

---

entry in these states. On January 1, 2000, Canadian and American trucking firms will be allowed to make cross-border pickups and deliveries of international cargo to or from any point in Mexico.

The level of investment permitted by Canadians in Mexican trucking firms which transport international cargo will be increased over ten years, from 49% on December 17, 1995 to 100% on January 1, 2004.

Under the NAFTA, Canadian and U.S. railroads will continue to be able to market their services in Mexico, own and dispatch unit trains with their own locomotives and construct and own terminals. Mexico will continue to enjoy full access to the Canadian and U.S. railroad systems.

Canada struck an agreement with Mexico to maintain the two countries' relatively open international maritime shipping services. Canadian and Mexican international maritime shipping firms can operate into each other's markets. Mexico has undertaken liberalization for the foreign ownership and operation of terminals which should facilitate the introduction of new services.

Shipments by air to Mexico will not be affected by the NAFTA, and will continue to be governed by bilateral air agreements. NAFTA deals only with specialized air services, such as aerial mapping and surveying, and does not include passenger and cargo air services.

Operating and safety standards for transportation have been maintained, and each country accepts the national standards applicable for operations within a country. The NAFTA partners will also endeavour to make compatible, over a period of six years, their standards-related measures, such as driver standards and vehicle standards, with respect to motor carrier and rail operations, and the handling of dangerous goods.

The impact of these changes for exporters is the anticipated development of enhanced service levels for shipping to Mexican clients. Canadian transportation service providers are establishing close operating, marketing and joint venture links with Mexican and U.S. enterprises to meet exporters' service needs as outlined in the next section.