

MEXICO – MEASURES AFFECTING TELECOMMUNICATIONS SERVICES

Status Report by Mexico

Addendum

The following communication, dated 18 August 2005, from the delegation of Mexico to the Chairperson of the Dispute Settlement Body, is circulated pursuant to Article 21.6 of the DSU.

Status Report Regarding Implementation of the DSB Recommendations and Rulings in
Mexico – Measures Affecting Telecommunications Services (WT/DS204)

Mexico submits this report in accordance with Article 21.6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU).

On 1 June 2004, the Dispute Settlement Body (DSB) adopted its recommendations and rulings in *Mexico – Measures Affecting Telecommunications Services* (WT/DS204). On that same date, the parties to the dispute notified an agreement on implementation. The agreement specifies that the reasonable period of time for Mexico to comply is 13 months. On 1 and 15 July, respectively, the United States and Mexico agreed on an extension of the reasonable period of time for implementation, in accordance with Article 21.3(b) of the DSU. The said period expired on 29 July 2005.

The Government of Mexico has complied with the first phase of the agreement, as indicated in its status report of 6 December 2004. In the second commitment under the agreement, Mexico undertook to bring into force the regulations needed under Mexican legislation to authorize the issuing of permits for the resale of international long distance switched telecommunications services. Mexican and United States government officials held consultations throughout the process conducted in order to meet commitments under the agreement of 1 June 2004. The **Regulation on marketing of long distance and international long distance telecommunications services** was finally published in the Official Journal of the Federation on 12 August 2005. Notwithstanding the commitment undertaken by Mexico vis-à-vis the United States in this dispute, the Regulation will allow the establishment and operation of commercial agencies for the purposes of access to not only international long distance services but also domestic long distance services. In accordance with the relevant domestic legislation, commercial agencies will provide such services using the capacity of an authorized concessionaire. The Regulation will thus enable commercial agencies to operate under non-discriminatory conditions, in that it compels concessionaires to refrain from imposing conditions that restrict the marketing of services or the offering of rates and commercial terms and conditions less favourable than those offered to the public at large. The commercial agencies will be free to set rates, on terms that will make it possible to deliver high-quality, competitive, secure and permanent service.

With the issuing of this Regulation, Mexico fully complies with the terms of the agreement reached with the United States on 1 June 2004 in respect of the recommendations of the Panel in charge of the case, and it consequently requests that this dispute be deemed to be definitively settled. Finally, this is Mexico's last status report under Article 21.6 of the DSU.
