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WORLD TRADE ORGANIZATION

Group on Basic Telecommunications

REPORT OF THE MEETING OF 31 JANUARY 1997

1. The Group on Basic Telecommunications held its sixth meeting on 31 January 1997. The agenda for the meeting is contained in WTO/AIR/508 of 21 January 1997.

2. Under the first agenda item, presentation of new or revised draft offers, Bulgaria, El Salvador, Indonesia, Romania and South Africa introduced new draft offers. Australia, Czech Republic, Mexico, Poland and Singapore introduced revised draft offers with respect to the offers tabled last April. Several other delegations, including Bangladesh, Ghana, Israel, India, Japan, Jamaica, Korea, Malaysia, New Zealand, Pakistan, Peru and Thailand announced that they intend to submit new or revised draft offers in the course of the following week and before the end of the negotiations. Canada, Slovak Republic and South Africa also announced that they intend to submit further revisions of the draft offers they tabled in the recent weeks. Some delegations reported that among the improvements they had included or wished to include in their offers, were: the inclusion of more basic telecommunications sub-sectors; higher limits or no limits to foreign equity participation; more regulatory principles (and in some cases the adoption of the entire reference paper); the adoption of a 'technology neutral' approach to scheduling in view of the Chairman's Note on scheduling; and the deletion of references to the availability of frequencies or spectrum from the market access column.

3. In an exchange of views on progress in bilateral negotiations, several delegations reported that they were very encouraged by the progress made in the past week in bilateral meetings and that they looked forward to a successful conclusion based on MFN treatment and comprehensive coverage by the deadline of 15 February. It was noted that bilateral meetings had been useful in resolving some outstanding technical issues and should help to overcome the remaining issues. One delegation noted that the level and the quality of the offers on the table was improving and that those offers should be maintained and wherever possible further improved. The delegation also argued that success would depend on whether it was possible to achieve a balance between rights and obligations resulting from the negotiations. Another delegation said that the final objective of these negotiations should be that of creating multilateral MFN-based rules subject to dispute settlement for the basic telecommunications sector. Some participants encouraged all delegations who had announced the intention to submit new or revised draft offers to submit their commitments as soon as possible, so to allow for discussion at bilateral meetings on the concrete terms of these new or revised offers. One delegation expressed appreciation for the efforts made by many delegations in submitting their new or revised draft offers and in particular for the efforts made by those countries who had very recently joined the WTO.

4. Under the third agenda item, discussion of outstanding issues, the Chairman circulated a draft Chairman's Note on 'Market Access Limitations on Spectrum Availability'. The Note was intended to clarify that spectrum management was not *per se* a market access limitation as defined by Article XVI of the GATS, and therefore need not to be listed under the market access column of offers. The note stated that Members maintain the right to manage the spectrum, provided that this is done in accordance with Article VI and other relevant provisions of the GATS. Several delegations indicated that following the circulation of the note they were prepared to remove reference to frequency or spectrum availability and invited other delegations to do the same. One delegation noted that, although they welcomed the

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note and were willing to remove reference to frequency or spectrum availability, they might wish to seek further reassurance through some form of binding interpretation. Some delegations said they welcomed the initiative of the Chairman and wished to give further consideration to the possible implications of the note. The Chairman said that he would issue the note under his own authority and asked delegations to reflect on the approach outlined in the note and to consider deleting reference to frequency or spectrum availability from their schedules.

5. The representative of the European Union stated that in its view the scope of the negotiations covered basic telecommunications, including the transport of signals of all kinds, independently from the type of technology employed, but not the content of the signal transported. If such content constituted a service in its own right, it should be the object of other negotiations and specific commitments on the services concerned. In the interest of transparency, the representative of the European Union distributed an informal text explaining this view. The representative of the United States noted that the negotiations on basic telecommunications were not meant to provide market access in broadcasting services. He also noted, however, that the way Members may define the distinction between basic telecommunications and broadcasting services was far from clear.

6. On future work, the Chairman reminded participants that the next meetings were scheduled for 10 and 15 February 1997 and requested delegations to invite senior officials to take part in the meeting of 10 February. He asked delegations who were preparing new offers to submit them in the course of the following week or at least by 10 February, although further offers coming in after that date and before the deadline of 15 February would still be accepted. He also proposed that another formal meeting of the GBT might be scheduled for 14 February.

7. Under the fifth agenda item, other business, a representative for the International Telecommunication Union (ITU) introduced a statement from the ITU Secretary General. In it, he said that a success of the negotiations on basic telecommunications would help promote the development of global telecommunications networks and services and would be in the best interest of the Members of the ITU. He also said he looked forward to maintaining and strengthening cooperation between the ITU and the WTO.