



INTERNATIONAL TELECOMMUNICATION UNION
TELECOMMUNICATION DEVELOPMENT BUREAU

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

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PLENARY MEETING

MINUTES

OF THE

THIRD PLENARY MEETING

Tuesday, 24 March 1998, at 0910 hours

Chairman: Mr. J. MIZZI (Malta)

Subjects discussed

Documents

- | | | |
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| 1 | Strategic session: "Telecommunication development in the world:
Trends and Strategies" (continued) | - |
| 2 | Announcement by the Chairman | - |

1 Strategic session: "Telecommunication development in the world: Trends and Strategies" (continued)

1.1 The **Chairman** invited participants to deliver their general policy statements*.

1.2 The **Secretary of the Department of Telecommunications of the Ministry of Communications of India**, stressing the rapidly changing telecommunication environment in which deregulation, privatization and competition were stimulating growth, facilitated by recent WTO agreements on basic telecommunication services and on the reduction of customs tariffs, described the situation in India which was reflecting a growth rate of over 20%. Despite a major drive to increase the number of fixed telephones and encourage large-scale use of payphones, India's rural sector remained a major problem area. India had developed appropriate technology, including low power equipment which would work without airconditioning, which might be of assistance to other countries through a system of South-South transfer of technology - an area in which ITU could act as a catalyst. Liberalization of the telecommunication sector had been achieved in basic fixed telephony and mobile telephony, with a limited number of operators, and value-added services had been opened to private investment. He stressed the key role which ITU could play in human resource development in developing countries.

1.3 The **Secretary of the Ministry of Information and Communications of Nepal** emphasized the paramount importance of telecommunications in his country, particularly as a support for tourism, one of the country's main industries. However, 90% of the population was situated in rural and remote areas, and only a third of the country's villages had reliable telecommunication services. Current telecommunication reforms covered areas such as legislation, policy and the involvement of the private sector in the operation of mobile and value-added services. The question of issuing licences to the private sector still remained to be settled and an independent regulatory body - the Nepal Telecommunication Authority - had been set up to cover licensing, tariffs and the settlement of disputes. ITU's continued assistance would certainly be required, especially for training, the encouragement of investment in telecommunication services in rural areas and the provision of funds for rural development.

1.4 The **Minister of Communication and Culture of Niger** observed that the four years since WTDC-94 had seen the rise of the information economy and society, with increased dependence on telecommunications and convergence of new technologies, informatics and broadcasting. The telecommunication sector in Niger was currently undergoing major reform including establishment of the national telecommunication company, SONITEL, and the national post office and savings enterprise. Regulatory and operating functions had been separated and SONITEL capital opened up to foreign partnership. For a vast, low-population country such as Niger, which was currently breaking out of its landlocked situation, telecommunication support was essential for national economic development. With scanty resources available, however, health, agriculture and education required more urgent attention. It was to be hoped, therefore, that strategies would be adopted at the Conference to reduce the gap between rural and urban areas and the disparities between the developed and developing countries.

* The full texts of these statements will be published subsequently.

1.5 The **Minister of Transportation and Communications of the Philippines** outlined the background to WTDC-98 which covered major issues such as the telecommunication gap between developed and developing countries and the balanced development of telecommunications worldwide. She stressed the important role of BDT, which had consistently implemented the Buenos Aires Action Plan. The regional preparatory meetings for WTDC-98 had emphasized the importance of a broad range of issues such as the situation of the least developed countries, protection of the environment and promotion of telecommunication technologies in health and other social services. However, the telecommunication development gap between the information-rich and information-poor countries called for a global rather than a national or regional approach. An issue of such significance could not simply be set aside for the purpose of promoting free trade in telecommunication services. The Convention and Constitution of ITU should not be allowed to lose their relevance under pressure from free market forces in a global environment. The developing countries should take the present opportunity to achieve appropriate balance in the development of telecommunications.

1.6 The **Deputy Chairman of the State Committee on Communications and Informatization of Russia** commended ITU on its action to spread the benefits of new telecommunication technologies in a swiftly changing environment, with a view to realising the GII and GIS. Russia was consistently applying the principle of non-discriminatory access to telecommunication resources and services and had substantially increased the capacity of its national channels, thereby ensuring a rational traffic route between the developing countries of the Asia-Pacific region and Europe. Russia was also developing its national systems for GMPCS with the possibility of foreign capital involvement. The creation of telecommunication systems as a basis for the GII required the pooling of all possible resources and know-how globally and regionally - an area in which ITU-D could play a catalytic role. Appropriate linkage was also required between the recent World Telecommunication Policy Forum and the forthcoming Plenipotentiary Conference. Lastly, in development of the Strategic Plan, the work of the other Sectors should not be duplicated.

1.7 The **Minister of Communications and Works of St. Vincent and the Grenadines** said that the Member States of the Caribbean placed considerable expectations on the outcome of the Conference for the future of telecommunications. In view of the gap in telecommunications between the information-rich and information-poor countries and of the realities of world trade and the partial marginalization of the Caribbean economies, those States were committed to taking charge of their own destinies. Aware of the importance of telecommunications for economic development, his country had embarked upon a programme of telecommunication reform in order to create strong regulatory machinery and an environment conducive to investment and development.

1.8 The **Minister of Communications, Works, Transport and Public Utilities of Saint Lucia** expressed his country's unswerving support for ITU's action in coordinating world telecommunications and transcending national legislation, as reflected in the growing synergies with international trade and the issues generated by multilateral agreements for increased liberalization and competition in the sector. His country therefore attached importance to the role of WTO and its basic philosophy of non-discrimination, and was well aware of the challenges of ensuring affordable universal access to telecommunications throughout the region. The new economic order of the future would be partly shaped by the telecommunication choices of the present. He also stressed the importance of the work already achieved in the field of disaster mitigation through telecommunications. The Buenos Aires Action Plan and ITU's assistance had proved invaluable in his country's telecommunication reforms.

1.9 The **Minister of State for Roads and Communications of Sudan** said that, on the eve of the twenty-first century, the Government of Sudan had given priority to the telecommunication sector, opening the door to participation by the private sector. New strategies had replaced the old structures and the State had now withdrawn from certain areas leaving, local or international private initiatives to take over. His Government had prepared a number of recommendations which should be reflected in the conclusions of WTDC-98: ITU should reinforce its regional presence; technical training centres should be set up in cooperation with the private sector, industry and service providers; assistance should be provided to developing countries to strengthen their technical capacity particularly with the assistance of specialized engineers; ITU programmes should be based on the rational use of the spectrum; a broad training programme should be prepared on the use of new technologies; communication networks should be expanded to cover all parts of countries, especially rural areas; BDT should contact funding sources, to ensure funding without discrimination; and progress should be made on the basis of the Buenos Aires Action Plan before any new programme was launched.

1.10 The **Minister responsible for telecommunications in the Office of the Prime Minister of Trinidad and Tobago** said that his country was establishing an independent authority in the telecommunication sector and was active in ensuring that Caribbean telecommunication aspirations were met through the work of the Caribbean operators' body, CANTO. Trinidad and Tobago had benefited from the efforts of ITU and BDT and valued the recent impact case study on the Bahamas. Finance and trade was a vital area of action for Caribbean countries in terms both of potential investment in competitive telecommunication services and of the real results of their decision to move towards cost-based accounting rates. The Conference should hold specialized discussions on finance and trade. Human resources development was also of particular importance for the Caribbean countries. As to how to fill the information gap, the Conference must hold in focus that telecommunications were a critical part of development infrastructure and that in many countries levels of universal service were far removed from the requisites of technologically advanced economies. The results of the Conference's deliberations, including on gender issues, were of paramount importance, as they would establish the guidelines for the future activities of ITU-D.

1.11 The **Minister of Communications of Tunisia** said that the Conference was of vital importance to enable basic strategies to be prepared in the telecommunication sector. His country had made strategic choices and its President had adopted open policies facilitating the use of advanced technology and the opening of the country to the outside world. Ninety per cent of the country was now covered by the telecommunication network, and Tunisia was participating in major regional and international projects such as Arabsat. The range of telecommunication services and applications provided had been considerably diversified and his country was open to all new systems as the basis for a more open world community and for international competitiveness. The regulatory and organizational aspects of Tunisia's telecommunication sector had been separated from the technological, with positive effects both domestically and internationally. Costs had been cut by about 50%, while the same level of quality had been retained. Tunisian companies had been given the skills to compete on the international scene. His country was endeavouring to establish relations with neighbouring countries, for only such cooperation between both developed and developing countries, could guarantee true connections in telecommunications. Access to modern telecommunications must be provided for all.

1.12 The **First Deputy Chairman of the State Committee of Post and Telecommunication of Ukraine** said that the main telecommunication operator, UKRTELECOM, was being restructured to operate in a competitive environment. Efforts were being made to attract investment, modernize existing and develop new telecommunication networks and pursue the privatization of UKRTELECOM, including through the involvement of foreign companies. Ukraine could support a strong telecommunication market, particularly in view of its densely populated rural areas. It would welcome the experience of countries that had already developed telecommunication services in such areas and would encourage private enterprise participation. With regard to pricing policy, new ways of instituting cost-based accounting rates must be explored, but an abrupt transition to such an approach would oblige telecommunication administrations to raise rates for local services, discouraging people from subscribing. Ukraine therefore looked to ITU-D for help in finding acceptable alternatives. It supported the Sector's strategy of shielding developing countries from the mistakes made by pioneers in the creation and application of new telecommunication technology. Trends toward globalization, privatization and competition in the telecommunications market required an adequate response, in the form of ITU-D Recommendations.

1.13 The **Secretary-General of the Department General of Posts and Telecommunications of Viet Nam** drew attention to the need for an Action Plan for the future that would help accelerate the provision of basic telecommunication services in places where they were not yet available. Telecommunications were global in nature, and had been one of the first sectors involved in the globalization of world economies. The GII would have been an impracticable concept if the converging services of telecommunications, information technology and broadcasting had not been compatible. Furthermore, technological development was dramatically changing the conventional structure and scope of telecommunication networks. The Internet was considered to be the cornerstone of development of the GII, yet questions were being raised as to where it would lead and how to cope with its unanticipated development. GMPCS would provide a wide range of services and, with its capacity for global coverage, was an appropriate solution for telecommunication development in rural and remote areas. The Conference should discuss it and initiate the establishment of an appropriate global regulatory mechanism. Viet Nam's modernization strategy and the assistance of international organizations, especially ITU, had produced remarkable achievements in telecommunication development, with the digitization of all switching and transmission systems.

1.14 The **Secretary-General for Communications of Spain** said that significant changes had taken place in Spain's telecommunication sector since WTDC-94 and his country hoped to bring forward at the Conference some of the approaches it had found most viable in guaranteeing telecommunication services for all citizens in a context of complete liberalization in the telecommunication market. The developing countries were being affected by privatization, reductions in the price of telecommunication services facilitated by new technologies and the inevitable transition to cost-based accounting rates. They should be given an opportunity to adapt gradually to those changes, with full respect for their sovereignty and assurances that any agreements adopted would be multilateral, not bilateral, to avert unilateral actions. Spain's recent experience in achieving universal access, including in rural enclaves, combining basic telephony with mobile and with satellite networks for example, could offer useful lessons for the transition of developing countries. Universalization of telecommunication services must not entail barriers to market access and the information gap should be made as small as possible.

1.15 The **Minister of Posts and Telecommunications of the Central African Republic** recalled that at WTDC-94, Vice-President Al Gore had defined the GII as a worldwide planetary network and had launched the concept of a global village in which telecommunications would be a vehicle. But no village could prosper under conditions of war, poverty and famine. His country wondered whether its telecommunications were ready for it to be part of such a village, how precisely it would benefit from the GII and at what cost genuine democracy in telecommunications would be achieved. In order to be part of the global village, African telecommunication operators must adapt to the demands of globalization and restructure their telecommunication sectors accordingly. Having outlined the main steps taken by his country in its process of deregulation, liberalization and privatization, as well as the most urgent tasks now facing the Government, which included the provision of a nucleus for telecommunication programmes that would help in the fight against poverty, he said that the Conference must adopt Resolutions forming a genuine framework for the worldwide development of telecommunications for the greater good of the planet.

1.16 The **Assistant Under Secretary for the Planning and Development Sector of Kuwait** said that in most of the countries of the Gulf Cooperation Council, telecommunication service providers operated through the State. Since the destruction of State infrastructure in the hostilities of 1990-1991, Kuwait had been making major efforts to involve private companies in the provision of services in the telecommunication sector. The Conference's decisions would be of great importance for the liberalization of communication markets in countries like those of the Gulf Cooperation Council, which had solid infrastructure but small markets that were unable to assimilate world services. Such countries were neither industrialized States with the capacity to export technology nor impoverished nations in need of investment to launch or revitalize local industry. Guidelines and common principles should therefore be developed for such countries. The Conference should focus on Recommendations to support the developing and least developed countries, as well as countries like his own.

1.17 The **Chairman of the General Posts and Telecommunications Company of Libya** said that a telecommunication programme coordinated with ITU had been adopted in his country. The aim was to achieve a telephone density of 10% by the year 2000 and of 20% by 2020. To that end, a number of advanced technologies had been adopted. Communications in rural areas had been ensured through the use of satellite facilities. An Internet network had been established and mobile telephone services were being provided to private individuals following the promulgation of legislation on economic activity. The joint programme in cooperation with ITU had required enormous local investment and credits from international financial institutions. Telecommunication standards adapted to individual countries should be produced, covering networks in rural areas, human resources, medicine, social services and environmental protection. ITU should pay due regard to such issues if information networks were to be improved.

1.18 The **Minister of Posts, Telecommunications and Broadcasting of South Africa** said that following its victory over apartheid, his country had begun the process of reconstruction and had made considerable progress in the area of telecommunications. He had recently launched a new telecentre in a rural village where most people had never before had access to telecommunication services and the Conference should heed the call from all such people worldwide. On the eve of the digital revolution, it was high time for concrete action to narrow the gaps between North and South, rich and poor, and rural and urban dwellers. Current policies in South Africa were guided by a vision of universal service and based on a process of wide consultation. Responsibilities in the telecommunication sector were divided between the Government, an independent regulator and a variety of operators. Monopoly in voice telephone services would remain for a further six years in order to ensure universal access to and upgrading of the network; there was full competition in all

other areas. Those developments formed the basis of South Africa's proposal to WTO that competition would be phased in progressively up to 2003. While globalization affected everyone, developing countries were constrained by lack of resources and poorly performing economies. The establishment of new partnerships between the public and private sectors would be particularly important for telecommunication development, and ITU would play a crucial role in ensuring a fair balance in the interests of all concerned.

1.19 The **Chairman** then invited observers and Sector Members to deliver their general policy statements.

1.20 The **Deputy Minister of Post and Telecommunications of the Palestinian Authority** said that telecommunications in Palestine were facing an acute crisis owing to the many obstacles being raised by Israel, which ran counter to the Oslo Agreement. Israel took a high proportion of revenues from outgoing and incoming calls and was continually delaying negotiations for additional frequencies for police and satellite services and for the extension of terrestrial services. He urged the Conference to adopt appropriate measures to ensure that the decisions of WRC-97 concerning the allocation of satellite orbit positions and channels to Palestine were respected. He hoped that such efforts would lead to the liberalization and upgrading of telecommunication services in Palestine.

1.21 The **Chairman of ICP (Portugal)** recalled that the Government of Portugal had begun liberalization 10 years earlier when ICP (Portugal) had been created. Many of the fears of liberalization and privatization expressed at that time had since disappeared, and customer satisfaction at falls in prices and the quality and diversification of services was now substantial. The incumbent operator was more efficient and profitable and new operators were entering the field, improving the economic aspects of telecommunications. There was no doubt that independent regulation was a necessity in both liberalized and monopoly situations to ensure appropriate supervision and to pursue the ultimate objective of national telecommunication development. The powers of the regulating authority, however, which should be set by government, should balance the interests of all the parties concerned - government, operators and customers. Speaking on behalf of his Administration, he expressed continued strong commitment to the work of ITU-D. Improvements were needed, however; Portugal's experience had shown that the development of appropriate partnerships was a solution to some of the problems being encountered, and he therefore welcomed their consideration at the Conference.

1.22 The **President of ANTEL (Uruguay)** said that on the eve of the 21st century, universal access to basic telecommunications as a fundamental right remained a mere wish for much of the world. Ways of narrowing the gaps between those with and those without telecommunication infrastructure would have to be found if social conflict was to be avoided in the future. Together with other countries in his region, Uruguay was working to develop MERCOSUR, the South American common market. Thanks to the efforts of ANTEL to reach rural areas, teledensity in Uruguay itself had increased to 27% and Internet penetration to 13.5%. Future projects included the development of multimedia centres to provide the public with low cost services. Knowledge would be the currency of the 21st century and developing the technology to supply it would be crucial. The leap from an agricultural to an industrial society was being mirrored by the current leap to the information society. International organizations such as ITU would have a vital role to play in that globalization process.

1.23 The **General Manager of Globalstar** said that his company, a GMPCS provider operating service agreements with over one hundred countries, would soon be in a position to offer voice, fax and data services to those seeking affordable mobile and fixed telecommunication solutions,

particularly in underserved areas. Like other GMPCS providers, Globalstar was working to provide appropriate solutions in areas where the needs were greatest. He supported ITU efforts in that field and urged all members to sign the ITU Memorandum of Understanding on GMPCS.

1.24 The **Vice-Chairman and Chief Executive Officer of Iridium** said that the huge sums spent on bringing telecommunication services to remote regions of developing countries had met with only varying degrees of success. However, a major barrier to those efforts - the cost of building expensive terrestrial infrastructure - would soon be removed. Iridium was establishing a system of low-Earth orbit satellites able to link remote areas to the world's communication system. In accordance with Opinion 5 of the 1996 World Telecommunication Policy Forum, Iridium had developed its national ownership, mobile access and disaster communications (NOMAD) programme, which offered attractive benefits, to encourage the participation of developing countries in a spirit of partnership. The new GMPCS system was designed to complement rather than compete with land-based systems, in which governments might have a stake and from which they might derive revenue. It could track calls made to or from one of its telephones in any particular country, thus ensuring fair allocation of revenues. He urged all members to sign the ITU GMPCS Memorandum of Understanding, which would facilitate the development of cross-border telecommunications.

1.25 The **Chairman and Chief Executive Officer of Pirelli Cavi** said that two main forces, globalization and technological advance, themselves driven by customer and government needs, were interacting to push forward telecommunication development. The resulting changes were radically redefining the basis for world trade, and were accompanied by an increasing trend away from voice to multimedia information transfer and concomitant changes in equipment supply. While the exciting new technological developments had revolutionized telecommunication applications, they were placing existing data transfer networks under increasing pressure. In Pirelli's view, photonic technology was the most cost-effective solution. Following extensive investment during the 1980s, Pirelli was beginning to introduce commercial applications in that area. Thanks to their low cost and accelerating capacity, there would be an increasing role for optical transport networks in the future.

1.26 The **Chief Executive Officer of Telecom Austria** said that competing operators would need to build strategic alliances if telecommunication services were to be improved in developing countries. His former experience within ITU had convinced him that ITU-D was the best forum in which to establish such alliances. All operators who had not yet done so should be encouraged to become Sector Members of ITU-D.

1.27 The **Manager of Telecom Italia** stressed his company's commitment to the globalization of telecommunications and the development of an information society which would involve all citizens. Telecommunication networks and services were fundamental to the shift from product- to service-based economies being experienced by most developed and an increasing number of developing countries. Approaches nevertheless must be flexible and not imposed, making use of all the technologies available. Telecom Italia was entirely privatized and was the incumbent operator in a fully liberalized regime in line with the regulatory framework developed by European institutions, in particular the European Commission. The Italian Ministry of Communications had fully implemented the new regulatory package and Telecom Italia was ready to implement WTO agreements in full. Its future strategies overseas would be mainly based on partnerships with local operators, with the provision of investment as well as technological know-how to enable developing countries to benefit from the latest developments.

1.28 The **President of Teledesic** said that there was increasing recognition that access to information was essential for many aspects associated with quality of life, including economic development, education, healthcare and public services. A truly global GII must provide affordable access not only to basic services but also to advanced applications for all countries. Teledesic looked forward to working with other members of ITU-D to realize the GII.

1.29 The **General Manager of Vision for Telecom (Jordan)** said that, despite being one of the smallest Sector Members of ITU-D, his young company enjoyed the full benefits of membership, which were helping to bridge the gap between the public and private sectors in Jordan. Jordan had restructured its telecommunication market and was among the first Arab countries to establish an independent regulator. While it was happy to share its experiences in that regard, countries must find the solutions most appropriate to their own needs. He therefore welcomed the establishment of the Working Group of the Plenary on the role of the private sector. He urged delegates from developing countries and ITU-D to further encourage private companies from those countries to participate in the work of ITU-D.

2 Announcement by the Chairman

2.1 The **Chairman** said that, owing to pressing duties elsewhere, he would be unable to continue in the chair for the time being. His place would be taken by Mr. E. Borg (Malta).

The meeting rose at 1210 hours.

The Secretary:
H. PIETERSE

The Chairman:
J. MIZZI