

# WORLD TRADE ORGANIZATION

RESTRICTED

S/NGBT/8

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## Negotiating Group on Basic Telecommunications

### REPORT OF THE MEETING OF 20 SEPTEMBER 1995

1. The Negotiating Group on Basic Telecommunications held its eighth meeting on 20 September 1995. The agenda for the meeting was contained in airgram WTO/AIR/151 of 11 September 1995.
2. Regarding requests for participation and observer status, the Chairman announced that Peru had taken a decision to participate in meetings of the Group as an observer. As a result, the number of full participants in the negotiations remained at 27<sup>1</sup> and the number of participants with observer status was now 31<sup>2</sup>. The Chairman thanked Peru for its decision and encouraged those governments participating as observers also to consider joining in the negotiations as full participants.
3. Under the agenda item on introduction of draft offers, the Chairman announced that draft offers had been received from 8 participants: Australia, Canada, Hong Kong, Japan, Mexico, New Zealand, Slovak Republic, and the United States. He invited the delegations to comment briefly on their offers. Some delegations indicated that their offers reflected the status quo with respect to their existing regimes which were already quite liberal and that additional reform under way might provide a basis for further improvements. One representative said that its offer represented a commitment to better than status quo and said that it hoped that other participants would find themselves in a position to do the same. Most delegations stressed that their draft offers were initial, subject to further bilateral discussion, and conditional upon the quality of other offers that would result from the negotiations.
4. The Chairman invited delegations to comment on the progress of bilateral discussions held so far. A number of delegations indicated that they were holding bilateral sessions throughout the week, but that it was unfortunate not to have more draft offers to discuss. Some expressed disappointment that a major participant had not yet been able to submit a draft initial offer. That participant explained that technical difficulties had held up the submission of the offer but indicated that when submitted, as it should be in the near future, the offer would be found to be substantial, going beyond mere binding of the status quo.

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<sup>1</sup>Argentina, Australia, Brazil, Canada, Chile, Cuba, Cyprus, Dominican Republic, Egypt, the European Communities and their Member States (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom), Hong Kong, Hungary, India, Japan, Korea, Mauritius, Mexico, Morocco, New Zealand, Norway, Singapore, Slovak Republic, Switzerland, Tunisia, Turkey, the United States and Venezuela.

<sup>2</sup>Bulgaria, Brunei Darussalam, the Republic of China, Chinese Taipei, Colombia, Costa Rica, Czech Republic, Ecuador, El Salvador, Guatemala, Honduras, Iceland, Indonesia, Israel, Jamaica, Latvia, Madagascar, Malaysia, Nicaragua, Pakistan, Panama, Peru, Philippines, Poland, Romania, Russian Federation, Slovenia, South Africa, Thailand, Trinidad & Tobago, and Uruguay.

5. One representative emphasized a need to reach a consensus on a what should constitute a bottom line in terms of commitments. He stressed the importance of full m.f.n. obligations in the sector, and thus avoiding any elements of reciprocity. He said that under the GATS, any m.f.n. exemption should be exceptional, temporary, unambiguous and specific and could not be maintained with respect to future measures.

6. Under the agenda item on technical and conceptual issues, the Chairman invited the Australian delegation to introduce its new paper on Termination Services and Developing Countries (S/NGBT/W/13). The Chairman then invited remarks on the issues as listed in the Summary of Participants' Views (S/NGBT/W/8/Rev.1). Some delegations offered suggestions on how to deal with so-called public interest tests, sometimes associated with the issuing of licences. One suggestion was that as such tests often involved vague criteria, they were inconsistent with Article VI of the GATS and should be eliminated rather than listed in schedules. Another view was that they should not need to be listed as a limitation in schedules unless their criteria included a barrier to trade, such as an economic needs test. It was pointed out that public interest tests are already listed in Uruguay Round commitments in some other sectors. There was also discussion on the issue of interconnection, including the suggestion that it might be helpful to have an agreed definition of the term. The Chairman urged delegations to consider ways that the issues on the list might be reduced or resolved in subsequent meetings of the Group.

7. Under the agenda item on the review of participants' responses to the questionnaire on basic telecommunications, the Chairman invited questions on the responses of Singapore, Tunisia and Uruguay. He announced that questionnaire responses from Venezuela, Brazil, the Dominican Republic and Israel had just become available. He invited these delegations to introduce their responses and suggested that questions on their responses be entertained at the next meeting of the Group. The representative of Australia was invited to present its paper on the government's plans for further liberalization of the telecommunications regime, post-1997 (S/NGBT/W/14). The Chairman thanked the delegations for their submissions and encouraged all participants and observers to continue to keep the Group informed of new developments and to submit responses to the questionnaires.

8. In discussion on future work, the Group agreed on a draft agenda for the meeting to be held on 6 October at the senior official level. It was also suggested that the October meeting be a formal rather than an informal session of the Group. No objections were made to this suggestion, but one delegation requested that this change in status be effectively communicated to participants. The Chairman urged delegations that had not yet submitted draft offers to try to do so in time for the 6 October meeting. It was also agreed that the Group would hold its subsequent meeting on 17 November and that bilateral negotiations would be conducted during that week. The Group approved a draft timetable for completion of the negotiations which called for monthly meetings up until the April 1996 deadline. In this context, one representative urged delegations to submit to the Secretariat documentation intended for any meeting of the Group at least one week in advance of the meeting date concerned.

9. Under other business, participants were reminded to inform the Secretariat of the names of officials who would attend the meeting on 6 October and also to inform the Secretariat if their delegation would intend to make a formal intervention at the meeting.