

# WORLD TRADE ORGANIZATION

RESTRICTED

**S/NGBT/12**

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## **Negotiating Group on Basic Telecommunications**

### REPORT ON THE MEETING OF 26 JANUARY 1996

1. The Negotiating Group on Basic Telecommunications held its twelfth meeting on 26 January 1996. The agenda for the meeting was contained in airgram WTO/AIR/239 of 18 December 1995.
2. Regarding requests for participation and observer status, the Chairman announced that Barbados and Ecuador had taken decisions to join the negotiations as full participants. As a result, the number of full participants in the negotiations stood at 34<sup>1</sup> and the number of participants with observer status was 26<sup>2</sup>. The Chairman thanked the delegations for their decisions and encouraged other governments participating as observers also to consider joining in the negotiations as full participants as soon as possible.
3. Under the agenda item on the introduction of draft offers, new offers were submitted by the Philippines and Turkey. This brought the total number of draft offers submitted by participants thus far to 19.<sup>3</sup> Revised offers were submitted by the Czech Republic, Hong Kong, and the Slovak Republic. It was also noted that the draft offer of Hungary was now available as a formal document. The representatives of Brazil and Poland indicated that they planned to present draft offers in time for the February meeting of the Group.
4. The Chairman invited delegations to comment on the progress of bilateral negotiations held during the week. Some participants said they were fairly optimistic following their bilateral sessions, but expressed regret that some countries had not been willing or able to agree to meetings. The bilaterals were generally characterized as constructive. At the same time, some participants urged all full participants to submit draft offers as soon as possible and stressed a need for additional observer governments to join the negotiations. The hope was expressed that the bilateral negotiations would soon yield improvements that would be reflected in revised draft offers.
6. Under the agenda item on outstanding technical and conceptual issues, the Chairman reported on the informal meeting held earlier in the week. He said that the meeting provided an opportunity for both general and detailed comments on the non-paper, entitled Reference on Regulatory Principles

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<sup>1</sup> Argentina, Australia, Barbados, Brazil, Canada, Chile, Cuba, Cyprus, the Czech Republic, Dominican Republic, Ecuador, 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, Iceland, India, Israel, Japan, Korea, Mauritius, Mexico, Morocco, New Zealand, Norway, the Philippines, Poland, 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, El Salvador, Guatemala, Honduras, Indonesia, Jamaica, Latvia, Madagascar, Malaysia, Nicaragua, Pakistan, Panama, Peru, Romania, Russian Federation, Slovenia, South Africa, Thailand, Trinidad & Tobago, and United Arab Emirates, Uruguay.

<sup>3</sup> Australia, Canada, Chile, Czech Republic, the European Communities and its Member States, Hong Kong, Hungary, Japan, Korea, Mexico, New Zealand, Norway, the Philippines, Singapore, Slovak Republic, Switzerland, the United States and Venezuela.

in Basic Telecommunications Services, which was made available to the Group at its December meeting. He said the paper was described as a tool to help participants arrive at an understanding of the kinds of commitments they might undertake on regulatory matters. A number of participants had observed that these would most probably be taken on in the context of additional commitments in schedules. It was also noted, however, that other options, such as some form of amendment to the GATS, should not be ruled out. It was also observed that while market access negotiations should be the highest priority of the Group, work on regulatory principles was very important. Finally, he reported that some participants in the informal meeting had stressed a need for flexibility so that developing countries would not be discouraged from taking on such commitments. Next, the Chairman asked the representative of the United States to introduce its communication on Scheduling of Regulatory Principles (S/NGBT/W/18). This was followed by general discussions on regulatory principles. A representative of a developing country suggested that matters which were already covered under the provisions of the GATS and the Annex on Telecommunications should not be duplicated - the focus should be on items not already covered. He cautioned that developing countries just beginning to liberalize might not be able to fully meet the expectations of some participants. Regarding particular items, he observed that the principle of prohibiting cross subsidization would probably be generally acceptable to most participants, but its implementation should be left to the Member. As interconnection for international telephone service was covered in the ITU, the principles should apply only to domestic interconnection. And, if the regulatory body was independent and fair, it should be immaterial under whose control it was functioning. Finally, participants agreed to a proposal by the Chairman to set up an informal process in February to continue reflecting on regulatory issues contained in the reference paper.

7. Under the agenda item on the review of participants' responses to the questionnaire on basic telecommunications, the representative of the Philippines introduced its response. The Chairman thanked the Philippines for its submission and encouraged other participants and observers to respond to the questionnaire.

8. The Chairman announced that the next meeting of the Group was to be rescheduled for the week of 26 February - 1 March. Participants agreed to seek the participation of high-level officials in bilateral negotiations in the early part of that week and that the formal meeting of the Group would be held on 28 February in order to facilitate their attendance. The remainder of the week would be available for additional bilateral meetings and the informal meetings for further reflection on regulatory issues.