

WORLD TRADE ORGANIZATION

S/CSS/W/53
14 March 2001

(01-1410)

**Council for Trade in Services
Special Session**

Original: English/
French

COMMUNICATION FROM CANADA

Initial Negotiating Proposal on Telecommunication Services

The attached communication has been received from the delegation of Canada with the request that it be circulated to Members of the Council for Trade in Services.

1. Canada reserves the right to modify this proposal at any time. This proposal does not prejudice Canada's position on other service sectors, nor any future offer on this or other sectors. This proposal should be read in conjunction with the principles and objectives as outlined in Canada's initial negotiating proposal, including in areas related to Canada's ability to achieve its cultural policy objectives.

A. INTRODUCTION

2. The rapid pace of technological innovation in the provision of telecommunication services is transforming economies and impacting on societies. Canada and other countries that have liberalized their telecommunication services markets have seen prices fall and new services quickly made available to both business and consumers. The development and wide availability of affordable, innovative and high-quality telecommunication services is a key challenge for many WTO Members.

3. Growing recognition by governments that competitiveness is increasingly dependant on innovative and cost-effective telecommunications services has led to telecommunications deregulation and to liberalization of the international trade environment, including most recently under the 1997 Agreement on Basic Telecommunications. In many countries, including Canada, the market for telecommunications services is now characterized by the replacement of monopolies by dynamic competition, including from foreign suppliers.

4. Canada, like many other countries, has put in place a regulatory regime intended to stimulate competition in the marketplace while making telecommunications services accessible and affordable to all its citizens. As a consequence, Canada has among the lowest prices, and the highest overall telephone penetration rates, in the world. Virtually all Canadian citizens and businesses have Internet service available at prices that are among the lowest in the world, and high speed service will soon be available to three quarters or more of Canadians. This is helping to further the development and expansion of e-commerce. As countries liberalize their telecommunication services markets, they can expect to experience similar important economic and social benefits.

5. As the process of market liberalization continues and grows, the international market for telecommunications services will continue to expand rapidly, to the benefit of all WTO Members. The telecommunications services sector in Canada is growing at three times the rate of the economy as a

./.

whole, and liberalization of international telecommunications markets has created opportunities for Canadian service suppliers in overseas markets. Canada also has a highly sophisticated telecommunications equipment sector, which has seen its export opportunities increase in liberalized telecommunications services markets as these make the necessary infrastructure investments to introduce or expand service.

B. PROPOSAL

6. Canada promotes liberalization of markets for telecommunications services. Canada urges those Members that have not made commitments in the area of basic telecommunications and value-added telecommunications, or that have made limited commitments or commitments with long phase-in periods, to make commitments and to accelerate liberalization.
