

Group on Basic Telecommunications

REPORT OF THE MEETING OF 14 FEBRUARY 1997

1. The Group on Basic Telecommunications held its eighth meeting on 14 February 1997. The agenda consisted of three items: presentation of new or revised draft offers; exchange of views on the status of the negotiations; and other business.

2. Presentation of new or revised draft offers. Antigua & Barbuda, Bangladesh, Brunei Darussalam, Guatemala, Jamaica, Papua New Guinea, Senegal, Sri Lanka, Trinidad & Tobago and Tunisia submitted new draft offers. Chile, Colombia, Dominican Republic, India, Israel, Japan, Korea, Pakistan, Philippines, Thailand, Turkey and Venezuela submitted revised draft offers. Several other delegations submitted further revisions with respect to offers tabled in the past weeks. Those included: Australia, Brazil, Bulgaria, Canada, Czech Republic, European Union, Ghana, Malaysia, Mexico, New Zealand, Poland, Romania, Singapore, Slovak Republic, South Africa, Switzerland, United States. Among the changes signalled by a number of delegations submitting revised offers were: the addition of commitments in more sub-sectors; the deletion of references to frequency or spectrum availability from the market access column; higher thresholds on foreign equity participation in a number of offers which listed such limitations; and the incorporation of the Reference Paper on regulatory principles in more offers. Some delegations specified that broadcasting services were excluded from their draft offers. Several delegations underlined that their offers on basic telecommunications corresponded to an internal process of liberalization and reform of the telecommunication sector.

3. The delegation of the United States said that they were encouraged by the offers on the table, although they were concerned about the limitations on foreign equity participation included in some offers, which they hoped could be improved after 15 February and before the entry into force of the agreement. They noted that the decision taken last April to continue this negotiation had permitted a substantial improvement in the balance of commitments among Members so that the 'critical mass' necessary for the successful conclusion of the negotiations now appeared achievable. They also confirmed that the United States intended to maintain its improved offer, but announced that it was tabling an Article II exemption on one-way satellite transmission of DTH and DBS television services and of digital audio services. The delegation of Argentina said that they were not now in a position to confirm their draft offer, pending completion of an overall assessment of the commitments they were making and of the benefits they were receiving from some trading partners. They said they were taking this decision bearing in mind the provisions of paragraph 6 of the Council Decision on Commitments in Basic Telecommunications of 30 April 1996. The delegation of the European Union regretted the decision of Argentina and expressed the hope that the difficulties regarding Argentina's draft offer could be overcome. They said they were pleased to hear that the United States were confirming their draft offer, but were perplexed about the decision to table an MFN exemption regarding services not covered by this negotiation and for which negotiations were concluded and bindings offered in 1993. They noted that in sectors where market access was bound open MFN exemptions could not apply. The delegation of Canada said that they were pleased to hear that the United States believed that the offers on the table achieved that 'critical mass' necessary to conclude the negotiation, but expressed concern about the Article II exemption tabled by the United States, in the light of the absence of a

consensus on the definition of the distinction between basic telecommunications and broadcasting services; Canada looked forward to receiving clarification as to the meaning and nature of this exemption. The Chairman informed participants that he had received a letter from Dominica, which announced the intention to submit a new offer before the deadline of 15 February.

4. Exchange of views on the status of the negotiations. No further points were raised under this agenda item.

5. Other business. The Chairman introduced a draft of the Report of the Group to the Council for Trade in Services. Some delegations suggested changes and it was agreed that these would be incorporated in a new draft version of the Report to be discussed at the next meeting. The Chairman invited delegations which had promised new or revised draft offers to submit them as soon as possible. He asked all delegations which had not yet indicated that their draft offers could be made into draft schedules of commitments to contact the Secretariat to confirm that. He reminded participants that the next and final meeting of the Group was scheduled for 15 February 1997.