

Shore returned to Mexico in late March to continue discussions. "Mexican business people seem to appreciate the fact that a return visit demonstrates serious interest," he adds.

Canadian municipalities can be instrumental in helping companies take advantage of the global environment market. "The City of Calgary played a strategic role in opening the Mexican market," emphasizes John Atkinson, president of Reid Crowther, a 500-person engineering consulting firm headquartered in Calgary, Alberta. The company specializes in water and wastewater treatment issues affecting large urban areas.

### **Delta Catalytic Corporation and the NAFTA**

Delta Catalytic Corporation is gradually penetrating the Mexican petroleum industry.

The company, headquartered in Calgary, Alberta, provides engineering, procurement, construction and maintenance services to onshore energy-related industries worldwide.

Two years ago, while the NAFTA was being negotiated, Delta Catalytic began working with PEMEX, the state-owned petroleum company and the fourth-largest company in the world. Murray Propp, Delta Catalytic's Vice-President of Business Development, explains: "We were the first Canadian engineering firm to provide PEMEX with expertise in sulphur-recovery technologies. We demonstrated our expertise by performing a major sulphur-management study for the Miguel Hidalgo Refinery." Since then, Delta Catalytic has successfully marketed its proprietary sulphur-recovery technology, MCRC™, for PEMEX'S Caderyeta Refinery.

In addition, the company is working on a joint-venture project with McDermott Marine Corporation to improve offshore platform operations and maintenance for the Nohoah-A production complex, located in the Bay of Campeche.

"Our success in Mexico would not have happened without the initial assistance of the Canadian Embassy and the Canadian International Development Agency (CIDA)," adds Propp.

"PEMEX is a world-class organization. They have been very professional in their dealings with our people," emphasizes Propp.

In June 1993, Delta Catalytic Corporation entered the U.S. market through an alliance with Hudson Engineering Corporation, an operation based in Houston, Texas. The new company, Delta Hudson International, brings together two world-class engineering companies to provide single-source engineering construction and maintenance services for hydrocarbon-processing industries throughout the world.

"Our company's involvement in Mexico came directly through established relationships between Calgary municipal officials and their counterparts in Mexico," Atkinson said. Once these relationships were firmed up, joint-venture opportunities in wastewater treatment opened up in Mexico.

Reid Crowther also operates a research and development firm in Seattle, Washington, which develops computer software for the simulation of wastewater cycles. These tools have been applied to improve large wastewater systems in Canada, the United States and the United Kingdom.

### **LEGAL SERVICES IN THE CORRIDOR**

"Our firm has always focussed on international issues such as intellectual property and international trade," says Richard Dearden, a partner in Gowling, Strathy & Henderson, a law firm with offices in Ottawa, Toronto and Moscow.

The firm played an extensive role in both the Canada-U.S. Free Trade Agreement (FTA) and the NAFTA. "We were hired by the U.S. government to counsel and monitor the implementation of treaty obligations under the FTA and in particular Chapter 19, which provides for the review of anti-dumping and countervailing duty cases," says Dearden.

"During the NAFTA negotiations process, we worked with the U.S. firm of Shearman & Sterling about the legal ramifications of specific trade issues in both the U.S. and Canada. We travelled with the negotiation team but did not participate in any of the actual sessions."

Once the NAFTA was finalized, "we assisted the Government of Mexico by reviewing the Canadian government's implementation of its NAFTA treaty obligations," states Dearden.

"One of our main objectives in attending the recent trade show in Mexico City was to determine whether we should establish a formal or informal alliance with a Mexican law firm. A formal agreement binds us to an exclusive referral obligation, while an informal relationship allows flexibility for our clients on a case-to-case basis," explains Dearden. "Whichever we choose, it's clear an alliance is the way to go."

According to Dearden, the NAFTA sets out procedures for the development of mutually acceptable professional standards and criteria, but it does not yet set out guidelines on how law firms are to operate under the NAFTA. "These issues will probably be addressed in 1994," he says.