

not prohibit cross-subsidization between public telecommunications transport services. In addition, firms or individuals may use public networks and services to move information within a country and across NAFTA borders.

The provisions in this section do not apply to measures affecting the distribution of radio or television programming by broadcast stations or cable systems, which will have continued access to and use of public networks and services.

## Exclusions and Limitations

The three countries are not required to authorize a person of another NAFTA country to provide or operate telecommunications transport networks or services and may prohibit operators of private networks from providing public networks and services.

## Enhanced Telecommunications

The NAFTA provides that each country will ensure that its licensing or other authorization procedures for the provision of enhanced or value-added telecommunications services are transparent, non-discriminatory and applied expeditiously. Enhanced providers of the three countries will not be subject to obligations that are normally imposed on providers of public networks and services, such as providing services to the public generally or cost-justifying their rates.

## Standards-Related Measures

The NAFTA limits the types of standards-related measures that may be imposed on the attachment of telecommunications equipment to public networks. Such measures must be necessary to prevent technical damage to, and interference with, public networks and services, to prevent billing equipment malfunctions and to ensure user safety and access. In addition, any technically qualified entity will be permitted to test equipment to be attached to public networks. This section also establishes procedures in each country to permit the acceptance of equipment test results conducted in the other NAFTA countries.

## Monopoly Provision of Services

The NAFTA recognizes that a country may maintain or designate a monopoly provider of public networks or services. Each country will ensure that any such monopoly does not abuse its monopoly position by engaging in anti-competitive conduct outside its monopoly that adversely affects a person of another NAFTA country.

## Provision of Information

Information affecting access to and use of public networks and services must be made publicly available, including:

- tariffs and other terms and conditions of service;
- specification of network and service technical interfaces;
- information on standardizing organizations;

- conditions for the attachment of terminal or other equipment; and
- notification, permit, registration or licensing requirements.

## Technical Cooperation

The NAFTA countries will cooperate in the exchange of technical information and in the development of government-to-government training programs. Recognizing the importance to global telecommunications of international standards, they will also promote such standards through the work of the International Telecommunications Union, the International Organization for Standardization and other relevant international organizations.

## Investment

The NAFTA removes significant investment barriers, ensures basic protections for NAFTA investors and provides a mechanism for the settlement of disputes between such investors and a NAFTA country.

## Coverage

This section covers investments in one country by NAFTA investors from another NAFTA country. NAFTA investors include all enterprises with substantial business activities in a NAFTA country. Investment covers all forms of ownership and interests in a business enterprise, tangible and intangible property and contractual investment interests.

## Non-Discriminatory and Minimum Standards of Treatment

Each country will treat NAFTA investors and their investments no less favorably than its own investors — national treatment — and investors of other countries — most-favored-nation treatment. With respect to measures of a state, provincial or local government, national treatment is defined to mean treatment no less favorable than the most favorable treatment accorded to investors of the country of which it forms a part. In addition, each country must provide investments of NAFTA investors treatment in accordance with international law, including fair and equitable treatment and full protection and security.

## Performance Requirements

No NAFTA country may impose specified "performance requirements" in connection with any investments in its territory, namely specified export levels, minimum domestic content, preferences for domestic sourcing, trade balancing, technology transfer or product mandating. However, these disciplines do not apply to any NAFTA country's government procurement, export promotion or foreign aid activities.