from the exhaust pipe of the automotive vehicles, motorcycles and motorized tricycles in circulation, and their measuring method.</p> | <p><i>It is of compulsory observation for automotive vehicles, which shall guarantee their optimal conditions. The vehicles shall always circulate with the exhaust closed. This standard will be linked with the project in the preparation and construction stage</i></p> |

| MEXICAN OFFICIAL STANDARD | ➤ [LINK WITH THE PROJECT] |
|---|--|
| Environmental Impact matters | |
| <p>NOM-113-SEMARNAT-1998 Establishing the specifications of environmental protection for the planning, design, construction, operation and maintenance of electric power or distribution substations intended to be located in urban, suburban, rural, agribusiness, industrial, urban equipment or services and tourist areas.(DOF. 26-Oct-98)</p> | <p><i>Its link refers to the electric substation in all its stages, however, since it is located in a forestall zone the conditions contained in the resolution item of the Technical Justification Research shall be satisfied.</i></p> |
| <p>NOM-114-SEMARNAT-1998 Establishing the specifications of environmental protection for the planning, design, construction, operation and maintenance of transmission lines and electric sub-transmission lines intended to be located in the urban, suburban, rural, agribusiness, industrial, of urban equipment or services and tourist areas. 23-November -1998 (clarification DOF 01-Feb-99).</p> | <p><i>Its link refers to the electric transmission line in all its stages, however, since it is located in a forestall zone the conditions contained in the resolution item of the Technical Justification Research shall be satisfied.</i></p> |
| Ground and Underground matters | |
| <p>NOM-138-SEMARNAT-SS-2003 Maximum permissible limits of hydrocarbons in lands and the specifications for their characterization and remediation. (DOF. 29-March-05)</p> | <p><i>All the precautions and safety measures shall be taken to avoid the leakage of hydrocarbons (gasoline, diesel, oils, etc.) into the land. In case of leakage the relevant remediation shall be put in place through a competent company that has the appropriate technology theretofore.</i></p> |
| <p>NOM-147-SEMARNAT/SSA1-2004, Establishing criteria to determine the remediation concentrations of lands contaminated with arsenic, barium, beryllium, cadmium, hexavalent chrome, mercury, nickel, silver, lead, selenium, thallium and/or vanadium. (DOF. 02 March 07)</p> | <p><i>All the precautions and safety measures shall be taken to avoid the leakage of chemical substances into the land. In case of leakage the relevant remediation shall be put in place through a competent company that has the appropriate technology theretofore.</i></p> |
| Labor safety, hygiene and environment matters | |

| MEXICAN OFFICIAL STANDARD | ➤ [LINK WITH THE PROJECT] |
|---|---|
| NOM-001-STPS-1999, Buildings, locals, premises and areas of the work centers - safety and hygiene conditions. (DOF. 13-Dec-99). | <i>This standard will be linked with the project in the operation stage in respect to the necessary safety requirements.</i> |
| NOM-002-STPS-2000, Safety, protection and prevention and conditions and combat of fire in the work centers. (DOF. 17-Oct-01). | <i>This standard will be linked with the project in the operation stage in respect to the necessary safety requirements.</i> |
| NOM-004-STPS-1999, Protection systems and machinery and equipment safety devices utilized in the work centers. DOF. 31-V-99 (clarification DOF. 16-Jul-99). | <i>Establish the safety conditions and the protection systems and devices to prevent and protect the workers against work risks generated by the operation and maintenance of the machinery and equipment.</i> |
| NOM-005-STPS-1998, Regarding the safety and hygiene conditions in the work centers for handling the transportation and storage of hazardous chemical substances(DOF. 02-Feb-99). | <i>Establish the safety and hygiene conditions for the handling, transportation and storage of hazardous chemical substances, to prevent and protect the workers' health and avoid damages to the work place.</i> |
| NOM-011-STPS-2001, Safety and hygiene conditions in the work centers where noise is generated. (DOF. 17-Apr-2002). | <i>Fuel leakage or explosion. Establish the safety and hygiene conditions in the work centers where noise is generated, which due to its characteristics, level and action time, is capable of altering the workers' health; the maximum levels and the maximum permissible time per labor shift, their correlation, and the implementation of an audition conservation program.</i> |
| NOM-017-STPS-2001, Personal protection equipment – selection, use and handling in the work centers. (DOF. 5-Dec-01). | <i>Establish the requirements for the selection, use and handling of the personal protection equipment, to protect the workers from the work environment agents that might damage their health.</i> |
| NOM-018-STPS-2000, System for the identification and communication of dangers and risks due to hazardous chemical substances in work centers. DOF. 27-Oct-00 (clarification DOF. 2-Jan-01). | <i>Establish the minimum requirements of a system for the identification and communication of dangers and risks due to hazardous chemical substances, that in accordance with their physical, chemical, toxicity, concentration and exposure time characteristics, may affect the workers' health or damage the work place</i> |
| NOM-021-STPS-1994, Regarding the requirements and characteristics of the report on work risks occurred to integrate statistics | <i>Establish the requirements and characteristics of work risks reports occurred, so the labor authorities keep a national statistic thereof.</i> |
| NOM-022-STPS-1999, Static electricity in work centers - Safety and hygiene conditions. | <i>Establish the safety conditions to prevent risks due to static electricity applicable to the ground system and lightning arrester to be installed in the substation and power house.</i> |
| NOM-001-SEDE-2005, Electric installations (DOF. 13-March-06) | <i>Establish the technical specifications and guidelines to be satisfied by the premises used for the utilization of electric power, so they offer adequate conditions for people and their properties, in respect to the protection against:</i> <ul style="list-style-type: none">- Electric chokes,- Thermal effects,- Over currents,- Failure currents |

| MEXICAN OFFICIAL STANDARD | ➤ [LINK WITH THE PROJECT] |
|--|--|
| NOM-056-SSAI-1993.- Establishing the sanitary requirements of personal protection equipment.(DOF. 30-Dec-95) | <ul style="list-style-type: none">- <i>Super voltages.</i><i>The compliance with the provisions indicated in this standard guarantee the use of the electric power in safe manner; likewise, this standard does not intend to be a design guide, nor an instruction manual for unqualified persons.</i><i>The main sanitary requirements of the personal protection equipment shall be complied with for its utilization in the different areas and labor performance zones and in the different project stages.</i> |

III.3.5 Natural Protected Areas Decrees.

There are 32 Natural Protected Areas with decree in the State of Veracruz, from these areas 14 are Federal and 18 State Natural Protected Areas.

The handling categories of the Natural Protected Areas are:

- Biosphere Reserve (1)
- National Park (2)
- Natural resources protection area (9)
- Flora and fauna protection area (5)
- Zone subject to ecologic conservation (5)
- Ecologic Park (8)

➤ *[The research site is not located within the above mentioned areas and it is worthy to mention that in the site there are neither state or municipal protected areas decrees]*

III.3.6 Close season decrees.

For the state of Veracruz the following decree exists:

DECREE through which the indefinite term close season is deleted, for the granting of concessions and assignments of the superficial water in the basins of the Salado, Grande, Trinidad, Valle Nacional, Playa Vicente, Santo Domingo, Tonto, Blanco, San Juan, Tesechoacán, Papaloapan and Llanuras de Papaloapan Rivers and the affluent and sub-affluent of such rivers. DOF (Monday, June 26, 2006)

III.3.7 Cynegetic calendars.

The Cynegetic calendars are agreed upon through agreements, in accordance with the season and considering that:

The wild fauna is a renewable natural resource integrating the country's natural ecosystems, the rational utilization of which shall be given in respect to the biologic cycles, distribution and

abundance, and that theretofore it is required to establish periodical regulations which are consequent with the dynamics thereof;

That all the wild animals species that freely subsist in the Mexican territory are owned by the Nation and that it corresponds to the Ministry of Urban Development and Ecology to authorize the exercise of hunting and the appropriation of the proceeds thereof;

- Cynegetic Calendar of the State of Veracruz (2008 – 2009):
- Agachona 24 October 2008 - 14 December 2008
- Agouti or Guaqueque 06 March 2009 - 26 April 2009
- Armadillo 03 October 2008 - 09 November 2008
- Chachalaca 07 November 2008 - 08 March 2009
- Masked Quail 24 October 2008 - 14 December 2008
- Rabbit 01 August 2008 - 08 February 2009
- Coyote 24 October 2008 - 12 April 2009
- Bald Coot 07 November 2008 - 08 March 2009
- Geese 24 October 2008 - 14 December 2008
- Collar Wild Boar 05 December 2008 - 11 January 2009
- Hare 01 August 2008 - 08 February 2009
- Raccoon 03 October 2008 - 15 February 2009
- White Feather Dove 07 November 2008 - 08 March 2009
- Huilota Dove 07 November 2008 - 08 March 2009
- Purple Dove 07 November 2008 - 08 March 2009
- Ducks and Garganey 24 October 2008 - 14 December 2008
- Partridges 24 October 2008 - 14 December 2008
- Badger or Coati 17 October 2008 - 01 February 2009
- Tepezcuintle 6 March 2009 - 26 April 2009
- White Tail Deer 05 December 2008 - 15 February 2009

(SEMARNAT 2008 cynegetic calendars)

III.3.8 Municipal ordinances.

The relevant project contemplates the provisions of the ordinances and regulation of the local government Town Councils of Zongolica, Mixtla de Altamirano and Texhuacán as listed herein below:

- *The Municipality of Texhuacán, Veracruz states through official brief 075/08 dated April 09, 2008 and official brief 138/08 dated June 17, 2008, that the project does not interfere nor obstructs its municipal development plans.*
- *The Municipality of Mixtla de Altamirano, Veracruz, states through official brief without number dated April 03, 2008 and official brief N° 110 dated June 17, 2008, that the project does not interfere nor obstructs its municipal development plans.*
- *The Municipality of Zongolica, Veracruz, states through official brief PM/126/2008 dated June 18, 2008, that the project does not affect in any manner the municipal development.*
- *The Municipality of Mixtla de Altamirano, Veracruz, through official brief 109 dated June 17, 2008 grants construction license and land use authorization, as well as moving of lands license.*
- *The Municipality of Texhuacán, Veracruz, through official brief 0195/08 dated June 17, 2008 grants construction license and land use authorization, as well as moving of lands license.*
- *The Municipality of Zongolica, Veracruz, through official brief 127/2008 dated June 18, 2008 grants consent for land use change for the project as well as consent for moving of lands.*