

### **The Fruit and Vegetable Dispute Resolution Corporation**

The (NAFTA) Fruit and Vegetable Dispute Resolution Corporation (DRC) was incorporated in November 1999 and began operations on February 1, 2000 as a result of the work of the NAFTA Advisory Committee on Private Commercial Disputes regarding agricultural goods. It was created to provide a voluntary, industry-driven, tri-national private commercial dispute resolution mechanism for trade in fruits and vegetables. A Canadian, Stephen Whitney, was chosen as the first President and CEO of the corporation, which has its head office in Ottawa. The DRC holds significant potential to facilitate increased trade flows and improve the trading environment among the NAFTA countries in the fresh fruit and vegetable sector. More information can be obtained from the DRC website: <http://www.fvdrc.com/>

### **IMPROVING ACCESS FOR TRADE IN SERVICES**

#### **Trucking**

Mexico's NAFTA commitments on trucking services and investment were to have come into effect in December 1995. However, Mexico has delayed implementation in response to the fact that the United States did not liberalize its trucking measures because of various concerns, including Mexican truck safety standards. Although this is primarily a Mexico-U.S. dispute, an indirect result is that at least one Canadian trucking company has been prevented from operating in Mexico. The Canadian government continues to press Mexico to fulfill its NAFTA trucking obligations to Canada. Canada is participating as an interested third party in the NAFTA Chapter 20 panel in the Mexico-United States dispute.

More generally, substantial progress has been made in harmonizing technical standards for motor carriers under NAFTA Chapter 9. Canadian transport officials will continue this work with their U.S. and Mexican counterparts in anticipation of the eventual opening of the U.S.-Mexico border to trucking services.

#### **Telecommunications**

A number of Canadian telecommunications companies are doing business in Mexico. With the conclusion of the ABT, access for the supply of services to Mexico has increased, offering more opportunities to Canadian businesses. Canada will closely monitor

Mexico's implementation of its WTO commitments. In addition, Canada will continue to press Mexico to put in place terminal attachment standards that conform to the NAFTA requirements, and to implement conformity-assessment procedures that would allow the acceptance of Canadian test data, as required under Articles 908 and 1304 of the NAFTA. Mexico has made encouraging commitments on both these fronts within the NAFTA Telecommunications Standards Subcommittee.

On April 9, 1999, Canada and Mexico signed an agreement on the provision of satellite services intended to facilitate the provision of services to, from and within Canada and Mexico via commercial satellites licensed by both countries. The agreement is to enter into force once the appropriate implementation measures are concluded in Canada and Mexico. The agreement provides for the negotiation of protocols to the agreement on the provision of both mobile satellite and fixed satellite services. The implementation of the underlying agreement and the negotiation of protocols on fixed and mobile satellite services will remain a priority for Canada in the year ahead.

Both countries have facilitated rapid growth in this industry by sharing innovative technologies and by collaborating in the development of telecommunications policy and regulations. Cooperation in this dynamic and increasingly important area will continue.

#### **Financial Services**

Canada is following legislative developments relating to a financial reform package that could have a significant impact on foreign investors' access to the Mexican financial market. Two areas in which Canada is seeking further change relate to access to the Mexican securities sector and the cross-border provision of insurance services.

In the securities sector, while Mexico has no current plans to allow limited-scope securities firms, this may be considered in the medium term. Canada will continue to encourage Mexico to establish new categories of securities firms and, in the context of a new Mexican pension regime, to open its pension-fund market to foreign securities firms. On the insurance side, Canada continues to work towards facilitating the provision of seamless insurance transactions for motor carriers involved in cross-border trade between Canada, the United States and Mexico.