

WORLD TRADE ORGANIZATION

RESTRICTED

S/GBT/M/1

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Group on Basic Telecommunications

REPORT OF THE MEETING OF 19 JULY 1996

1. The Group on Basic Telecommunications held its first meeting on 19 July 1996. The agenda for the meeting was contained in WTO/AIR/372 of 25 June 1996.
2. It was confirmed that the name of the Group would be, as cited in the 30 April Decision on Commitments in Basic Telecommunications of the Council for Trade in Services (S/L/19), the Group on Basic Telecommunications.
3. Under the first agenda item, on composition of the group and requests for observer status, the Chairman proposed that, since the Group is now constituted by a Decision of the Services Council, its membership might be open to all members of the Council. Participants agreed to this proposal. As such, the distinction made in the Negotiating Group on Basic Telecommunications between WTO Member governments participating fully and those participating as observers will no longer apply. The Group also agreed that non-Member Governments and international organizations which had been granted observer status in the Negotiating Group on Basic Telecommunications (NGBT) would also have observer status in the new Group. The understanding regarding observers' participation (as contained in PC/SCS/1 of 30 June 1994) will continue to apply. The Group considered a request from INMARSAT for observer status, but decided not to accede to it.
4. Under the second agenda item, the exchange of information on recent developments in telecommunications policies, the representative of Japan announced that the Japanese Government had recently requested a study to be conducted on the establishment of new rules for interconnection policy to bring them into conformity with the NGBT reference paper on regulatory principles. The representative of Singapore said that the Government had decided to curtail the duration of the existing monopoly rights on basic telecommunications, which would now last only until the year 2000, rather than the year 2007. The representative of Norway reported that Parliament had now approved the Government's proposal to open all telecommunications markets, including infrastructure, to competition as of 1 January 1998.
5. With respect to the organization of future work, the Chairman sought approval of a draft timetable of meetings and activities of the Group for its work up until the 15 February 1997 deadline for the negotiations. The proposed timetable comprised monthly meetings in September, October and November, with a higher frequency of meetings in the period 15 January - 15 February. Periods of bilateral negotiation would be associated with each multilateral meeting. The timetable also contained indicative dates for the submission of new or improved conditional offers. The proposal was agreed. It was suggested that the Group keep under consideration the idea of holding a high-level meeting, possibly in November 1996.
6. In discussion of the issues needing to be addressed by the Group in the coming months, a number of delegations identified three issues as being outstanding from the work of the NGBT and as requiring resolution. These were: (i) the need to improve the number and quality of commitments offered, so as to achieve a critical mass; (ii) possible distortions in trade resulting from the co-existence of

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open markets and monopoly markets in international telecommunication services; (iii) problems concerning the manner in which satellite services should be dealt with in negotiations. Delegations said they expected the Group to work on and resolve these complex and priority issues in a transparent manner, in order to complete the negotiations successfully by the agreed deadline. One delegation said that the highest priority was to achieve a critical mass of high-quality offers, and that all other issues were related to this. The point was also made that there was a need to discuss how countries plan to implement the obligations to be taken on. The hope was also expressed that, given the short time available to complete the work, the set of issues to be addressed could be mutually agreed and that major new issues would not be added to the process.

7. Under other business, the Chairman proposed and the Group agreed to the derestriction of the draft schedules and m.f.n. lists on basic telecommunications attached to the Fourth Protocol of the General Agreement on Trade in Services (S/L/19), subject to the understanding that any delegation with an objection to derestriction of its document should inform the Secretariat of its objection within a reasonable period of time.