

Agreement on liberalization of basic telecommunications services: Misunderstanding between Europe and the USA on the notions of 'telecommunications' and 'telebroadcasting'

IRIS 1997-3:1/5

*Marina Benassi
Attorney at law*

On Saturday 15 February an agreement on liberalization of basic telecommunications services was concluded within the framework of the World Trade Organization (WTO). The results of the negotiations are to be extended to all WTO Members on a non-discriminatory basis through the so-called 'Most Favoured Nation' treatment. This means that a Member State must treat the services that are part of the agreement or suppliers of these services as favourably as those of any other country, Member or not, unless it has filed an exemption.

In case of the present agreement, the USA filed an exemption relating to one-way satellite transmission of Direct-to-Home (DTH) and Direct Broadcasting by Satellite (DBS) television services and digital audio services. Brasil filed an exemption relating to the distribution of radio and television programmes directly to consumers. The European Union announced that it regarded the exemption filed by the USA as illegal, considering it to be a breach of the commitments on telecommunications made by the USA during the Uruguay Round negotiations. In the end, both parties agreed that there had been a misunderstanding between them on the notions of 'telecommunications' and 'telebroadcasting' and that DTH, DBS and digital audio broadcasting did not constitute a part of the negotiations.

Nevertheless, when the agreement reached was discussed in the EU Council, Belgium, France, Greece and Italy stated specifically that the outcome of the negotiations on the agreement on liberalization of basic telecommunications did in no way change the status or the scope of audio-visual or cultural services as they are currently provided for on the basis of the WTO and GATS agreements.

The informal background information paper on 'The WTO Negotiations on Basic Telecommunications of 17 February 1997.'

http://www.wto.org/wto/Whats_new/summary.htm

