THE ITU, THE WTO AND ACCOUNTING RATES: LIMITED PROSPECTS FOR THE SOUTH?

SEÁN Ó SIOCHRÚ

Abtsract

The multi-lateral system of the ITU has been losing out steadily to a trade paradigm in telecommunication, culminating with the WTO agreement in February 1997. Against this background, this paper looks at the issue of the accounting rate system, how liberalisation is further undermining a main pillar of ITU activities, and the impact and options for less developed countries. The US has seen its international call settlement deficit grow to over 5 billion dollars in 1996, providing an essential net revenue for a number of less developed countries. The US is now threatening to greatly reduce payments, unilaterally overriding the current ITU bartered system. Analysis reveals that the growth in deficit is caused mainly by the call-back and refilling activities of US carriers. It is also likely that the introduction of loopholes by the US into the recent WTO agreement is at least partly motivated by a co-ordinated strategy at the WTO and ITU. Other developed countries, however, strongly oppose the US move, and are pursuing legal action to prevent the US implementing its threat. Yet in the long term, the accounting rate system is anyhow in decline, yielding to a number of trends. It will most likely be replaced by a trade based system, with a minimal multi-lateral element. From the point of view of less developed countries currently benefiting, the future thus looks bleak. The decline of multi-lateral determination of accounting rates, and its replacement by unilaterally or trade determined levels, will inevitably lead to significant loss of revenues. Their bargaining position in relation to ensuring that any new system will continue some transfer from wealthier to poorer countries is weak, and they have had little real support from UN organisations.

Seán Ó Siochrú is Research Director, Nexus Research Cooperative, Dublin.

Context

The shift in the centre of gravity of global telecommunication policy from a multilateral governmental system to a trade paradigm has, in recent years, been the subject of considerable study and growing concern. The ITU, as the main UN specialised agency involved in this area, has lost out across a number of fronts (Mahoney 1993). After years of struggle over allocating radio frequencies, the big powers firmly asserted their control at WARC-92 forcing through all their major proposals. In standards setting, market domination strategies of the major transnationals have stamped their will firmly on the process, demoting traditional concerns for rational interoperability, long-term development and smaller players and countries. The creation in 1994 of the ITU Development Sector alongside the other two has also largely failed to yield the promised investment and prominence for the concerns of less developed countries.

The long-term implications of these changes are a matter of grave concern. But a related area, with a potentially immediate and devastating impact on telecommunication in some LDCs, is right now a matter of struggle and little is known about it. This is the area of the international tariff accounting rate and settlement system, since its inception a central activity of the ITU.

This paper considers some key issues at stake in current battles over the accounting rate and settlement system in international telecommunication. It begins by briefly summarising how the system works, then looks at current net international payments in the system and their impact on certain countries. Current pressures on the accounting rate system are described, as well as the US"s most recent attempts to unilaterally transform it, and how this may be linked to its strategy in the WTO. Possible future scenarios are then explored, along with their implications for less developed countries.

The Accounting Rate System

Devising and agreeing a means to divide income equitable and efficiently between originators of a message in one country and receivers in another, and any other in between, was a main impetus to the formation in 1865 of the precursor to the International Telecommunication Union. Since then, the ITU has continued to control and refine the accounting rate and settlement system, offering a multi-lateral forum in which the framework can adapt and evolve. Today it is the concern of Study Group 3 of the ITU-T (Standardisation), but is on the verge of collapse.

The accounting rate system works on the basis of dual pricing to divide revenues between the originating telecommunication operator (TO), (where the phone call is made) and the terminating TO (where it is completed). The amount collected by the originating TO in local currency units is known as the **collection charge**; while a second price, the **accounting rate**, is agreed by the two in an international currency (such as US dollars) as a common base by which to calculate how much the former pays to the latter for completing the call. The actual payment agreed between the two is the **settlement rate**, which has for many years been set in most cases at half the accounting rate. i.e. the originator pays half the accounting rate to the terminating TO. Annually, the totals are calculated and all TOs pay out or receive a net hard currency payment in settlement.

Thus Study Group 3 provides the multilateral framework (which is information available publicly) within which governments agree voluntarily to the rules of the

game. The precise level of the accounting rates are hammered out in bilateral agreements between the TOs themselves, and usually kept secret, even from the ITU. Although there have been many refinements over the years, this system is still largely in place.

Growing US net Transfers

However, recent years have seen a growing imbalance in **net** total settlements between countries. By far the greatest imbalance has arisen between the USA and many other countries. (Partly for this reason, the USA is the only country to publish full figures). The FCC reports that net settlement rates have risen steadily from below US$2 billion in 1986 to over US$5.4 billion in 1996. (ITU 1997a, FT 1997)

The transfers are highly selective, and less developed countries are by no means the largest beneficiaries. It is estimated that about 30% of the 5.1 billion USD deficit in 1995 went to other developed countries, including Germany, and a further almost 20% to Mexico alone. In Asia, 9.5% of Hong Kong telecoms revenues derive from settlements, and Japan is also a major recipient (FT 1997). But less than 4% ends up in Africa, and only 2% in sub-Saharan Africa, with perhaps the greatest needs of all regions. (source) Some of the poorest economies, like Somalia and Mozambique, actually make net payments to the USA.

But significant net transfers do flow from the USA to certain poorer countries, mostly neighbours. The comparative weakness of economies and telecommunication sectors of a number of less developed countries results in a huge reliance on this transfer, for many amounting to between 30% and 70% of their total revenue and even more of their hard currency revenue.

Table 1 shows the total revenue, national and international, of TOs in Latin America, and the proportions of this revenue derived from net incoming payments from US operators.

Table 1: USA Settlements with Selected Economies

Country	Total Telecom Revenue 1995	% from net inpayments
Nicaragua	$35.	68.3%
Haiti	$73.0 m	51.9%
El Salvador	$168.8 m	45.9%
Honduras	$129.7 m	41.7%
Jamaica	$313.6 m	31.8%
Guatemala	$197.2 m	30.1%
Mexico	$6,509.1 m	13.5%

Source: adapted from ITU 1997a

Thus, historically, this cross subsidy comprises the sole element of what might reasonably be termed a global universal service cross-subsidy. Of course, as such, it is far from ideal, for a number of reasons:

- Redistribution at an international level follows no principles of equity or need;
- No particular incentives direct the funds towards the extension of universal service;
- In some cases revenue generated is diverted into other areas by governments in severe need of foreign exchange.

Nevertheless, it remains the only part of the international telecommunication system in which at least some net payments are made, representing very significant amounts to quite a number of countries.

The Breakdown of the System

This system is most stable, in the sense that net transfers tend towards zero and all benefit equally, in certain ideal circumstances. These are where (ITU 1997a):

- Collection charges are about equal in the two countries for similar services. If not, then the one with lower charges pays relatively more of total revenue to the other.
- Incoming and outgoing traffic are about the same for each bilateral relationship. If not, then a net payment will accumulate from the one with more outgoing traffic to the one with less.
- Collection charges, even with discounts, do not fall below the accounting rate. If they do, then the originator pays out more than half of total revenue. Indeed, cases are recorded of the settlement rate falling below the collection charge, each call resulting in a net revenue loss for the originator.
- Inflation rates and exchange rates are relatively constant, since fluctuations result in divergences of collection charges and accounting rates.
- International services are jointly provided by national monopoly TOs. Otherwise, monopoly TOs in one country can play competing service providers against each other in the corresponding country, placing the former in a relatively stronger bargaining position.

These ideal circumstances experience constant and periodic disruption from a number of directions. For instance, cost and tariff structures in different countries can diverge for a whole host of reasons, technological, economic and social, which in turn knock on to the settlement rate divergences. At the same time, demographic factors can also play a major role. For instance, a rich country with large immigrant populations from a poorer one will originate far more calls to the poor country than **vice versa**.

However, liberalisation greatly increases instability within the system, blurs its boundaries and indeed threatens its circumvention in certain areas. In particular:

The proliferation of competing TOs in some countries and the maintenance of monopolies in others complicates the bargaining positions and strengths of the negotiating parties.

Liberalisation directs huge investment to some areas and retards it in others. This accelerates international divergence of technological levels, and thus cost structures, causing major divergences between collection charges, especially between some less developed and more developed ones. The negotiated settlement rate can fail to keep pace with the relative divergence of cost-driven collection charges, thus reducing the net revenue to the TO in the low price country faster than the collection charge.

The imbalance in outgoing calls, especially from the USA, is also further exacerbated as collection charges fall in the USA and the incentive to originate all calls there grow.

The boundaries between traditional telecommunications and other communication services are being tested, making it more difficult to measure exchanges. The use of Internet telephony exacerbates this, as it is not recorded by the system.

Global alliances have led to the growth of "carrier's carriers", wholesale carriers between origination and termination phases. This changes the cost structure, but also makes it difficult to track and calculate bilateral exchanges.

In recent time, however, the greatest culprit has been the growth in call-back and re-originating (refilling) services, led by US-based carriers of alternative calling procedures. They greatly exacerbate the problem, through in effect allowing users in other countries to call the USA and pay USA rates (or to route calls through the USA to a third country), by "falsely" reversing the originator and the terminating call stations. The user benefits from lower tariffs, but the net effect has been to hugely increase the number of calls apparently originating within the USA.

Thus the accounting rate system is in imminent danger of collapse.

The Response of the USA

Given these circumstances, the USA has predictably led the charge for change, pursuing a drastic reduction in the accounting rate rather than the total replacement of the system.

Of course, the facts belie their image as the injured party, suffering unreasonable accounting rates that stubbornly resist downward pressures. Although US payments have indeed risen during the 1990s, ITU figures show that US settlements rates during the 1990s **fell faster** than average international call tariffs (ITU 1997a). At first sight, therefore, net outpayments should be falling. The problem therefore is not simply that accounting rates cannot keep pace with falling collection charges in the US. Rather, the explanation lies in the fact that the US share of **total** international traffic has risen from 21% in 1985 to 26% in 1995. This in turn is largely a result of call-back and refilling by US carriers, driven mainly by aggressive expansion and competition between AT&T, MCI and SPRINT. Indeed, through developments in the call-back system and below cost selling, a large proportion of non US-originating or completing traffic is now routed through the USA.

However, the growing volume of (actual and apparent) originating traffic has resulted in increase not only in net transfers outside in settlements, but also **an increase in net revenues** from the aggregator and the call-back operators, coming ultimately from the customer availing of the call-back service. Indeed, carriers are unlikely to offer such services unless they can make a profit, even after the settlement rate is paid. The originator of the also pays a fee to the refilling carrier, which will also include a margin above cost. Indeed, it would appear to be beyond doubt that the overall net position of US operators, including call-back and refilling activities, is better now than it was five years ago (Anderson 1997).

The US position is thus to retain all the benefits of call-back and refilling, but not bear pay any of the costs. While it continues internationally to present itself as the innocent victim, other motivations for its unilateral threat lie beneath the surface.

As mentioned, accounting rates are calculated within an agreed multilateral framework. This framework is worked out by countries (ITU Members). The overall balance of countries in the ITU, in terms of numbers, matters significantly to the outcome, and the scope for the dominance of individual powerful countries (or indeed, TOs through their country representatives) is relatively restricted. This framework in turn limits the extent to which unilateral solutions can be imposed by any pair of negotiating TOs, even where one is huge and the other tiny. At the level of nations, the ITU as part of the UN system is thus relatively democratic, and it percolates down to bilateral negotiations. While Study Groups can be slow to respond to external factors, the real problem for the USA is that it cannot simply use its power to impose its preferred

solution on a reluctant majority. Thus, the USA will shed few tears for an enfeebled ITU controlled system. Indeed, this is what motivates the broader US strategy of shifting the overall communications global forum from the ITU to the WTO and other trade organisations. (Mahoney 1993)

Early in 1997, the USA decided to act, and the FCC threatened to unilaterally impose its own greatly reduced accounting rate, in effect permitting its carriers to decide for themselves how much to pay out to others. The power to carry this through derives simply from its huge deficit position i.e. it need only withhold payments to others.

The US, however, was moving on two fronts. The position adopted on accounting rates cannot be understood without considering also developments in the WTO.

US Actions in the WTO

The growing influence of the WTO in telecommunications, as the core institutional dimension of liberalisation policies, adds significant impetus to trends that are undermining the accounting system altogether, very probably in the long term leaving the ITU out in the cold. The WTO maintains that the accounting rate system is outside its direct area of influence, since rates in the end are negotiated by TOs and are not government measures. But in many ways, a loss of influence of the ITU and an increase in influence of the WTO are two sides of the one process.

The relationship (much mediated) between the ITU and the WTO is not simple, as they do very different things. Since their areas of activity, and terms of reference, are so different, the erosion of powers of one at the expense of the other could never be simply a matter of transferring functions. Rather, fundamentally shifting paradigms of the structures and operation of the global telecommunication sector renders it subject to regulation and control by one organisation or the other. ITU regulation contains a large degree of agreement; regulation by the WTO follows the rules of free trade and market forces.

The US strategy on accounting rates reveals that tactics during a transition phase can encompass both organisations.

Agreement at the GATT's Uruguayan Round, for the first time to include telecommunications, proved particularly difficult. By the official end of the Round in 1996, sixty countries had committed themselves on value-added telecommunications services (which were far less contentious as they had already, in effect, been liberalised in most countries), but only eight on basic services including telephony and public data. It was not until February 1997, after a special negotiating group had run its course and been extended (the Negotiating Group on Basic Telecommunications or NGBT; followed by the Group on Basic Telecommunications or GBT), that agreement was reached, with a total of 68 countries signing up.

At one critical point, the USA was the main stumbling block to an agreement, pulling out in April 1996. (It is notable that all major obstacles to the completion of talks related to the interests of the developed countries, especially the USA, Canada, Japan and the European Union. Concerns of the less developed countries were marginalised within the negotiations.) Two specific issues of concern were raised by the USA. The first related to Global Mobile Personal Communications by Satellite (GMPCS), where US companies wanted market access to enough countries sufficient to underpin their massive current and future investment in low-orbital satellite constellations. The final agreement proved more satisfactory, through the addition of further signatories.

But the second US concern related to the accounting rate system, and ironically, it was because the WTO was going too far in liberalising. The concern of the US international operators, such as AT&T, MCI and SPRINT, was that an uneven agreement on basic services would, in effect, allow foreign operators to bypass the accounting rate system. If an operator in a closed market could, through a subsidiary in the USA, establish an international gateway and complete calls to the USA directly with local (state level) carriers, then the US international carrier would not receive any settlement payment, and the foreign operator would pay only the US interconnection rates to the local operator. At the same time, traffic in the other direction from, for instance, AT&T would still have to pay the foreign operator a settlement rate unless it could gain a similar foothold in the foreign market. However, if they could succeed through its unilateral threats in enforcing a massive reduction in the settlement rate, the problem would be greatly reduced.

In the event, the US did sign up to the WTO agreement to open its markets to signatories - not to have done so would have resulting in its collapse for an indefinite period. However, they inserted a loophole. In effect, the FCC claims it can refuse access to a foreign operator if any US carrier protests that the foreign carrier's own market is still restricted. The FCC claims this is a necessary "public interest" safeguard. (Molony 1997). And it seems reasonable to assume that this loophole is at least partly a ploy to reduce the price of failure on the accounting rate front, and to provide it with more leverage there. Thus if the US fails to impose a greatly reduced accounting rate, it can still refuse to license foreign operators that would tend to cause a net deficit of settlement payments.

Risks in the US Position

However, the FCC actions with regard to the accounting rates and the WTO are being strongly challenged by other developed countries. In August 1997, the European Commission told the FCC that its position on both accounting rates and opening its markets are in contravention of the WTO agreement, and threatened to take the issues to the WTO appeals procedure (Molony 1997). Furthermore, although the ITU accounting rates system is non-binding and the USA is entitled to pull out any time, its right to impose its own policies is another matter. The Japanese carrier KDD has been joined by Hongkong Telecom in legal action in the US against the FCC, claiming it is exceeding its jurisdiction under its founding legislation. (CWI 1997, FT 1997)

There are other risks to the US strategy. A series of such unilateral impositions has many flaws that might outweigh the immediate benefits to US companies. Not least is the fact that unilateral agreements tend to be temporary by nature, as they rely on a shifting balance of power - a sustained abuse of power - rather than on consensus. In the longer term, major revisions to the current system, or perhaps its replacement altogether, will be required. The need for a system to share tariffs is, for the moment anyhow, as pressing as it was in 1865. The FCC's position is probably a tactical ploy meant to gain leverage in whatever new system is going to emerge. But the FCC must be concerned that by opting for simply cutting the accounting rate, they may delay the creation of a long-term solution in the form of a new system altogether or find itself poorly placed to influence its outcome.

The ITU stands to lose out if the USA succeeds in its action. One possibility which would render the ITU redundant, though its seems unlikely, is that other countries

would follow suit and begin to impose unilateral rates leading to no holds barred power struggles in which weaker countries would inevitable lose out. Telecom operators are also unlikely to want to be subject to rule making by dozens of individual regulators.

Acting on the FCC's threat, the Secretary General of the ITU tried to barter a settlement agreeable to all, but, significantly, stepped outside the Study Group structure to do so. He convened an expert group of 33 people (only three from less developed countries) in Geneva in March 1997, to hammer out a solution. While any proposal would depend solely on the agreement of a majority of governments afterwards, the idea was to try to come to a formula acceptable to all in a more informal context (ITU 1997b).

The result was criticised by all sides, by the US for not going far enough, and by developing countries as being almost indistinguishable from the USA offer. In 1995, the average accounting rate was about 0.6 USD per minute. The FCC had proposed a maximum immediate rate of 0.243 USD for least developed countries, falling to 0.154 USD, the immediate rate for developed countries, within five years. The ITU expert group proposals are somewhat less extreme, suggesting a final benchmark of 0.25 USD per minute maximum, but with perhaps a few higher exceptions permitted. It is to be achieved by 5% to 10% during 1997 and again during early 1998.

Unfortunately for the ITU, the proposal has not been taken forward by Study Group 3, the ITU's preferred venue to sort out the details and take it forward.

Prospects for the ITU and a Solution

In this game of international tactics, the ITU is desperately trying to maintain its top position. It is a difficult task, as it is pulled in different directions: the **de jure** power of less developed countries is great, and they may risk rejecting new ITU proposals altogether if they believe they will lose too much. The USA and other powerful nations, however, represent the **de facto** power, and they will only support the ITU as the forum for a solution as long as it suit them.

A solution to the immediate crisis is not yet in sight. The FCC still maintains it will impose its unilateral position on certain routes from 1998, and the ITU continues to seek a solution that will sustain the integrity of Study Group 3 and the agreements hammered out there. The USA has offered to hold off on implementation if an acceptable multi-lateral agreement can be reached which will have substantially the same results (it is debatable, however, whether a multi-lateral agreement forced by a unilateral threat to impose the same outcome can be termed an agreement at all.)

In the longer term, there are a number of possibilities, although it may take some time before it is clear which one, or combination, will prevail.

The ITU's most recent ***World Telecommunication Development Report*** (ITU 1997A) outlines a number of alternative mechanisms for calculating the distribution of collection charges, some already in place for non-basic services. It suggests that the best solution would be a combination of two elements: A call termination charge at **national** level, currently used in telegrams and national mobile extension tariffs, which allows the terminating TO to set a fee for completing the call, but abandons the equal division of revenues; and a facilities-based payment for **international transit**, in which (as already exists when a call crosses a third country to its final destination) the originating TO pays for certain facilities required to complete the call in the other countries, such as the use of transmission lines and switches. However, the implications of such a composite system are not fully known. The institutional context for this is not

spelled out, but it would appear to combine one part determined by agreement (the fee), and the other by the market.

A number of trends currently coexist, making it difficult to predict which mechanism, or combination of them, will prevail; and at the same time hastening the demise of accounting rate agreements between international carriers:

- It is likely that some countries will agree to adopt a new accounting scheme, and that others will join in, gradually creating an alternative to Study Group 3. For instance, in May, Japan's second largest carrier and AT&T in the USA agreed a revenue division mechanism bilaterally, that dispenses with fixed accounting rates. The rate agreed are adjustable by mutual agreement to take account of changing competitive conditions. Such agreements may become the norm.
- As accounting rates are pushed down relative to converging collection rates, the amount involved and the size of the imbalances may cease to be a major issue, and TOs may move to the much simpler sender-keeps-all principle (as already practised between, for instance Ireland, and the United Kingdom).
- The extent to which settlements will benefit any given national operator or government could greatly diminish, as transnational ownership of operators means that profits are repatriated to various locations and the availability and priorities for investment will be unrelated to the performance of a given national subsidiary.
- The importance of the accounting system is gradually diminishing as the bulk of traffic moves to Internet, private networks, mobile networks and transnational TOs with internal settlements - all already based on market principles.

All of these represent, in different ways, a replacement of the multi-lateral accounting rate system with a trade model, a further strand in the overall shift to the trade paradigm in telecommunications.

Prospects for Less Developed Countries

The current accounting rate system and the attendant global cross-subsidy, if not destroyed by sudden rupture, will at least face a long-term slide into virtual oblivion. None of the solutions being considered offers LDCs that currently benefit anything more than a "soft landing" in relation to a permanent and significant loss the revenues.

How should less developed countries respond to this rather bleak situation? The options are limited.

On the one hand, a defensive rearguard action within the ITU in relation to accounting rates may bring some temporary relief, but no durable transfer mechanism can be achieved by this alone. On the other hand, the WTO is concerned solely with reducing trade barriers, and has no remit or interest in creating mechanisms for transfers that would be seen as distorting trade. Thus, less developed countries are gradually being forced to abandon the more democratic and accountable but increasingly irrelevant institution of the ITU, in favour of one where they wield much diminished influence and which has a remit that virtually excludes progress.

The prognosis is not good. Nevertheless, the first steps towards formulating a strategy seem clear enough.

The most obvious obstacle in terms of gaining some leverage in the debates is that a net transfer from wealthy to poorer countries was never **originally** envisaged as an aim of the accounting rate system, and is not formally an aim of such a system at all. A formal, or at least explicit, acknowledgement of the continued need for such a transfer

in any new system is both problematic and necessary. The first task is to establish that the accounting system serves a useful purpose (even if significantly flawed) in relation to **both** the growth of global telecommunications **and** to more equitable and balanced development. One tack to take, for instance, might be to argue that simply its **extended use over the years** as a transfer mechanism has lent legitimacy to the need for replacing it with something that performs a similar function.

An explicit acceptance of the rationale for transferring resources from richer to poorer countries would provide considerable leverage to the less developed countries. While implicitly acknowledging the limitations of the market alone, **both** the mutual economic benefit of building up the global network through organic means (i.e. from funds generated from within the sector); **and** the social and welfare benefits of a more equitable society could be highlighted. UN agencies, in particular the ITU[2] but also UNCTAD, UNESCO and others, could go a long way towards creating the environment for such an agreement. Yet they have failed as yet to support any arguments in this direction, pointing at most to a vaguely ethical requirement not to eliminate the transfer all at once.

At the same time, there is now growing acceptance that the policy of universal service can be damaged by liberalisation, and that universal service is both an economically and socially desirable goal. This is implicit in the WTO Reference Paper, which permits any country to retain universal service policies, as long as they are not anti-competitive and "are not more burdensome than necessary for the kind of service defined by the Member" (WTO 1997).

Thus, there might be some support for an argument that any new transfer mechanism must ensure that benefits, in the form possibly of additional investment, must be **targeted solely on extending universal service** beyond where market mechanisms will dare thread, in a manner analogous to that obtaining in most of Asia at the moment. Multi-laterally agreed social and long-term economic criteria could be applied to the amount, and to the selection of areas, for investment.

In the unlikely event of securing such a commitment, a new source for funding (since settlement rate imbalances will inevitably virtually disappear), an institutional context and a transfer mechanism would have to be devised. Funding could, in effect, come from the same source as the settlement rates (i.e., revenues from international collection charges), although according to a fairer formula. The appropriate institution is the ITU, suitably modified. And if that much could be agreed, the creation of a mechanism to transfer the funds would pose no great difficulty.

However, strategically, the position of less developed countries is weak. The USA is well aware that time is now on its side. It need only wait for the accounting rate system either to become irrelevant or to become so fragile that a gentle push by a major player will seal its fate. Thus, the major card of poorer countries in this game, the accounting rate system itself, may soon be lost to them.

Notes:

1. Many countries in Asia choose to link the settlement system to universal service nationally. For instance, in Hong Kong, 29 cents (USD) of the 46 cents per minute settlement rate is used to cross subsidies local calls. (FT 1997)

2. The ITU does provide advice to countries on how to approach the WTO - but with a view to acting as a bridge to the WTO, not as a means to find a more equitable and effective international cross-subsidy mechanism.

References:

Anderson, Brian. 1997. The FCC and Callback's Forgotten Revenue. *Communications Week International*. Issue 191.

Mahoney, Eileen. 1993. The Utilization of International Communications Organisations, 1978-1992. In K. Nordenstreng and H. Schiller (eds.), *Beyond National Sovereignty.* New York: Ablex.

Molony, David. 1997. FCC Accused of Exceeding Jurisdiction. *Communications Week International*. September 8.

ITU. 1997a. *The World Telecommunication Development Report 1996/7*, Geneva.

ITU. 1997b. Recommendations of the Informal Expert Group on International Telecommunication Settlements. April 9. Geneva and London. (www.itu.int/intset/issues/issuep2.htm)

WTO. 1997. Negotiating Group on Basic Telecommunications: Reference Paper. April 24, Geneva.

FT (*Financial Times*). 1997. Telecoms Carriers to Fight Cuts in Charges. 25 September. London.