

WORLD TRADE ORGANIZATION

RESTRICTED

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Group on Basic Telecommunications

REPORT OF THE GROUP ON BASIC TELECOMMUNICATIONS TO THE COUNCIL ON TRADE IN SERVICES

1. The Negotiating Group on Basic Telecommunications, established by Ministerial decision at Marrakesh, completed its work on 30 April 1996. The Negotiating Group had held 17 meetings between May 1994 and April 1996. Fifty-three WTO Members were full participants in the negotiations and 24 governments participated as observers. The NGBT submitted its final report to the Council for Trade in Services (S/NGBT/18) on 30 April; to it were attached a list of the results of the negotiations, in the form of 34 Schedules of Commitments representing 48 WTO Member governments and one List of Article II (MFN) Exemptions. Also on 30 April, the Council adopted the Decision on Commitments in Basic Telecommunications (S/L/19) and the Fourth Protocol to the General Agreement on Trade in Services (S/L/20).
2. Of the 34 Schedules attached to the Protocol, 32 offer market access commitments in voice-telephony; 28 relate to local telephone services, 27 to domestic long distance and 25 to international services. Other services on which commitments were offered included data-transmission services (31 schedules), cellular/mobile telephone markets (28), private-leased circuit services (27) other types of mobile services (22) and satellite services (16). In a number of cases these commitments would be phased-in over time. Thirty of the 34 Schedules include commitments relating to regulatory disciplines on such matters as competition safeguards, interconnection, licensing and the independence of regulators - matters which had been extensively discussed in NGBT meetings devoted to conceptual and technical issues.
3. The Schedules and Exemption Lists attached to the Fourth Protocol will enter into force on 1 January 1998 provided that the Protocol has been accepted by all Members concerned. However, the Decision by which the Council adopted the Protocol also provided that during the period from 15 January to 15 February 1997 the Schedules and Exemption Lists may be supplemented or modified, and established a new Group on Basic Telecommunications to conduct consultations on the implementation of this provision.
4. The Council Decision also included a standstill provision calling upon the Members concerned, to the fullest extent consistent with their existing legislation and regulations, not to take measures which would be inconsistent with their undertakings resulting from these negotiations. The Council, which will monitor the acceptance of the Protocol, will also examine any concerns raised by Members regarding the standstill.
5. The Group on Basic Telecommunications (GBT) held its first meeting on 19 July 1996. At that meeting, the Group decided to be open to all Members of the WTO. Participants recognized the importance of the results achieved in April, in terms of creating a benchmark for further liberalization and establishing new regulatory disciplines. Participants suggested that the principal issues before the GBT included the desirability of improving the quantity and quality of Schedules offered, and the need to address possible distortions in trade resulting from the coexistence of open markets and monopoly markets in international telecommunications services and to clarify commitments on the provision of satellite-based services.

6. The GBT approved a timetable of meetings and activities leading up to the 15 February 1997 deadline for the modifications. The timetable comprised monthly meetings in September, October and November 1996 and a more intensive programme of meetings to be held during the 15 January to 15 February period, the conduct of bilateral negotiations in association with these meetings, and indicative dates for the submission to the Group of proposals for new or improved draft offers throughout the process. It was also proposed that the GBT should hold a high-level meeting in November 1996.

7. It is recommended that Ministers stress their commitment to bring the negotiations on basic telecommunications to a successful conclusion by 15 February 1997, urge all WTO Members to strive for significant, balanced and non-discriminatory liberalization commitments on basic telecommunications by that date and recognize the importance of resolving the principal issues before the GBT.