



INTERNATIONAL TELECOMMUNICATION UNION
TELECOMMUNICATION DEVELOPMENT BUREAU

**WORLD TELECOMMUNICATION DEVELOPMENT
CONFERENCE (WTDC-98)**

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PLENARY MEETING

Syria

PROPOSALS FOR THE WORK OF THE CONFERENCE

CONTENTS

	Agenda item
PART I - ALTERNATIVE CALLING PROCEDURES AND APPORTIONMENT BETWEEN ADMINISTRATIONS	4.1
PART II - THE GENERAL AGREEMENT ON TRADE IN SERVICES (GATS) AND ITS IMPACT ON TELECOMMUNICATIONS	2.4
PART III - REGIONAL CONFERENCES	1.1
PART IV - TELECOMMUNICATION POLICIES AND STRATEGIES, AND FUNDING POLICIES	4.1

PART I - ALTERNATIVE CALLING PROCEDURES AND APPORTIONMENT BETWEEN ADMINISTRATIONS

1 Introduction

The phenomenon of alternative calling procedures such as call-back and refile is the direct consequence of trends towards liberalization and privatization in the world of telecommunications. Unfortunately, however, it adversely affects the economies of the developing countries and there is no doubt that the differences in collection charges and accounting rates between one country and another are among the principal reasons for the spread of such phenomena. It has been used by the developed countries as a means of exerting pressure in favour of a review of the basis of the accounting rate.

2 Impact of alternative calling procedures on telecommunications

The spread of these practices has adverse technical, financial and operational effects on operators in the developing countries as many administrations are economically dependent on hard-currency earnings from telecommunication services.

Operators suffer from these phenomena, which have a major negative impact in terms of the loss of a large portion of their earnings, to say nothing of deterioration in quality of service. Operators of these services in the developing countries avoid, in particular, the obligation to obtain licences for their services and the payment of income taxes on their receipts, without any agreement with the original operators which are mostly government entities.

3 Role of ITU

The work of ITU, together with its meetings and conferences, has a major clear-cut role to play in helping to restrict the negative impact of alternative calling procedures through its resolutions and recommendations on this subject. In this context, we wish to refer to the proposal made by Study Group 3 of the Telecommunication Standardization Sector in connection with the practice of call-back:

- 1) Administrations and recognized operating agencies (ROAs) shall take all reasonable precautions, through their domestic legislation, to stop all call-back practices which have a major impact on the level of efficiency of the national network, such as constant calling (or bombardment or polling) and answer suppression.
- 2) Administrations, through their domestic legislation, shall make every effort to ensure that collection charges are cost-orientated, taking into account paragraph 6.1.1 of the International Telecommunication Regulations and ITU-T Recommendation D.5.
- 3) Administrations and recognized operating agencies shall energetically follow-up the implementation of Recommendation D.140 and the principle of implementing cost-orientated accounting rates.
- 4) Administrations and recognized operating agencies shall cooperate in respecting the principle of national sovereignty: what we seek from ITU is that refile should be dealt with in the same manner.

We believe that the World Telecommunication Development Conference will adopt the necessary measures to assist the developing and least developed countries collectively to confront the severe impact of such practices.

4 Application of Resolution 22 of the Plenipotentiary Conference (Kyoto, 1994)

Efforts should concentrate on giving effect to this Resolution in order to utilize part of revenues, in a manner other than apportionment on a 50/50 basis, in order to develop telecommunications in the developing countries, in particular in the least developed countries.

5 Proposals

SYR/33/1

The Syrian Administration proposes that the Conference should adopt a resolution based on the following principles:

- a) encouraging all administrations and international telecommunication operators to enhance the effectiveness of the role of ITU and give effect to its Recommendations, particularly those of ITU-T Study Group 3, in order to promote a new and more effective basis for the accounting regime which would help to limit the negative effects of alternative calling procedures and ensure that unilateral measures are not accepted;
- b) requesting the Telecommunication Development Sector (ITU-D) and the Telecommunication Standardization Sector (ITU-T) to discuss the issue of refile in order to achieve an outcome based on the spirit of Resolution 21 of the Plenipotentiary Conference (Kyoto, 1994);
- c) requesting ITU-D to play an effective role in connection with the implementation of Resolution 22 of the Plenipotentiary Conference (Kyoto, 1994) with respect to the apportionment of revenues in favour of the developing countries, particularly the least developed among them;
- d) requesting administrations and international companies which permit the use of alternative calling procedures in their countries in accordance with their national regulations to respect the decisions of other administrations and international companies whose regulations do not permit such services and which do not accept incoming traffic using such practices.

PART II - THE GENERAL AGREEMENT ON TRADE IN SERVICES (GATS) AND ITS IMPACT ON TELECOMMUNICATIONS

1 Introduction

The continuing development of telecommunication technology has resulted in the commercialization of telecommunications and has made them subject to rules of profit and loss, rather than merely being a service. Such development has led to major changes in the regulatory structures of telecommunications. At this stage, and with the development of universal commercial concepts, it has become necessary to reconsider telecommunication services so as to bring them within the ambit of international trade agreements, particularly in view of the great importance of the role played by telecommunication services in the economy, where they play a pivotal role in all types of activity.

2 The GATS obligations and disciplines

The Marrakesh Agreement of 1994 was the starting point, in that it included telecommunication services in international trade negotiations for the first time. The most important contributory reasons for that may be summarized as follows:

- the continuing transformation of economies from national to regional to global;
- the dependence of the economy on information received through telecommunication media;
- the continuing substantial reduction in the cost of telecommunication equipment;
- the growing interest of States in telecommunications as a practical and effective key to the national economic process;
- the spread of the phenomenon of global telecommunication companies of strategic alliances and mergers between a number of the major telecommunication operators.

From that starting point, the GATS identified and formulated obligations and disciplines governing international competition in trade in services which may be summarized as follows:

- 1) non-discrimination in commercial dealings except where the State concerned makes a reasonable exception referred to in its schedule of commitments;
- 2) transparency, which obliges every member to give notification of the laws and measures governing its telecommunication services, except where that might be prejudicial to the commercial interests of the public or private companies of such member;
- 3) local measures must emphasize the application of all measures connected with trade in telecommunication services in a rational, meaningful and impartial manner;
- 4) monopolies and service providers (in making their services available) must act, with respect to their business dealings and obligations, in a manner that is consistent with the application of the most-favoured-nation principle;
- 5) the commercial practices of service providers must not distort competition or restrict trade in services, other than those covered by Article VIII (monopolies and service providers).

In addition, the GATS, in order to enable the developing countries to sustain their pace of development, permits them to impose appropriate conditions on the entry into their markets of service providers, provided that such conditions are declared in the schedule of commitments of such member.

3 Impact of the GATS on the telecommunication sector in the developing countries

It is undeniable that the impact of the GATS on all sectors of the economy will vary from one State to another, depending on the market structure in each State.

This impact may be noted in three market situations:

a) **Monopolies**

The impact on the regulation of telecommunications is set forth in Article VIII of the GATS.

b) **Limited competition**

The impact on the regulation of telecommunications is established, in particular, in Article VIII, as well as Article VI, of the GATS.

c) **Competitive markets**

The impact on the market in this case is important, and is established in Article IX of the GATS which does not permit national operators to behave in a manner that may harm the interests of foreign participants in the national market.

Those three situations show that the implications of the GATS focus primarily on the regulatory aspect of the telecommunication sector. Accordingly, reconsideration of regulatory arrangements may be regarded as the most important effect of that Agreement, particularly as such reconsideration will have enormous implications covering all economic interests.

The second important implication is the expected change in the accounting rate regime arising from the proposals studied which were discussed within groups of States party to the GATS, OECD and ITU.

Other important factors are liberalization and privatization which can affect the right to telecommunications of all those who so desire, wherever they may be.

The set of implications and impacts referred to will undoubtedly have a profound effect on operators in the developing countries because, in many cases, those countries are not in a strong enough position to enable them to meet the challenges of foreign operators. On the other hand, the possible positive implications were set forth in the report of the Fifth Regulatory Colloquium which met in Geneva from 6 to 8 December 1995, for example:

- 1) upgrading of telecommunication regulatory structures;
- 2) the possibility of attracting substantial investment for telecommunications;
- 3) increasing the flow of international capital, greater technical skills and the necessary management capabilities to expedite and improve the expansion process in the public network;
- 4) possible additional benefits from the provision of other applications, such as telemedicine and tele-education;
- 5) the creation of a challenge, thereby encouraging activities to improve performance.

4 Proposals

SYR/33/2

The Syrian Administration proposes that the Conference should adopt a resolution based on the following principles:

- a) the need to intensify cooperation between the telecommunication administrations of the developing countries, particularly with respect to any developments subsequent to the GATS; this should be achieved with the assistance and follow-up of the Telecommunication Development Bureau;
- b) requesting ITU (BDT) to provide more information on a periodic basis to the administrations of the developing countries, and to the least developed countries, concerning the progress of negotiations with respect to the GATS; this should preferably be carried out through regular information meetings for the exchange of information on the Agreement, its applications and its effects;
- c) the necessity of encouraging telecommunication administrations in the developing countries to enter into strategic alliances with one another;
- d) encouraging investments between the developing countries, and from other countries, in the field of telecommunications in such a way as to lead to effective growth to enable telecommunication operators in the developing countries to meet the challenges of international competition in the near future.

PART III - REGIONAL CONFERENCES

The Syrian Administration wishes to refer to the fact that - on the basis of Resolution 11 of the World Telecommunication Development Conference held in Buenos Aires in 1994 (WTDC-94) concerning the convening of regional or world conferences in the developing countries and the follow-up of the resolutions adopted by them - it has convened a number of regional meetings supervised and assisted by the Telecommunication Development Bureau:

- the Arab States preparatory meeting for the Arab States Regional Telecommunication Development Conference (3-5 June 1996);
- the Arab States preparatory meeting for the World Radiocommunication Conference (7-10 July 1997);
- the Arab States seminar on global mobile personal communications by satellite (GMPCS) (5-6 July 1997).

During the Arab States preparatory meeting, the agenda of AR-RTDC-96 (Beirut, 11-15 October 1996) was discussed and prepared.

The Syrian Administration wishes once more to emphasize a number of the recommendations adopted at the Beirut Conference, namely:

- 1) The message sent from AR-RTDC-96 (Beirut, 1996) to the World Telecommunication Development Conference (Valletta, 1998), concerning assistance to the developing countries in the collection, analysis and dissemination of data on personal telecommunications (GMPCS), and rural services, and assistance to the developing countries in facing the challenges of the Agreement establishing the World Trade Organization (WTO) and the Agreement on Trade in Services (the GATS Agreement) that arose from it.
- 2) The resolutions adopted by the Conference which the Syrian Administration affirms that it has implemented:
 - the necessity of updating the Arab Book which was distributed by the regional conference in the light of new policies;
 - the revitalization of regional projects such as the second MODARABTEL project in the funding of which ITU should participate;
 - support for the principles advocated by ITU-D Study Group 2 and the development of rural telecommunications;
 - further strengthening of the technical assistance provided to the Palestinian Authority for the development of its telecommunications;
 - continued support for the least developed countries, support for the ITU proposal to establish a special budget for those countries to be included in the regular budget, and efforts to increase the appropriations from all sources earmarked for the benefit of the least developed countries;
 - strengthening exchanges between donor countries and beneficiary countries and the encouragement of cooperation between Arab and foreign research centres;
 - assisting ITU in defining a strategy and a mechanism for achieving bilateral and multilateral cooperation between international, regional and subregional organizations.

The Syrian Administration also recalls the recommendations of the World Telecommunication Development Conference (Buenos Aires, 1994) concerning the resolution which called for the strengthening of assistance to the least developed countries and the earmarking of a budget to assist them.

It also reaffirms the recommendations of the World Radiocommunication Conference (Geneva, 27 October-21 November 1997), as set forth in the CPM Report for that Conference which was distributed by ITU (Radiocommunication Sector).

PART IV - TELECOMMUNICATION POLICIES AND STRATEGIES, AND FUNDING POLICIES

The impact of telecommunication networks on all the activities of the various economic, commercial and social sectors is increasing day by day, particularly with the increase in the rate of penetration of new services, including fax and the Internet, global mobile personal communications by satellite (GMPCS) and mobile radiocommunications. Many resolutions have previously been adopted and plans, policies and strategies established for telecommunications, beginning with the Buenos Aires Conference, based on the following issues:

- Regulatory restructuring
- Regulatory issues
- The introduction of modern services
- The impact on future policies of the Agreement establishing the World Trade Organization
- The development of rural telecommunications
- Human resources development.

Realistically, the majority of the developing countries still do not have an organized infrastructure and highly-qualified human resources. Moreover, they face difficulties in introducing modern services and lack a clear view of the future concerning the impact of services under the GATS, particularly as the majority of the countries that are advanced in the field of telecommunications have signed or are in the process of signing the Agreement, which is based on all-out competition. The inevitable consequence of this will be that large companies will dominate telecommunication markets in the developing countries, and the latter will be unable to achieve development and to expand their telecommunication networks in an organized manner in accordance with other principles of economic development.

That being so, the Syrian Administration considers that these matters should be accorded great attention in the workplan of ITU in the forthcoming period, particularly through the Telecommunication Development Bureau.

The Syrian Administration also considers that ITU, through the ITU-D study groups, should make independent studies of the implementation of the above points in the developing countries, specifically in order to enable them in the future to meet the challenges of and move progressively towards a market-oriented policy in the field of telecommunications.

The Administration recalls that the Arab Book advocated, in its resolutions, the necessity of reorganizing Arab telecommunication institutions to enable them to adopt competitive systems appropriate to the existing arrangements in each country.

Funding policies

The funding of telecommunication projects is still a major obstacle to the expansion and development of telecommunication networks in the majority of the developing and least developed countries; such countries resort to borrowing from different funding agencies, and may or may not be able to obtain funds.

In that connection, the Syrian Administration considers that ITU should make better known such funding organizations as WorldTel and should establish a funding policy for the developing countries.

The Administration asks ITU to publicize the experience gained by other bodies ITU has endorsed in the field of funding policies.

Modern telecommunications

These include, in particular, mobile phones which are extensively used and which make use of terrestrial and/or space communications. We consider it important to draw attention to the following points with a view to their being discussed at the Conference.

- The impact of the use of these systems on the revenues of the developing and other countries entailing the loss of part of their profits from the use of traditional public service telephone networks, and the feasibility of partially or entirely offsetting such losses; the GMPCS service should be an additional service that assists the developing countries to attain their economic development objectives, rather than an alternative service. That would ensure that it would not impact negatively on the telecommunication infrastructure in those States and would provide a reasonable capacity at logical and acceptable rates determined by or in agreement with the State concerned and not fixed by the system operators alone. The governing principles should be set out in the memorandum of understanding.
- Encouraging the telecommunication administrations of developing countries to make such arrangements as are possible to safeguard their entitlement to reasonable and equitable revenues through licensing frequencies for GMPCS systems and their operators over the territory of each State and charging for access to national networks which comprise public service telephone networks, and the establishment of a basis for that purpose.
- The modalities for licensing GMPCS systems and other private systems, taking into account the following: the feasibility of making the licensing process transparent and non-discriminatory and therefore equitable between States; the nature of the licence granted by an ITU Member State to the operator of a GMPCS system concerning the space segment; whether there is a general wording for such agreements in ITU; charges for access and for the use of the terrestrial public switched telephone network; coordination agreements that have been concluded concerning the systems; any transitional arrangements that may exist concerning the use of frequencies previously used by existing or planned terrestrial services in certain States; the possibility of assisting States that may be harmed by the use of such systems; the possibility of occurrences of interference and how they should be dealt with in the future; and the need for compliance with all the applicable domestic and international rules, regulations and laws.
- Discussing the possibility of the non-participation of a State in any of these space systems and the feasibility of blocking coverage of such States by the systems concerned, and also of preventing the participants in the system from using the territory of such State.
- Specifying the coverage and service area on territories in which the system is permitted or not permitted to operate, i.e. the value of isotopically radiated power per square metre of surface area, as well as any other recommendations or specifications proposed by ITU; discussion of the phenomenon of interference in frontier areas between States participating in various GMPCS systems, and also between such States and non-participating States, in other words the possibility of spillover of coverage into States not participating in the system and ways in which the systems should deal with such cases.
- The latest measures adopted to implement the internationally agreed numbering scheme with respect to GMPCS systems.

- Information on the latest developments in the establishment of various GMPCS systems, and their dates of entry into service (whether they have already been established or are scheduled to be established in the future).
- Measures adopted to solve the problem of delay in GSO systems and the means used to solve this problem; discussion as to whether the delay occurring in certain GMPCS systems using inter-satellite communication technology in various orbits (MEO, LEO) is comparable with the delay in GSO systems.
- The possibility of providing telecommunication terminals with GPS equipment in order to establish the position of a mobile subscriber, and whether that facility will be available in all space telecommunications; the possibility of using dual mode telecommunication terminals and the idea of changing from the dual to the universal mode with all worldwide mobile space and terrestrial systems (PCS, GSM, and so forth); and the scale of the damage caused to human health by radio waves of mobile space communication terminals.
- The impact of VSAT systems with respect to the spread and implementation of GMPCS systems and the related advantages and disadvantages.
