

# **AARQ Association for the Administration of Rice Quotas, Inc.**

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## **BID INSTRUCTIONS**

AARQ, through its independent Administrator and pursuant to regulations of the European Union (EU), is managing the allocation of rights to ship U.S.-origin milled rice to the EU under tariff-rate quotas (TRQs) permitting certain quantities of U.S. rice to enter the EU duty-free. Any person or entity incorporated or domiciled in the United States is eligible to bid. This tender is for the **January 2018 TRQ Tranche**, in which TRQ Certificates for the following quantity are being offered on open tender to the highest bidder(s):

	<u><b>Volume (metric tons)</b></u>	<u><b>EU Duty</b></u>
<b>Semi-Milled or Milled Rice (HTS item 1006.30)</b>	<b>9,681</b>	<b>zero</b>

- All information requested by the Bid Form must be completed for the bid to be valid.
- All information must be typed.
- Page 2 of the Bid Form may be copied for submission of multiple bids.
- A responsible official of the bidder must sign each copy of page 2 of the Bid Form.
- The minimum bid quantity is eighteen (18) metric tons.
- A bidder may not bid for more than the total volume listed above, either in a single bid or in a combination of bids. Bids in excess of the total volume will be invalidated.
- Bidders must submit performance security prior to or with their bids. SEE PAGE 2.
- The AARQ Administrator will treat bids as confidential.
- **BIDS MUST BE SUBMITTED ON November 16, 2017 AND MUST BE RECEIVED BY 5:00 P.M. EASTERN STANDARD TIME. AARQ ENCOURAGES EARLY SUBMISSION OF BIDS ON THAT DATE TO ENSURE TIMELY RECEIPT. SUBMIT BIDS BY HAND DELIVERY, FAX, OR EMAIL TO:**

AARQ Administrator  
c/o Crystal Kleitz  
Economic Consulting Services, LLC  
2001 L Street, NW, Suite 1000  
Washington, D.C. 20036

**Fax: (202) 785-3330**  
**Email: [aarq@economic-consulting.com](mailto:aarq@economic-consulting.com)**

## REQUIREMENTS FOR PERFORMANCE SECURITY

- Prior to or with its bid, each bidder must provide performance security in the amount of \$50,000 or the total value of its bid(s), whichever is less.
- Performance security may be in any of the following forms:
  - Cashier's check payable to "AARQ Trust" delivered to the AARQ Administrator on or before **November 16, 2017**.
  - Wire transfer to AARQ Trust:

Bank:	The Bank of New York Mellon
ABA:	021-000-018
G.L. Account Number:	111-565
FFC TAS #:	5721298400
FFC Account Name:	AARQ TR Performance Security - P
Ref:	<Bidder's Name>
Attn:	Audrey Williams (212-815-5837)

It is the bidder's sole responsibility to ensure that the funds **are received by** The Bank of New York Mellon **no later than 3:00 p.m. Eastern Standard Time on November 16, 2017**.

- Verifiable irrevocable Letter of Credit for the benefit of AARQ, in the attached form, issued by an FDIC-insured U.S. bank. The original L/C must be received by the AARQ Administrator on or before **November 16, 2017**.
- A high bidder whose full payment for its winning bid(s) is not received within three business days of its being notified of its high bid will forfeit its performance security.
- Performance security in the form of a wire transfer, cashier's check, or Letter of Credit may be applied to a high bidder's bid payment IF the bidder has so indicated on the Bid Form. In view of the short deadlines involved, **AARQ strongly discourages the application of a Letter of Credit to a bid payment. If the full price of a high bid is not received by the due date, including by reason of late transfer of funds due pursuant to a Letter of Credit, the performance security will be forfeited and the award will be offered to the next highest bidder.**
- Performance securities will be promptly returned to the bidder unless, pursuant to bidder instructions on the Bid Form, the performance security is applied to the bid price of a successful bid or is retained as security for a subsequent Open Tender Process. Please provide an address or wire instructions for the return of performance securities.

## **OPERATION OF THE TENDER PROCESS AND THE TRQ SYSTEM**

The procedures governing the Open Tender Process provide that the high bidder(s) whose bids conform fully to bid requirements will be notified by **November 20, 2017** that they are high bidders for designated quantities. Each high bidder must pay the full amount of its winning bid(s) by certified check or wire transfer, which must be received within three business days of the notification or the performance security will be forfeited. If the quantity awarded for an individual bid does not match the quantity requested, the bidder has the option to reject all or part of the quantity awarded for that bid without penalty. Please notify the AARQ Administrator via facsimile ((202) 785-3330) or email (aarq@economic-consulting.com) within one business day if you choose not to accept all or part of an award. If the full price of one or more high bids is not received by the due date, or if a high bidder rejects a partial award, the quantities will be offered to the next highest bidder(s). Performance securities will be retained until all of the TRQ Certificates have been issued.

TRQ Certificates designating the quantity and form of rice covered will be transmitted to each successful bidder via overnight delivery after receipt of the full amount of a successful bid and within two business days of receiving faxed or emailed instructions from the successful bidder concerning the denomination in which TRQ Certificates awarded to it should be issued.

Under EU regulations, the AARQ TRQ Certificates can be used to enter U.S. rice into the EU under TRQs only in tandem with import licenses issued to EU importers by the EU. The EU issues import licenses for designated quantities in TRQ Tranches opening in January, April, and July (and September if EU import licenses were not issued for the total quantities designated for January, April and July). TRQ quantities not covered by import licenses issued for one Tranche (e.g., January) are carried over to the following Tranche (e.g., April).

Within the first ten business days of the month in which a TRQ Tranche opens, EU importers must apply to Member State authorities for licenses to import a specified quantity and form of U.S.-origin TRQ rice. They must submit a TRQ Certificate for that quantity with the import license application. U.S. holders of TRQ Certificates therefore must transmit the TRQ Certificates to EU importers to permit the importers to comply with that timetable. The EU import licenses are valid from their date of issue until the end of the third month following that day.

## **DEADLINE TO USE TRQ CERTIFICATES**

TRQ certificates issued in this Open Tender Process that are not presented with an import license application by an EU importer during the first ten business days of January 2018 will remain valid for the **April, July, and September 2018 Tranches**.

The holder (including a transferee) of a TRQ Certificate must transmit the certificate to an EU importer who will apply for an import license during the first ten business days of January, April, July, or September.

PLEASE ADDRESS ANY QUESTIONS TO THE OFFICE OF THE AARQ ADMINISTRATOR AT 202-466-1150.

**AARQ Association for the Administration of Rice Quotas, Inc.**

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**BID FORM**

**CONFIDENTIAL**

**BIDDER INFORMATION**

**Company Name:**

**Primary Contact Name:**

**Address for Fedex deliveries (i.e. for delivery of TRQ Certificates) :**

**Telephone:**

**Facsimile:**

**E-mail:**

**Additional E-mail:**

**Number of pages to follow:**

**PERFORMANCE SECURITY INFORMATION**

**Amount:**

**Date:**

**Type of Security:**

**Number (L/C number; or federal reference number if wire transfer):**

**Expiration Date (L/C):**

**Method of Delivery:**

- |   |  |
|---|--|
| <input type="checkbox"/> Enclosed   | <input type="checkbox"/> Hand delivered to Administrator |
| <input type="checkbox"/> Wired to AARQ Trust account at The Bank of New York Mellon | <input type="checkbox"/> Other (specify)                 |

**Disposition of performance security:**

Successful Bidder

- Return to Bidder
- Apply performance security to successful bid price
- Retain the performance security for a subsequent Open Tender Process

Unsuccessful Bidder

- Return to Bidder
- Retain the performance security for a subsequent Open Tender Process

**Address for return of performance security (if wire transfer, include Bank name; ABA #; account #; account name):**



<BANK LETTERHEAD>

**AARQ Administrator**

Economic Consulting Services, LLC  
2001 L Street, N.W., Suite 1000  
Washington, D.C. 20036

We hereby issue in your favor this Irrevocable Standby Letter of Credit in the amount of <FIFTY THOUSAND DOLLARS (USD \$50,000.--) OR the amount of the bid, if less than \$50,000>, which is available by payment against your written demand, addressed to < BANK X, ADDRESS>, bearing the clause "drawn under standby letter of credit Number \_\_\_\_\_ issued by <BANK X, ADDRESS>."

Any written demand for payment must be accompanied by your signed certificate stating that the AARQ Administrator has the right to make demand for payment in accordance with Bid Instructions issued by AARQ.

We shall then honor your demand by transferring **within one (1) business day** the face amount by wire transfer to the AARQ Trust at:

Bank:	The Bank of New York Mellon
ABA:	021-000-018
Account Number:	5721298400
Account Name:	AARQ TR Performance Security - P
Ref:	<Bidder's Name>
Attn:	Audrey Williams (212-815-5837)

without inquiring whether you have the right as between you and our Customer, <Bidder's name> to make such demand and without acknowledging any claim of our Customer.

This Letter of Credit will continue to <Date, (not less than thirty days from date)> and will expire on that date and you may call for payment of the full outstanding amount under this Letter of Credit at any time up to the close of business on that date.

Written demands for the full amount or any portion or portions thereof must be presented to us along with this original Credit Instrument.

This Letter of Credit is subject to the Uniform Customs and Practice of Documentary Credits (1993 Revision) International Chamber of Commerce, Publication Number 500 to the extent not inconsistent herewith.