

## Committee on Specific Commitments

### REPORT OF THE MEETING HELD ON 11 JULY 2000

#### Note by the Secretariat

1. The Committee on Specific Commitments held its sixteenth meeting on 11 July 2000. The agenda for the meeting was contained in WTO/AIR/1345. The Chairman announced he would make a statement on a request for observer status under other business.

2. It was so agreed.

#### A. CLASSIFICATION

3. The discussions on the classification of services sectors were held in informal mode during a meeting on 10 and 11 July 2000, which preceded the formal session. After these discussions the Chairman gave the following summary at the formal Committee meeting.

#### Production on a fee or contract basis

4. The Chairman asked the Secretariat to introduce a Note on the matter of “production on a fee or contract basis”, which contained elements which might be relevant to the discussions on classification in various services sectors. A representative of the Secretariat introduced the Note, which identified three types of possible services relating to production: (i) manufacturing on a fee or contract basis; (ii) services incidental to production, which constituted part of the production process; and (iii) various services relating to production, which were supplied to manufacturers. While there was no question that all the activities falling in the third category were services subject to the GATS, some uncertainty existed with respect to the first two categories. The paper pointed out that although the CPC classified all these activities, including manufacturing on a fee or contract basis, as services, this fact alone could not mean that they should all be considered services subject to the GATS. In fact, the GATS contained no definition of services and the CPC had no binding legal force in the GATS. Therefore, if it was clear that if the third category of activities constituted services subject to the GATS, the treatment for GATS purposes of the first and second categories was a matter for decision by Members, as there was no legal text which could provide clear guidance.

5. It was noted that this was a systemic issue which affected the relationship between the GATT and the GATS. Several delegations argued that, although there was not a clear legal answer in the GATS to some of the questions raised in the paper, a distinction between manufacturing and services, which took account of the underlying economic reality, was desirable. One delegation said that the CPC classification of manufacturing on a fee or contract basis as a service contradicted economic reality, which distinguished economic activities between goods and services. Another delegation said that before dismissing the CPC approach, it was important to explore all the legal consequences of classifying manufacturing on a fee or contract basis as a service. This position was also supported by another delegation, which argued that Members should not lightly dismiss the approach taken in the CPC, as the CPC classification of manufacturing on a fee or contract basis had been used by Members during the Uruguay Round. Other delegations argued that any work in this area should give due consideration to the consequences it might have on existing commitments already undertaken by Members under Divisions 884 and 885 of the CPC. One delegation pointed out that the commitments

which had been scheduled under CPC Divisions 884 and 885 might be the result of an error rather than of the intention to bind manufacturing activities. Although the Secretariat had made clear that there was no record of discussions held during the Uruguay Round on the classification of production services, some delegations asked the Secretariat to explore whether there was any record of discussions on the distinction between goods and services or whether there were any academic studies on this subject.

6. It was the general view that the Secretariat's tripartite distinction between (i) manufacturing on a fee or contract basis, (ii) services incidental to manufacturing and (iii) business services supplied to manufacturers, was a useful one, which could help advance the debate on this issue. One delegation, however, noted that even if the CPC approach was adopted, not all sub-contracted manufacturing would be services according to the CPC. This would be the case only when manufacturing was sub-contracted to operators who did not own the raw materials, while sub-contracted manufacturing by owners of raw materials would not be a service, even according to the CPC.

#### Environmental services

7. At the past meetings discussions on this sector took place on the basis of a proposal by the European Communities. At this meeting the European Communities introduced a new draft (document Job. No. 4348), which incorporated comments made by delegations at previous meetings. The new paper re-ordered some of the "core" sub-sectors; moved services relating to waste management, wholesale, retail and storage to the "cluster" section; re-defined the entry relating to water distribution; and added "architectural services with an environmental component" to the "cluster" section. It emerged from the discussion that there were still three main contentious issues in the EC proposal relating to (a) water distribution services, (b) recycling services and (c) operation and maintenance services.

8. On water distribution services questions were raised concerning the appropriateness of classifying this services as an environmental service, the exact reference to CPC entries and the possible coverage of any new classification in this sector. According to some delegations recycling services could go beyond environmental services and might also include the recycling of glass and paper. It was noted that this sub-sector somehow related to manufacturing processes and therefore uncertainty existed regarding its possible GATS coverage. One delegation, however, stressed that it was important to fill all existing gaps in the W/120 and that recycling was clearly one of them. Regarding "operation and maintenance services" a question was raised as to whether these activities were not already covered by the W/120. One delegation also argued that it would be difficult to distinguish between environmental facilities and other facilities. The European Communities responded that as "maintenance services" were already covered in the W/120, this entry could be moved to the "cluster" section, while "operation services", not yet covered by the W/120, could be kept in the "core" section.

9. One delegation supported inserting reference to CPC version 1 for environmental services in the revised classification. The same delegation noted that in the EC-proposed new classification there were more categories than in the W/120 and argued that new categories should be created only where this was absolutely necessary. In this respect, for example, the delegation expressed doubts about substituting the existing W/120 entry "sewage services" with "wastewater management", a change that in their view was merely cosmetic. It was the general view that the examples and the descriptions contained in the second column were useful, although they contained some errors, but some divergence of views existed as to whether they should be retained in a revised classification of environmental services and on their possible relationship with CPC references. One delegation suggested that the examples of "public awareness programmes" and "services related to environmental impact assessment" under item 6G ("other services not classified elsewhere"), were probably already covered in the W/120 under "business services".

10. The Secretariat was asked to prepare a paper setting out Members' positions on the three contentious issues relating to the classification of "core" sub-sectors.

11. On clusters the Chairman recalled that while the general question of clusters was being addressed by the Special Session of the Services Council, the Committee could consider cluster proposals in the sectors whose classification was under examination in the Committee on Specific Commitments. At this meeting, however, there was no substantive discussion of the cluster part of the EC paper on environmental services as several delegations expressed reservations on discussing specific clusters in the Committee on Specific Commitments, while the general question of clusters was still being debated in the Special Session. The EC said that their paper did not deal with clusters, as a general issue, but simply attempted to provide a solution to the questions of overlaps in the classification of environmental services.

#### Energy services

12. At the past meetings the United States had submitted a proposal on the classification of energy services (document S/C/W/27). An earlier "illustrative list of energy services" had been submitted by the European Communities. As the US paper was circulated only a few days before the meeting, many of the comments made at the previous meeting were of a preliminary nature. In this meeting delegations engaged in a more substantive discussion of the US proposal.

13. It was the general view that the US paper constituted a good starting point for the possible classification of energy services, although some delegations found the proposal to be excessively detailed. In this respect it was argued that an excessively detailed classification of energy services might create an unbalance in the W/120, where the classification of other sectors was less disaggregated. One delegation said that it was necessary to separate security-related energy activities, such as nuclear power generation, from other activities, as in their view the former entailed separate consideration relating to national security and the protection of the environment. Another delegation argued that the list of activities contained in attachment A reflected the commercial reality in a deregulated country, while in other countries where privatisation and deregulation had not taken place, the commercial reality might be different. Several delegations also pointed out that any new classification should take account of the diversity among Members' regulatory frameworks in the energy sectors, while some delegations expressed doubts on the "energy neutral" approach adopted in the US proposal, whereby the various energy activities are not distinguished according to the type of energy produced or distributed. Other delegations said that a number of activities listed in the US proposal and relating to the production of energy goods might not fall within the scope of the GATS and noted that this was a sectoral example of the systemic issue highlighted in the Secretariat's paper on "production on a fee or contract basis".

14. Members engaged in a preliminary discussion on how to classify services activities in the energy sector. It was the general view that also in the case of energy, gaps should be filled in the W/120, although views differed on the desirability of creating a new chapter for energy in the W/120 by moving existing entries and creating some new ones. The question of how to deal with related activities on the other hand was still open. One delegation said that consideration should be given to the possibility of relying on the CPC rev 1 definitions for the classification of energy services. The same delegation said that in their view all energy services were somehow already covered by the W/120 and that therefore amendments relating to energy would mainly consist in moving items from one place to another in the existing classification. It was pointed out that any new classification of energy services should not undermine the legal certainty of commitments undertaken already in related sector with the existing classification.

15. Members were encouraged to give further thought to the attachments A and B of the US paper and to attempt to fill in the boxes in attachment B. The United States had already started to do so and at this meeting submitted an informal paper linking the activities of the energy sector described

in Part I of attachment B of their paper (“activities related to the development and redevelopment of the energy resource”) with the commercial descriptions of attachment A and inserting references to W/120 entries (were applicable) and to CPC provisional numbers and entries. The representative of the United States also added that although their proposal did not mean to change the structure of the existing classification in order to accommodate energy services, this was an important infrastructural sector and that for the purpose of negotiations it was important to clarify and better identify its place in the W/120.

#### Legal Services

16. At previous meetings this item was discussed on the basis of proposals by the United States and Japan on foreign legal consultancy services. Although the proposals had much in common, interesting points were made with respect to the definition of the “law of international business transactions” and “international law”. The discussion also focused on the desirability of a new classification of legal services based on the “place of jurisdiction”.

17. At this meeting Members continued to discuss issues arising from the proposals by Japan and the United States. Several delegations supported the idea, contained in both proposals, of classifying legal services on the basis of jurisdiction, thus creating individual sub-sectors for host country law, home country law and international law. It was pointed out that such classification would reflect the practice in the schedules and would allow to preserve necessary flexibility in the negotiation of commitments in this sector. In contrast, the CPC-provisional approach to the classification of legal services had not been adopted in the vast majority of existing schedules. One delegation expressed doubts on the need to amend the W/120 classification of legal services, as the proposed changes more or less reflected the practice in the schedules, which had provided important flexibility for the scheduling of commitments in this sector. The same delegation also expressed concerns regarding the impact of a new classification in this sector on the legal certainty of existing commitments.

18. Regarding the category of “foreign legal consultancy services” in the US proposal, Members exchanged views on the concepts of international law and consultancy services. The validity of the concept of international law “in force” in a given jurisdiction, expressed in Japan’s paper, was questioned, as in the view of some delegations the expertise of a lawyer on international law in force in a given jurisdiction did not depend on whether the lawyer was qualified in that jurisdiction. Some delegations felt that “international business law” also included specific aspects of domestic law. Members also discussed the issue of whether international law included both public and private international law and one delegation argued that any definition of international law should not include the laws which applied only to a particular country. Regarding the concept of consultancy services, expressed in the US paper, some delegations argued that it was important to establish whether the scope of this new category would be the same of the existing entry for “advisory services” in the CPC provisional.

19. In replying to some of the questions, the United States said that although a classification similar to the proposed one had already been adopted in the Uruguay Round schedules, in order to ensure consistency and legal certainty of commitments, it was important to reflect such practice in a new classification. Its representative also argued that, as no classification of the sector beyond the simple entry “legal services”, existed in the W/120, a reformed classification for legal services in the W/120 would not imply the re-opening of any existing classification.

#### Postal and courier services

20. Two papers had been presented at previous meetings on the classification of postal and courier services, one by Australia and another one by the European Communities. The United States had also made an oral presentation on the classification of “express delivery services” at an earlier

meeting. Recent discussions on this item focused on the US proposal and on the desirability of identifying a separate classification category for “express delivery services”.

21. At this meeting, several delegations agreed that the current classification of postal and courier services was outdated as it did not reflect important changes that had occurred in the commercial reality of the sector. One delegation warned about the risk of confusing between postal services and transport services, which were classified elsewhere, in any new classification. Another delegation responded that postal services could not be confused with transport services as the former included many activities in addition to transport, such as collecting, sorting and distributing. Some delegations questioned that the category of “express delivery services”, proposed by the United States, substantially differed from the existing CPC and W/120 category of “courier services” and argued that reference by the US to the activity of “electronic tracking” might be too specific for classification purposes. It was noted that, albeit in less detail, the category of “express delivery services” had also been identified in the EC proposal.

22. The United States replied that in order to reflect commercial reality, it was important to identify “express delivery services” as a sector and that electronic tracking and the expedite nature of the services were some of the features which distinguished it from any other existing sector. The European Communities argued that their classification proposal took account of the fact that many areas of postal services were still subject to monopolies and that it was important to distinguish between monopoly situations, where there was no competition, and situations where state-owned companies competed with private ones. In this respect, its representative argued that, for the purpose of transparency, it would be useful to identify all remaining monopoly areas in the schedules.

23. Although not all delegations fully shared the approach taken in the EC paper on postal and courier services, it was the general view that this proposal constituted a useful basis for further discussions on the classification of this sector. More questions remained on the proposal made by the United States on the classification of express delivery services, however, it was agreed that also this proposal would remain on the table for further analysis.

#### Construction services

24. At the past meeting discussions had continued to focus on New Zealand’s proposal suggesting the creation of a new category of “integrated construction services” aimed at classifying multistage or turn-key projects.

25. At this meeting some delegations expressed appreciation for the proposal by New Zealand but cautioned against the risk of duplicating existing classification. For this purpose it was pointed out that an entry for integrated construction services should not be the simple sum of existing sub-sectors, but it should contain some value added. One delegation argued that in their view integrated construction services, which included also the component of project management, was already covered by CPC entries 512 and 513 under the general heading of general construction services, like all other sub-sectors. Another delegation said that the gap in classification, which New Zealand was trying to eliminate with their proposal on integrated construction services, was probably already addressed by the CPC entry “integrated engineering services” (8673).

26. New Zealand replied that in their understanding neither CPC entries 512 and 513 nor other entries in the CPC covered multistage projects, hence the need for classifying integrated construction services separately. However, its representative understood delegations’ concerns about duplication and suggested that the Secretariat contact the Statistical Office of the United Nations in order to seek guidance as to the coverage of CPC entries 512 and 513.

27. The Chairman invited the representative of Poland to introduce a paper on “classification issues”. The representative of Poland introduced the paper which focused on the scope of the

Committee's work on the improvement of the existing classification. The paper argued that any amendments to the existing classification should be restricted to what was strictly necessary and expressed concerns about the "clusters" approach, which was still too ambiguous and required further discussion. The paper also supported the use of CPC in any new classification and, in order to ensure transparency and legal stability of commitments, expressed a preference for a binding classification, although it acknowledged the difficulties involved. The delegations of Mexico and Pakistan expressed appreciation for Poland's contribution on this issue and shared Poland's concerns about the "clusters" approach.

28. At the end of the discussions on classification, the Chairman raised a point concerning the organization of the Committee's work on classification. He recalled that the work programme for the first phase of the services negotiations, approved by the Special Session of the Services Council in May, had set a best endeavour deadline for completion of the on-gong work in the Committee on Specific Commitments at March 2001. In this respect, he reminded delegations that there were only two other formal meetings before the end of the year and a maximum of two or three meetings before the end of March 2001. Although this was without prejudice to informal consultations which might also be held, it appeared that the time available to complete the work on classification was rather limited.

29. Therefore, he stressed that if Members wanted to meet the target which was set by the Special Session, it was important that the Committee organized its work in the most efficient manner. He invited delegation to pursue bilateral and plurilateral contacts on technical issues regarding classification, as it had already happened in the case of environmental services. The results of such consultations should then be reported to the Committee, which would be responsible for advancing work and taking decisions.

## B. SCHEDULING GUIDELINES

30. The Chairman recalled that at the past meetings the Committee had focused its discussions under this item on a number of outstanding issues. On many of these issues a compromise on the text to be included in the revised Scheduling Guidelines had been reached or was in sight. An informal meeting of the Committee on this subject, held on 26 June 2000, had helped Members to make further progress on the remaining outstanding issues. For this meeting the Chairman proposed that Members continued discussing some of these issues with a view to reaching a common understanding where this was possible. In order to facilitate the task, he had asked the Secretariat to prepare a revision of document Job No. 3086 (3086/Rev.1) reflecting the evolution of the various drafting proposals. This Note, like the previous one, was meant to help delegations in their discussion of the drafting proposals on the outstanding issues in the revision of the Scheduling Guidelines and clearly did not bind delegations to any of the proposals made and reported in this document. He suggested that the Committee structure its discussions along the proposals on the outstanding issues reported in the Note. *(Please note that the numbering of the headings under this item still follows the order given to the Chairman's proposals in document Job No. 772).*

## II. Footnotes, headnotes and attachments

31. On this point there were four drafting proposals by the Chairman concerning the legally binding nature of schedules, footnotes, headnotes and attachments. The general view at the last informal meeting was that while the Chairman's proposals on paragraph 6 (as amended by Switzerland) and on paragraph 9 were acceptable, there was no need for paragraphs 7 and 8. New Zealand had asked for some time to reflect on paragraph 9. At this meeting the representative of New Zealand said that his delegation was in the position to accept paragraph 9 in its current formulation. The Chairman therefore asked delegations if they agreed to place the Chairman's proposals on paragraph 6 (incorporating the Swiss proposal) and 9 among the points of emerging common understanding in the revision of the guidelines.

32. It was so agreed.

III. Meaning of market access restrictions

33. Under this item at the last informal meeting there was a convergence of views on the Chairman's proposal as amended by the United States, although a final decision had not been reached on the use of the words "standard" or "provision" to define National Treatment. Canada still had a reservation on this proposal, but announced that it was exploring internally whether there was scope for flexibility. At this meeting the Chairman proposed that Members agree to use the word "standard" to define national treatment, in order to ensure consistency with the existing paragraph 4 of MTN.GNS/W/164. Canada announced that, although they were not persuaded of the necessity of such an addition to the guidelines, in the spirit of flexibility they could lift their reservation on this proposal. The Chairman thanked Canada for its flexibility on this issues and suggested that on this issue Members agree to place his proposal as amended by the United States (paragraph 13/rev.1 in document Job No. 3086/rev.1) among the point of emerging common understanding.

34. It was so agreed.

VII. Illustrative list of national treatment limitations

35. At past meetings, many delegations found the idea of having an illustrative list of national treatment restrictions to be very useful. It was pointed out, however, that it should be made clear in the introduction that such a list would only provide some concrete examples of national treatment restrictions. It was also suggested that, while the current introduction and the comments by the Secretariat (in bold after some of the examples) should be deleted, some "caveats" should be retained in the form of a short introduction to the list. All these changes were made by the Secretariat to the list attached at the end of document Job. No. 3086/Rev.1. Moreover, the title of the list was changed to "Examples of frequently occurring national treatment restrictions" to better reflect the nature of the list, which neither defined nor exhausted the types of mesures which might limit national treatment.

36. At this meeting some delegations expressed doubts as to the appropriateness of having an example on subsidies in the list, while other delegations supported retaining such an example. Questions were also raised on the examples relating to discrimination arising from "formally identical treatment" and on the new introductory paragraphs. The Chairman asked the Secretariat to make the changes to the introductory paragraphs proposed by delegations, on the understanding that Members could come back to the list at the next meeting.

IX. Measures inconsistent with both Articles XVI and XVII (Article XX:2)

37. On this issue at the last informal meeting a number of delegations had supported the proposal by the Chairman, while a smaller number of delegations had supported the proposal by Switzerland. Canada had maintained a general reservation on this proposal. It was the general view that any amendment to the guidelines on this point should be fully consistent with Article XX of the GATS.

38. At this meeting the Chairman made a statement in an attempt to clarify his proposal on this item. He said that paragraph 1 of Article XX contained the general rule on the scheduling of specific commitments and governed *inter alia* the listing of limitations on market access and national treatment only. Paragraph 2 on the other hand was concerned with a particular category of measures, namely measures inconsistent with both Article XVI and XVII. This paragraph simply indicated where to schedule such measures without clarifying how to do this. According to Article XX:2 measures inconsistent with both Articles XVI and XVII should be scheduled in the market access column. Article XX:2 continued by saying that in this case, that is to say in the case of measures inconsistent with both Articles, the "inscription will be considered to provide a condition or qualification to Article XVII as well." It was clear from the text of Article XX that there was another

category of measures, which was inconsistent only with Article XVI and whose scheduling in the market access column provided a limitation only to Article XVI. This was also evident from the schedules which contained a large number of measures inscribed in the market access column which were not meant to limit also national treatment such as quantitative limitations and restrictions on legal form.

39. The Chairman pointed out that under the current conditions whether a measure inscribed in the market access column provided a condition or qualification to Article XVI only or to both Articles XVI and XVII, had to be determined on a case-by-case basis, relying on the ordinary meaning of the words used to describe the measure at issue. This was because neither Article XX nor the Scheduling Guidelines clarified how to schedule measures inconsistent with both Articles XVI and XVII. Paragraph 25 of the Scheduling Guidelines, however, specified that an “*entry should describe each measure concisely, indicating the elements which make it inconsistent with Articles XVI or XVII*”. For example, an entry such as “only three licenses will be issued” in the market access column should be understood as a limitation to Article XVI only. Therefore the quota should be applied to both foreign and domestic suppliers in a non-discriminatory manner. On the other hand, an entry in the market access column such as “only three licenses will be issued to foreigners” constituted a limitation to both Articles XVI and XVII.

40. The Chairman emphasized that the revision of the Scheduling Guidelines provided the opportunity to clarify this matter and to indicate also how these measures should be scheduled. In fact the Scheduling Guidelines were divided in two parts: “Part I – what items should be scheduled” and “Part II – how should items be scheduled”. He argued that his proposal was therefore within the scope of the guidelines and was fully consistent with the text of Article XX:2. Moreover, it reflected the practice in the schedules, where a vast number of measures inconsistent only with Article XVI had been inscribed in the market access column. It would improve clarity in the schedules and would not create a presumption against valuable commitments on national treatment if Members specified when measures inscribed in the market access column also limited national treatment.

41. The representative of Switzerland announced that, having given further consideration to this matter, his delegation had decided to withdraw their proposal and to support the proposal by the Chairman. Several delegations supported the proposal by the Chairman, while others required some more time for reflection and asked that the statement by the Chairman on this issue be made available in writing. Canada said that in spite of the Chairman’s clarification they continued to have serious doubts as to the compatibility of this proposal with Article XX:2 of the GATS. Its representative argued that the ambiguity in Article XX:2 on how to schedule measures incompatible with both Articles XVI and XVII was intentional and that the proposed revision of the Scheduling Guidelines would take away Members’ ability to interpret the relationship between Articles XVI and XVII as well as affect the legal stability of existing commitments. In Canada’s view, the type of clarification contained in the Chairman’s proposal on this issue could not be dealt with in the revision of the Scheduling Guidelines, but through an amendment to Article XX:2 of the GATS, which required a majority of  $\frac{3}{4}$  of the Membership in the Ministerial Conference. Brazil supported the views expressed by Canada on this item. The Chairman noted that there were still some diverging views on this issue and suggested that Members come back to it at the next meeting.

#### XV. Mode 4 commitments without specified duration

42. On this issue at past meetings a number of delegations had strongly opposed the deletion of paragraph 4 of MTN.GNS/W/164/Add.1, while a certain degree of flexibility existed with respect to the other proposals which were on the table. As displaying an alternative to deletion, the Chairman had proposed to add a sentence at the end of paragraph 4. The United States proposed a change to the Chairman’s text and Hong Kong, China proposed some alternative text to replace the last two sentences of paragraph 4.



43. At this meeting the representative of Brazil said that her delegation could not support any of the proposed revisions on the table. In her understanding the duration of stay of natural persons supplying a service was a matter for domestic immigration measures, excluded from the scope of the GATS, according to the Annex on Movement of Natural Persons Supplying a Service. She suggested that no change be made to the current paragraph 4 of MTN.GNS/W/164/Add.1. The Chairman noted that there were still some diverging views on this issue and suggested that Members come back to it at the next meeting.

44. At the end of the discussion on the outstanding issues the Chairman raised the question of how to advance the Committee's work on the revision of the scheduling guidelines. He pointed out that it was important that Members worked hard in order to meet the best endeavour deadline of March 2001. In order to do so, he said that the Committee had to organize its work in the most efficient manner, also in view of the limited number of meetings and time available.

45. In his view the Committee had reached a stage in this process where any further progress could greatly benefit from the preparation of a single draft text of the revised scheduling guidelines, containing all the points of emerging common understanding and highlighting the few remaining outstanding issues. A single text would allow Members to look at the revised guidelines as a single package and might help to bridge the remaining gaps. Moreover, at this stage it would also bring some order into a process which had seen the multiplication of documents and proposals on individual issues. He emphasised that the text would be prepared on the assumption that "nothing was agreed until everything was agreed" and that it would distinguish clearly between the points on which there was an emerging common understanding and the few remaining outstanding issues. The text would clearly indicate the changes made with respect to the existing guidelines (MTN.GNS/W/164). He therefore asked delegations whether this way of proceeding on the scheduling guidelines would be acceptable.

46. It was so agreed.

#### C. OTHER BUSINESS

47. The Chairman recalled that at the previous meeting the Committee had received a request for observer status from the Universal Postal Union (UPU). The request was circulated to Members in document Job No. 3087. There was a view that, pending consultations in the General Council on the general issue of observership, observer status could only be granted on *ad hoc* basis. However, it was stressed that *ad hoc* observer status would not give access to informal meetings and to informal documents of the Committee. At this meeting the Chairman said that the long and growing list of pending requests for observership was a matter of concern and that Members should not lightly or automatically defer substantive consideration of individual requests. Therefore, he asked Members if they wanted to put this item on the agenda of the next meeting in order to take a decision on the issue.

48. It was so agreed.

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