

AARQ Association for the Administration of Rice Quotas, Inc.

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 **September 2020 TRQ Tranche**, in which TRQ Certificates for the following quantity are being offered on open tender to the highest bidder(s):

	<u>Volume (metric tons)</u>	<u>EU Duty</u>
Semi-Milled or Milled Rice (HTS item 1006.30)	22,297	zero

- 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.
- **The minimum bid price is \$15/MT.**
- 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 JULY 30, 2020 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

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 **July 30, 2020**.
 - Wire transfer to AARQ Trust:

Bank:	The Bank of New York Mellon
ABA #:	021-000-018
Account #:	5721298400
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 Daylight Time on July 30, 2020**.

- 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 **July 30, 2020**.
- 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 **August 3, 2020** 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., July 2020) are carried over to the following Tranche (e.g., September 2020).

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 September 2020 will no longer be valid.

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 September 2020.

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

AARQ Association for the Administration of Rice Quotas, Inc.

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

Unsuccessful Bidder

- | | |
|---|---|
| <input type="checkbox"/> Return to Bidder | <input type="checkbox"/> Return to Bidder |
| <input type="checkbox"/> Apply performance security to successful bid price | <input type="checkbox"/> Retain the performance security for a subsequent Open Tender Process |
| <input type="checkbox"/> 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):

