

MEXICO – MEASURES AFFECTING TELECOMMUNICATIONS SERVICES

Status Report by Mexico

The following communication, dated 6 December 2004, 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*.

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, which specifies that the reasonable period of time for Mexico to comply is 13 months.

Accordingly, the Government of Mexico complied with the first phase of that agreement by publishing, on 11 August 2004, its new international telecommunications rules. These rules eliminate the uniform settlement rate system, the proportional return system and the right of the carrier with the greatest proportion of outgoing traffic to negotiate the related settlement rates. The new system will enable all of Mexico's long-distance carriers to negotiate their rates freely, not merely with United States carriers, but with carriers worldwide. There can be no doubt that this will make the Mexican telecommunications market yet more competitive.

Similarly, Mexico is drafting regulations for the establishment of commercial agencies. Once these have been developed, Mexico will have fully complied with the DSB's recommendations and rulings.
