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CURTIS MEXICO CLIENT ALERT

AGREEMENTS IN THE MEXICAN FEDERAL CONGRESS

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During December 2006, a number of noteworthy events took place in the Mexican Federal Congress (*"Congreso de la Unión"*), which are summarized below.

After the inauguration of the elected President Felipe Calderón Hinojosa on December 1, 2006, amid strong opposition of *"diputados"* and *"senadores"* of the PRD, legislators of all political parties, including those of the PRD, reached unanimous historic agreements by approving the 2007 Federal Income Law (*"Ley de Ingresos de la Federación de 2007"*) and the 2007 Federal Budget (*"Presupuesto de Egresos de la Federación de 2007"*). While discussions and amendments to the proposals made by the Executive Power took place in Congress, the *"diputados"* and *"senadores"* of all parties voted jointly and in a constructive manner to pass these important pieces of legislation.

These actions follow the agreement reached by *"senadores"* (including members of the PRD) in October 2006, on the approval of the new six members (*"magistrados"*) of the Federal Electoral Court (*"Tribunal Electoral del Poder Judicial de la Federación"*). It should be remembered that radical leaders of the PRD were opposed to the approval of these six new *"magistrados"* proposed by the Mexican Supreme Court (*"Suprema Corte de Justicia de*

la Nación"), and yet the PRD Senators granted their approval. The Senate also approved, with the concurrence of PRD senators, the appointment of Mr. José Fernando Franco González Salas as new Justice (*"Ministro"*) of the Mexican Supreme Court.

During December, Congress also granted its implicit approval to the manner in which the new Administration is handling the conflict in the State of Oaxaca. Similarly, Congress seems to be in agreement with the campaigns started in the State of Michoacán and in the border between the State of Chiapas and Guatemala against drug traffickers.

In this vein, the Official Federal Daily (*"Diario Oficial de la Federación"*) published the Cooperation Agreements on National Security among the Federal Government and the States of the Republic (*"Convenios de Colaboración en el Marco de la Ley de Seguridad Nacional"*), which were negotiated and executed during the prior administration. Under these Agreements, the Federal Government and the States are implementing coordination programs aimed to enhance the national security and to fight against terrorism and organized crime.

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ABOUT CURTIS

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