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Negotiating Group on Basic Telecommunications High-Level Meeting, 6 October 1995

Statement by Mr. W. Lavorel, Deputy Director-General,
reporting on the status of the negotiations

This is the ninth meeting of the Negotiating Group, which began work in May 1994. Bilateral negotiating sessions began in February, and every meeting since then has been accompanied by a week of bilateral meetings. The Group agreed in April that draft offers of commitments should be submitted by 31 July. As of today, however, only ten offers have been submitted, by Australia, Canada, the European Communities, Hong Kong, Japan, Mexico, New Zealand, the Slovak Republic, Switzerland and the United States. We have received indications that further offers can be expected very shortly. It is understood that these are initial offers, subject to further negotiation and conditional upon the quality of other offers resulting from negotiations. Some of the participants who have submitted offers have indicated that they hope to be able to improve them as a result of further bilateral discussions and, in some cases, of additional reforms now under way in their domestic telecommunications regimes.

Since the September meeting of the Group, one additional government, Iceland, has joined the Group as a full participant. There are now twenty-eight full participants, representing forty-two governments. The countries concerned account for over 90 per cent of world revenue for telecommunications. Thirty governments attend meetings of the Group as observers. Most of them are WTO Members: six are governments in the process of accession to the WTO. Observer status has also been granted to six organizations.

When the Group began its work last year, it formulated a questionnaire on market structure, competition and regulatory issues in national telecoms regimes. Thirty-three responses have so far been received, including that of the Czech Republic, received today. Of these, four are responses from observers. A great deal of information has thus been exchanged between participants. As many reforms are being undertaken concurrent with the basic telecommunications negotiations, a number of participants have also provided the Group with updates and supplementary information to their initial questionnaire responses. In this manner, the Group has been kept abreast of domestic developments in the sector.

The Group has discussed a number of technical and conceptual issues. Most of these relate to regulatory measures and how to deal with them in the context of the negotiations. They include licensing, interconnection, competition safeguards, independent regulatory bodies, frequency and numbering, standards and type approval, transparency, tariffs and accounting rates, termination services, rights of way, and universal service. Participants have considered whether certain of these measures are adequately addressed by general provisions of the GATS and the Annex on Telecommunications or whether they should be addressed in schedules of commitments or through the elaboration of general rules or understandings. A number of papers have been submitted by delegations to help advance these discussions.

In September, a timetable for completion of the negotiations was agreed. It provides for monthly meetings from now until the April 30 deadline. Each meeting is to be preceded by a week of bilateral negotiations. The timetable sets a goal of completing work on regulatory and scheduling issues by December of this year. It also indicates that revised draft offers are to be submitted in January 1996 with the tabling of draft schedules to follow in February. In March 1996, final schedules will be due and, in April, participants will draft the Protocol by which these commitments would be annexed to the existing schedules of the General Agreement on Tariffs and Trade.

There is thus a great deal of work to do in a very short time. It will demand intellectual and political commitment of a very high order. We in the Secretariat will do our utmost to facilitate your work. Some of you will have seen, in speeches that the Director General has made on the subject this week, that he identifies this as the highest priority and greatest challenge now facing the WTO. This is not just because of the great economic benefits that will flow directly from liberalization of telecommunications, but because of its indirect benefits - the huge multiplier effect, in terms of human welfare, that worldwide access to modern communications is capable of producing. I hope that your Group, and this meeting, will play a big part in bringing that about.