

WORLD TRADE ORGANIZATION

RESTRICTED

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Negotiating Group on Basic Telecommunications

Original: English

COMMUNICATION FROM THE PHILIPPINES

Draft Offer on Basic Telecommunications

Revision

The following communication is circulated at the request of the Philippines to members of the Negotiating Group on Basic Telecommunications.

The Philippines has revised its offer of 22 January 1996 and reserves its right to withdraw or amend this revised Offer at any time prior to the conclusion of the negotiations depending on:

- (a) the achievement of an appropriate balance of benefits from the negotiations;
- (b) the extent of MFN exemption sought by other NGBT participants; and
- (c) the outcome of the discussions on regulatory issues which should take into account varied market and regulatory structures and individual levels of economic development of participants.

The Philippines shall confirm the offer in accordance with its national procedures for the ratification and entry into force of new international commitments.

THE PHILIPPINES: REVISED DRAFT OFFER ON BASIC TELECOMMUNICATIONS

Modes of supply:				
1) Cross-border supply		2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments	
2.COMMUNICATION SERVICES				
C. <u>Telecommunication Services</u>				
The commitments in communication services are in accordance with the General Agreement on Trade in Services and its Annex on Telecommunications. In support of market access commitments undertaken, the following principles will form the basis for the regulatory framework in basic telecommunications.				
<u>Regulatory Framework</u>				
1. Regulation of telecommunications entities shall rely principally on an administrative process that is stable, transparent and fair. The decisions of and the procedures issued by the regulatory body shall be impartial with respect to all market participants.				
2. Where a licence is required, the following shall be made publicly available:				
(a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence;				
(b) the terms and conditions of individual licences.				
3. Appropriate measures shall be maintained for the purpose of preventing suppliers from engaging in or continuing anti-competitive practices.				
4. A national consultative forum shall be maintained to allow interaction among the telecommunications industries, user groups, and academic and research institutions on important issues in the field of communications.				
<u>Universal Service and Interconnection</u>				
5. Universal service obligations, as may be defined by the appropriate Authority, shall be administered in a transparent, non-discriminatory and competitively neutral manner.				
6. A fair and reasonable interconnection of facilities of authorized public network operators and other providers of telecommunications services is necessary in order to achieve a viable, efficient, reliable and universal telecommunications services.				
7. Authorized international gateway and mobile cellular telephone service providers are required by law to install a set number of local exchange lines in designated areas.				

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons				
Sector or sub-sector		Limitations on market access	Limitations on national treatment	Additional commitments
(a) Voice telephone services - Local services - Toll services		(1) Unbound	(1) None	
	* Domestic	(2) None	(2) None	
	* International	(3) Operation subject to securing of:	(3) None	
(b) Packet-switched data transmission services		(i) Franchise from the Congress of the Philippines		
(c) Circuit-switched data transmission services		(ii) Certificate of Public Convenience and Necessity (CPCN) from the National Telecommunications Commission		
(d) Telex services		Compliance with an economic needs test is required.		
(e) Telegraph services		Aggregate foreign equity in a domestic telecommunications entity shall not exceed forty per cent (49%).		
(f) Facsimile services		The number of non-Filipino citizens in the Board of Directors of an entity shall be proportionate to the aggregate share of foreign capital of that entity. All executives and managers must be citizens of the Philippines.		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons				
Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments	
	<p>The number of service providers may also be limited on account of the availability and efficient utilization of radio frequencies.</p> <p>Resale of private leased lines is not permitted.</p> <p>Call back, dial back and other similar schemes which result in the same operation are not authorized.</p> <p>(4) None</p>	(4) None		