

World Trade Organization Dispute Settlement Body Adopts Panel Report on Mexican Measures Affecting Telecommunications Services from United States

The World Trade Organization (WTO) Dispute Settlement Body, on 1 June 2004, adopted the panel report on "Mexico — Measures Affecting Telecommunications Services". Following adoption of the report, the United States and Mexico notified the WTO Dispute Settlement Body that they had arrived at a mutually agreed solution regarding compliance with the panel recommendations.

1. The Parties agreed that thirteen months constitutes a reasonable period of time to comply with the recommendations of the Report, as set forth in the following paragraphs:

2. Within two months of adoption of the Report, Mexico shall have in force revised International Long Distance Rules (the "ILD Rules"). Mexico shall completely eliminate those aspects of the current ILD Rules that implement the "uniform settlement rate" system, the "proportional return" system, and the requirement that the carrier with the greatest proportion of outgoing traffic to a country negotiate the settlement rate on behalf of all Mexican carriers for that country. Thus, the new ILD Rules shall allow the competitive commercial negotiation of international settlement rates.

3. Within thirteen (13) months of adoption of the report, Mexico shall have in force regulations (Reglamentos) authorizing the issuance of permits (permisos) for the resale of international long distance public switched telecommunications services. Such Reglamentos will regulate commercial agencies (comercializadoras) established in Mexico and permit them to purchase and resell these telecommunications services through the use of capacity of concessionaires, within the limits established in Articles 52 and 61 of Mexico's Federal Telecommunications Law.

4. The Parties anticipate that the competitive commercial negotiation of international settlement rates resulting from the revisions of the ILD Rules will result in reasonable and cost-oriented rates.

5. The United States recognizes that Mexico will continue to prohibit International Simple Resale.

6. Once Mexico has complied with the obligations set out in the previous paragraphs, and provided that international settlement rates offered do not increase above the rates established by commercial negotiations concluded in May 2004 between United States carriers and the Mexican carrier authorized under the current ILD Rules, the Parties will file a notice with the Dispute Settlement Body stating that a mutually agreed solution to this dispute has been achieved. Provided that Mexico has complied with this agreement, the United States shall not seek recourse to Article 21.5 of the DSU, concerning any finding or recommendation of the panel report.

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