

PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

Com. IV/SR/1 (FINAL)
March 13, 1969

SUMMARY RECORD--FIRST SESSION OF COMMITTEE IV TUESDAY, FEBRUARY 25, 1969

Convening of Session

The session was convened at 3:30 p.m. by the Chairman of the Conference, Leonard H. Marks, acting as the Temporary Chairman of Committee IV.

Election of Committee Chairman

Mr. Marks called for nominations for Chairman of Committee IV. The Representative of the Federal Republic of Germany nominated Ambassador Alessandrini of Italy. The Representatives of Venezuela, Israel, and Austria seconded the nomination. There being no other nominations, Ambassador Alessandrini was elected by acclamation. The Representative of Italy thanked the committee and accepted the Chairmanship on Ambassador Alessandrini's behalf; he explained that circumstances had temporarily detained Ambassador Alessandrini in Italy but that he would assume the Chairmanship upon his arrival at the Conference. The Representative of Italy then requested Mr. Marks to remain in the chair to invite nominations for Vice Chairman.

Election of Vice Chairman

Mr. Marks then called for nominations for Vice Chairman. The Representative of Syria nominated Mr. A. A. Bodede of Nigeria. The Representatives of Mexico and Argentina seconded the nomination. There being no other nominations, Mr. Bodede was elected Vice Chairman by acclamation.

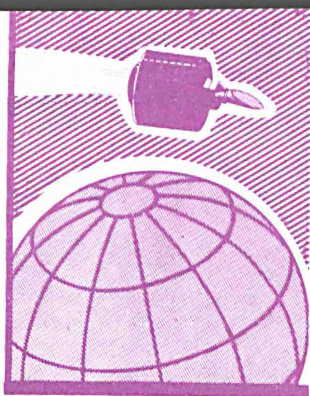
Further Agenda for the Committee

Mr. Bodede took the chair and thanked the Committee for electing him as its Vice Chairman. Mr. Bodede observed that it would be desirable to postpone discussion of document Com. IV/I, which outlined a suggested work program, in order to permit committee members further opportunity to review it. There being no objection, it was so agreed.

Adjournment

The session was adjourned at 3:45 p.m., to be resumed at 12 noon on Wednesday, February 26.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR
THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

Com. IV/SR/1
February 25, 1969

PROVISIONAL SUMMARY RECORD--FIRST SESSION OF COMMITTEE IV
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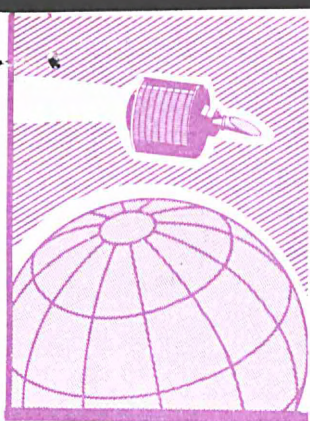
Mr. Marks then called for nominations for Vice Chairman. The Representative of Syria nominated Mr. A. A. Bodele of Nigeria. The Representatives of Mexico and Argentina seconded the nomination. There being no other nominations, Mr. Bodele was elected Vice Chairman by acclamation.

Further Agenda for the Committee

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

Com. IV/SR/2 (Final)
March 6, 1969

SUMMARY RECORD--SECOND SESSION OF COMMITTEE IV FRIDAY, FEBRUARY 28, 1969

Convening of Session

The session was convened at 10:10 a.m. by the Chairman of the Committee, Ambassador Alessandrini of Italy. The Chairman thanked the delegates for his election and expressed the hope that he could help the Committee succeed in its work at the Conference. He thanked the Vice Chairman, Mr. A. A. Bodede, Representative of Nigeria, for occupying the chair during his own unavoidable delay in attending the Conference.

Agenda for the Committee's Work

The Chairman referred to the statement of the area of responsibility of Committee IV in Document 7 (Adopted). He referred also to Document Com. IV/1 containing these terms of reference and the suggested work program for the Committee. He noted that the work program consisted of four items and suggested that, if the Committee agreed, these four items could be considered as the agenda for further Committee IV work. It was so agreed.

Procurement Policies

The Chairman invited delegates to speak on the agenda items, beginning with Agenda Item I concerning procurement policies.

The Representative of Venezuela drew attention to the considerable differences in interpretation of Article X of the Interim Agreement as described in paragraphs 532-543 of Document 6. He expressed the need to consider ways to correct the imbalance and injustice which could result from a continuing application of the present procurement practices. Of the 67 member countries of INTELSAT, perhaps 45 do not participate in any way in development work, and it is not appropriate for these 45 countries to contribute to the development of already developed countries. It has been necessary up to now to accept this situation but it is desirable to seek corrective steps for the future. He supported the principle of compensation in some form for the developing countries affected by increased costs of procurement and expressed the need for clear principles that would encourage international participation while

safeguarding the interests of those countries not participating in the development projects.

The Representative of the Philippines agreed with the Representative of Venezuela and said that these views on procurement policies were shared by many members. His delegation in no way objected to the principle of participation, but he emphasized that a majority of countries would not have the opportunity to participate in contracts in the near future. He felt, therefore, that the definitive arrangements should provide compensation in some form for countries with little hope of participating in contract work. He suggested pro-rating the extra costs or providing technical assistance to countries not participating in contracts.

The Representative of Italy pointed out that the task of the Committee was to find the proper balance so that no country would be unjustly penalized. He recognized that members do pay a small additional percentage for procurement on other than the basis of the lowest cost and the best quality available, in order to spread the contracts among a maximum number of countries. He noted that procurement outside the country of the Manager has resulted in costs about 10% higher to the organization, but that the proportion paid by each corresponded to its percentage interest, so it was therefore not a great burden. A fee should not be required from those countries who improve their technology because this would penalize technological improvement.

The Representative of France expressed an understanding of the views of the Representatives of Venezuela and the Philippines. He thought that in practice the situation had improved, and that the percentage of participation in procurement had increased. Since technology develops very rapidly, there was a need to provide flexibility in future arrangements. He supported fully the provisions of paragraphs 540 and 541 of Doc. 6 as expressing the best compromise between two contradictory principles. While taking into account the solution suggested by the Representative of Venezuela, he believed that all possible solutions should be identified and considered.

The Representative of Malaysia agreed fully with the views expressed by the Delegations of Venezuela and the Philippines. There was no objection to the widest possible international participation in INTELSAT contracts. However, the extra cost resulting from this international participation should be borne only by those countries sharing the contracts.

The Representative of Denmark supported the view of the Representative of Malaysia. Beyond the important aim of providing telecommunications, the definitive arrangements should protect all states. Thus the double purpose in the interim arrangements must be continued in the definitive arrangements. Compensation to developing countries should be provided for because even though the cost would be smaller to smaller countries, everything in their economy is on a correspondingly smaller scale. This compensation might be in the form of direct compensation, technical assistance or some other form.

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The Representative of Tunisia believed that the additional cost incurred by widening procurement should be borne by countries involved in contract work. He supported the views of the Representative of Venezuela, the Philippines and Malaysia, and observed that the Representatives of Italy and Denmark seemed to share his general point of view.

The Representative of the United Kingdom noted that Article X of the Interim Agreement contained two principles: (1) obtaining the best product for the best price and (2) distributing contracts according to the signatories' shares. He observed that a majority of members favored retention of this policy and thought that these principles should be confirmed in the definitive arrangements. He further noted that any prudent business organization must assure multiple sources of supply, which would benefit all elements. It would be necessary, however, to balance advantages and disadvantages to all participants in reaching a solution.

The Representative of France drew attention to paragraph 542 of the ICSC Report and expressed the view that an effort must be made to prevent a wider disparity between the degree of participation and the proportion of investment. In searching for the means for compensating countries, it might be preferable to consider technical assistance benefits rather than direct compensation.

The Representative of Italy noted two forms of penalties which small countries might incur: (1) A direct increase in costs through extending procurement to additional countries, and (2) A long-term increase in costs resulting from the opposite practice of not extending procurement, because in widening the procurement base the developing countries benefit along with everyone else. The Committee needed to find a balanced solution.

The Representative of Denmark observed that it was in the interest of everyone to ensure that no one country had a monopoly in procurement and that as large as possible a measure of competition be provided, even at a slightly higher cost. He supported the Representative of France in the latter's views on compensation. He noted that it would be difficult to determine which countries should be compensated--i.e., which are to be considered developed and which are to be considered developing. Some of the "developed countries" are "developing countries" as far as the space field is concerned. As many as 90% of the member countries might ask compensation on that basis.

The Representative of Australia agreed that the principle of international participation should be adhered to. He noted that consideration of the present topic raised questions which might be difficult to answer simply. For example, should countries receiving contracts share in compensation paid to countries from which contract work is withheld in order to widen procurement? How would the exact value of such additional costs be decided? In practice it is difficult to determine the price of encouraging international participation. He supported the principle of technical assistance but favored providing it within the existing framework of national relationships rather than embodying it in the INTELSAT organization.

The Representative of Belgium noted that it was necessary to determine whether all of the members of INTELSAT do in fact agree that it is to everyone's advantage to broaden the base of procurement, even at an increase in cost. In his opinion technical assistance should be provided outside of INTELSAT.

The Representative of Chile agreed completely with views of the Representative of Venezuela. He expressed the view that both the principles of best product at the best price and of the broadest possible international participation are important, but that the second principle must never be permitted to compromise the first. The definitive agreements should reflect this.

The Representative of Canada appreciated the concern of those countries which had supported the view of the Representative of Venezuela. He observed that, although the considerations were complex, there would be increased benefits for all participants in the practice of ensuring wider participation in future procurement. In any event, considerable initiative must be left to the international organization.

The Representative of Ethiopia favored the principles of best product at the least cost and widest practicable participation. He maintained, however, that the cost of widened participation should be borne by the countries engaged in procurement. He further noted that the benefits of technological developments generally accrue to states not engaged in procurement as well as to those who do.

The Representative of Tunisia suggested that in the absence of many Chiefs of Delegation the Committee should not attempt to decide the problem at its present meeting.

The Chairman assured the delegates that no final decisions were expected at this meeting, and that the debate on Item I would remain open.

The Representative of the Philippines stated that he could not accept the idea of developing countries subsidizing technological developments in what he termed the "underdeveloped-developed" countries. It should be the other way around.

The Representative of Jamaica indicated difficulty regarding paragraph 533, letting contracts on the basis of investment. He thought added costs due to competitive bidding were legitimate. If compensation were considered, direct subsidy would be simpler than the penalty of technical assistance methods.

The Representative of the United States expressed pleasure at the unanimous support accorded the principle of the best quality at the best price,

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but he noted this objective could actually be defeated by payment of compensation. This could raise the cost of procurement. Rather, the normal evolution of the international competitive process could be expected to operate successfully.

The Representative of Israel agreed with the principle of best product for best price and added that technical assistance to countries nearly in a position to participate in procurement would contribute significantly to broadened participation in contracting.

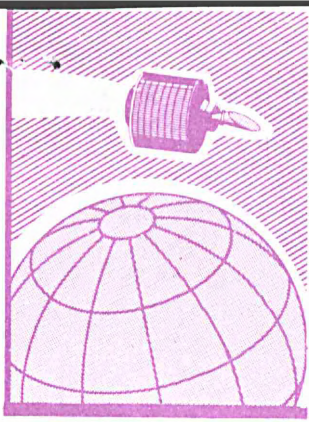
Inauguration of Brazilian Earth Station

The Representative of Brazil was granted the floor to announce the operational integration of Brazil into INTELSAT with today's initial transmission linking the earth station near Rio de Janeiro with Italy and the United States. The Committee applauded this achievement.

In the absence of further speakers, the Chairman noted that the discussion remained open and announced that the time of the next meeting would become available after the Steering Committee meeting on March 1.

The meeting was adjourned at 12:00 noon.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

Com. IV/SR/2 (Final)
March 6, 1969

SUMMARY RECORD--SECOND SESSION OF COMMITTEE IV FRIDAY, FEBRUARY 28, 1969

Convening of Session

The session was convened at 10:10 a.m. by the Chairman of the Committee, Ambassador Alessandrini of Italy. The Chairman thanked the delegates for his election and expressed the hope that he could help the Committee succeed in its work at the Conference. He thanked the Vice Chairman, Mr. A. A. Bodede, Representative of Nigeria, for occupying the chair during his own unavoidable delay in attending the Conference.

Agenda for the Committee's Work

The Chairman referred to the statement of the area of responsibility of Committee IV in Document 7 (Adopted). He referred also to Document Com. IV/1 containing these terms of reference and the suggested work program for the Committee. He noted that the work program consisted of four items and suggested that, if the Committee agreed, these four items could be considered as the agenda for further Committee IV work. It was so agreed.

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The Chairman invited delegates to speak on the agenda items, beginning with Agenda Item I concerning procurement policies.

The Representative of Venezuela drew attention to the considerable differences in interpretation of Article X of the Interim Agreement as described in paragraphs 532-543 of Document 6. He expressed the need to consider ways to correct the imbalance and injustice which could result from a continuing application of the present procurement practices. Of the 67 member countries of INTELSAT, perhaps 45 do not participate in any way in development work, and it is not appropriate for these 45 countries to contribute to the development of already developed countries. It has been necessary up to now to accept this situation but it is desirable to seek corrective steps for the future. He supported the principle of compensation in some form for the developing countries affected by increased costs of procurement and expressed the need for clear principles that would encourage international participation while

safeguarding the interests of those countries not participating in the development projects.

The Representative of the Philippines agreed with the Representative of Venezuela and said that these views on procurement policies were shared by many members. His delegation in no way objected to the principle of participation, but he emphasized that a majority of countries would not have the opportunity to participate in contracts in the near future. He felt, therefore, that the definitive arrangements should provide compensation in some form for countries with little hope of participating in contract work. He suggested pro-rating the extra costs or providing technical assistance to countries not participating in contracts.

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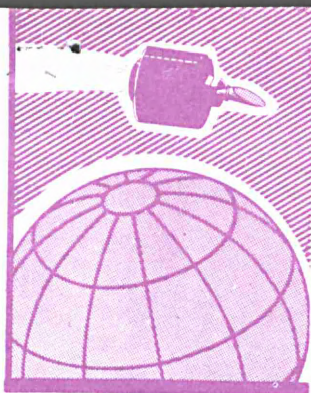
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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

Com. IV/SR/2
March 1, 1969

PROVISIONAL SUMMARY RECORD--SECOND SESSION OF COMMITTEE IV FRIDAY, FEBRUARY 28, 1969

Convening of Session

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Note: Any changes or corrections in this Summary Record must be submitted to the Secretary General within 48 hours.

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The Representative of Malaysia agreed fully with the views expressed by the Delegations of Venezuela and the Philippines. A small extra burden that could be shared by higher-cost developed countries would not really be a burden, but a fair compensation. There was no objection to the widest possible participation in contracts. All developing countries would hope to participate in contracting some day, but realize they cannot do so now.

The Representative of Denmark supported the view of the Representative of Malaysia. Beyond the important aim of providing telecommunications, the definitive arrangements should protect all states. Thus the double purpose in the interim arrangements must be continued in the definitive arrangements. Compensation to developing countries should be provided for because even though the cost would be smaller to smaller countries, everything in their economy is on a correspondingly smaller scale. This compensation might be in the form of direct compensation, technical assistance or some other form.

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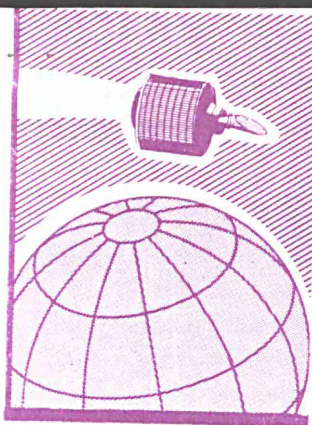
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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

Com. IV/SR/3 (Final)
March 11, 1969

SUMMARY RECORD--THIRD SESSION OF COMMITTEE IV MONDAY, MARCH 3, 1969

Convening of Session

The session was convened at 2:40 p.m. by Vice Chairman Bodede. He extended the Chairman's apologies for the latter's necessary absence from the first part of the meeting.

Procurement Policies

The Representative of Austria felt Article X of the Interim Agreement was reasonable and should be continued in the definitive arrangements. That Article sets forth two basic criteria in determining contract awards: (1) quality, price and timely performance and (2) distribution of awards among member countries in proportion to their respective quotas. He stressed that it was essential to establish an organ in the organization responsible for procurement and that enjoys the unlimited confidence of all members. Price comparisons would be difficult and he sympathized with the position of delegations such as Venezuela that some form of compensation be provided to developing countries. He favored technical assistance.

At this point, the Chairman, Ambassador Alessandrini, took the chair.

The Representative of Algeria supported the principle of best product at best price. He viewed the issue of procurement policies as a question of reducing the imbalances and inequalities arising from Article X of the Interim Agreement and the fact that a number of developing countries became members during the interim period. He suggested two alternatives: (1) balancing benefits between developed countries and developing countries by some form of compensation or (2) where international participation becomes costly, the requirement that additional cost be borne only by the industrially developed countries.

The Representative of Japan favored including Article X of the Interim Agreement without major modification in the definitive arrangements. He noted the conflict between the two basic criteria and suggested there were three

conceivable alternatives: (1) reliance exclusively on best quality for best price; (2) a system of monetary compensation by the benefitted signatories in favor of the non-benefitted signatories; or, (3) a system such as (2) but with technical assistance substituted for money. The first alternative would be contrary to the intent of international participation to enlarge competition. The other alternatives were not good solutions because of the practical difficulties and the fact that procurement should benefit the Consortium as a whole and not just certain members. He had no objection to allocating a portion of INTELSAT funds to coordinate space segment activity with the ground segment, including construction of earth stations, lease of facilities, and other forms of technical assistance and training. The additional costs of such a program could be taken out of patent and data royalties or space segment revenues. Whatever the program, it should be an integral service offered by INTELSAT as a whole and not a transfer from one group of members to another.

The Representative of the Federal Republic of Germany agreed with the principle of competition and added that there should exist neither a monopoly within the organization nor unjustified privileges for the developed countries at the expense of the developing countries. The additional costs associated with international participation could be borne by the privileged countries; determining the amounts involved and the appearance of penalizing industrial development would pose problems. The developing countries should indicate which form of aid they preferred. There should be wide participation by industries in member countries. The best-product-for-the-best-price principle should be modified so that additional costs of international participation do not hinder the award of a contract. Aid, preferably technical, should be administered on a long-term basis within the framework of INTELSAT, financed from a fund established for that purpose and contributed to by members in proportion either to their quotas or the value of contracts received.

The Representative of Kuwait strongly supported the Algerian viewpoint.

The Representative of Turkey expressed his concern for the developing countries and said that the beneficiaries of policies of international procurement should contribute toward the additional costs associated with such a policy.

The Representative of Venezuela noted that there appeared to be majority agreement on the principle of the best product for the best price. He also stated that, in principal, he was in agreement as to international participation, but that if the effect of international participation was to increase costs, the countries whose industries would participate in those projects should absorb such costs. He disagreed with possible compensation in technical assistance for the additional costs, since there are specific international organizations for this.

The Representative of Pakistan favored the commercial approach. Best product for the best price must remain the basic consideration. This may not necessarily be compatible with a distribution of awards according to investment.

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shares. If the Committee favored distribution of contracts, some sort of compensation would be necessary since only a minority of the present 67 members were in a position to compete in the procurement of space segment components. The principle of the best product at the best price should be adopted in the definitive arrangements, and if contracts are to be distributed among signatory states, any increase in costs be subsidized by those states which benefitted from the award of contracts.

The Representative of India fully supported the position of the Federal Republic of Germany and the commercial principles in Article X of the Interim Agreement. There should be some form of aid for non-participating countries. This aid would be in the form of technical assistance and training. A fund, separate from the regular funds of INTELSAT, consisting of contributions made by states receiving contracts in amounts proportional to the value of the contracts would support this aid.

The Representative of Italy felt that Article X of the Interim Arrangements created confusion. The criteria were, to some extent, contradictory since it is impossible at the early stage of this technology to offer the best product at the best price. However, the developing countries would be able to compete in a relatively short time for contract awards, at least, at the subcontract level. A policy based on compensation for increased costs would create a variable situation; once a developing country grasped the technology it might be able to bid at lower cost, thereby removing the need for compensation. The less developed countries would benefit more if they received technical aid rather than money. In determining contract awards it would be difficult to assess the actual increase in costs as well as to determine the method of distributing those costs. One acceptable solution would be to insert a clause in procurement contracts prohibiting participation by any country unless it had a technical assistance program for developing countries. This would avoid setting up a separate program of assistance in INTELSAT. If bids were comparable the bidder whose country has the greater technical aid program would be preferred.

The Representative of Israel, noting what appeared to be fairly general agreement on the best product for the best price, stated that international participation could take place where equal bids were submitted or where a state whose national submitted a higher bid would be willing to bear the increased cost in order for its industry to get the contract.

The Representative of Algeria favored the criteria of best product for best price and widest international participation. However, if the latter criterion results in increased procurement price, the developing nations should be compensated in the form of technical aid. A practical compensation formula might be difficult to devise. If so, the first criterion, above, should be incorporated in the definitive arrangements and it should be left to those countries engaged in procurement to make their own appropriate arrangements to enable their contractors to compete successfully.

The Representative of Colombia supported the position presented by the Representative of Venezuela for compensation not in the form of technical assistance but rather that the government of the country where the contract at higher cost was awarded should finance this differential in price.

The Representative of the United Kingdom invited the Committee to consider carefully the whole argument in paper Com. IV/2; and the inevitable conclusion that what should count is the balance for any participant of the advantages and disadvantages of participation in INTELSAT. It might be arguable that certain industrialized countries had obtained some advantages through sub-contracts: but they were the countries which contributed most to the viability of the system by their heavy use of it. All participants benefit substantially from the lower utilization charges which result.

However, if these same heavy users are to be expected in some way to bear any extra costs of international contracting they are entitled to know - and the proposers should state - precisely what the proposal is; specifically what would be the costs of such a plan and how would they be determined; how would such costs be attributed and distributed; to which contracts would they apply?

The Representative of Tunisia supported the proposal made by Algeria, Colombia, and Venezuela and felt that the policy of the best product at the best price must be maintained. Otherwise, the effort to distribute contracts among the members must be subordinated to compensation for the developing countries when there are additional costs.

The Observer from Poland expressed his special interest in the position presented by the Representative of India that a program for compensation in technical aid be established for those countries unable to participate in INTELSAT procurement. It seemed appropriate to create a special fund made up of obligatory payments of some percentage of the value of deliveries by the manufacturers furnishing the equipment to INTELSAT. The money from the fund should be devoted to technical assistance for the developing countries on the basis of their economic and technical development. It could be administered by a Special Committee of the Board of Governors.

The Representative of Venezuela stated that in view of the difficulties indicated by the various speakers as regards possible compensation, he proposed that Article X be drafted as follows:

Article X

"The Manager will award contracts on the basis of the best quality, the best price and the most timely performance offered in open international bidding."

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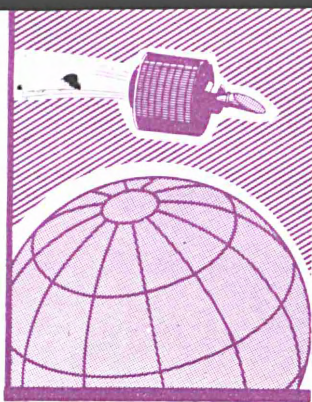
In this way the best product would be obtained at the best price and international participation would be achieved without the need for compensation.

The Representative of the United States called to the attention of the Committee Draft Article X as set forth at p. 21 of Document No. 10. He stated that it is the position of the United States that with regard to procurement under the definitive arrangements "the Board of Governors shall endeavor to insure that all contracts are awarded on the basis of the best quality, best price and timely performance. The Board of Governors shall endeavor to insure the widest practicable international participation in contracts and subcontracts consistent with the foregoing principle."

The Chairman suggested the formation of a working group to consider all ideas and proposals which had been voiced. After considerable discussion, it was decided that there would be a working group composed of Algeria, Argentina, France, Fed. Rep. of Germany, India, Italy, Japan, Pakistan, the Philippines, the United Kingdom, the United States and Venezuela; this composition would reflect the various viewpoints and a measure of geographical distribution. The meetings of the working group would be open and any delegation attending would be given the opportunity to express its views. It was also agreed that the working group will meet Wednesday, March 5, 1969 at 2:30 p.m. in Room 1105.

The meeting was adjourned at 5:10 p.m. with the next session to be at 2:30 p.m., Thursday, March 6.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

Com. IV/SR/3
March 4, 1969

PROVISIONAL SUMMARY RECORD--THIRD SESSION OF COMMITTEE IV MONDAY, MARCH 3, 1969

Convening of Session

The session was convened at 2:40 p.m. by Vice Chairman Bodede. He extended the Chairman's apologies for the latter's necessary absence from the first part of the meeting.

Procurement Policies

The Representative of Austria felt Article X of the Interim Agreement was reasonable and should be continued in the definitive arrangements. That Article sets forth two basic criteria in determining contract awards: (1) quality, price and timely performance and (2) distribution of awards among member countries in proportion to their respective quotas. He stressed that it was essential to establish an organ in the organization responsible for procurement and that enjoys the unlimited confidence of all members. Price comparisons would be difficult and he sympathized with the position of delegations such as Venezuela that some form of compensation be provided to developing countries. He favored technical assistance.

At this point, the Chairman, Ambassador Alessandrini, took the chair.

The Representative of Algeria supported the principle of best product at best price. He viewed the issue of procurement policies as a question of reducing the imbalances and inequalities arising from Article X of the Interim Agreement and the fact that a number of developing countries became members during the interim period. He suggested two alternatives: (1) balancing benefits between developed countries and developing countries by some form of compensation or (2) where international participation becomes costly, the requirement that additional cost be borne only by the industrially developed countries.

The Representative of Japan favored including Article X of the Interim Agreement without major modification in the definitive arrangements. He noted the conflict between the two basic criteria and suggested there were three

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conceivable alternatives: (1) reliance exclusively on best quality for best price; (2) a system of monetary compensation by the benefitted signatories in favor of the non-benefitted signatories; or, (3) a system such as (2) but with technical assistance substituted for money. The first alternative would be contrary to the intent of international participation to enlarge competition. The other alternatives were not good solutions because of the practical difficulties and the fact that procurement should benefit the Consortium as a whole and not just certain members. He had no objection to allocating a portion of INTELSAT funds to coordinate space segment activity with the ground segment, including construction of earth stations, lease of facilities, and other forms of technical assistance and training. The additional costs of such a program could be taken out of patent and data royalties or space segment revenues. Whatever the program, it should be an integral service offered by INTELSAT as a whole and not a transfer from one group of members to another.

The Representative of the Federal Republic of Germany agreed with the principle of competition and added that there should exist neither a monopoly within the organization nor unjustified privileges for the developed countries at the expense of the developing countries. The additional costs associated with international participation could be borne by the privileged countries; determining the amounts involved and the appearance of penalizing industrial development would pose problems. The developing countries should indicate which form of aid they preferred. There should be wide participation by industries in member countries. The best-product-for-the-best-price principle should be modified so that additional costs of international participation do not hinder the award of a contract. Aid, preferably technical, should be administered on a long-term basis within the framework of INTELSAT, financed from a fund established for that purpose and contributed to by members in proportion either to their quotas or the value of contracts received.

The Representative of Kuwait strongly supported the Algerian viewpoint.

The Representative of Turkey expressed his concern for the developing countries and said that the beneficiaries of policies of international procurement should contribute toward the additional costs associated with such a policy.

The Representative of Venezuela noted that there appeared to be majority agreement on the best product for the best price and facilitating international participation, as well as compensation for the additional costs. There are a number of technical assistance programs for the benefit of the developing countries in existence. Financial aid, contributed by those states benefitting from international participation, would be most beneficial to the developing countries.

The Representative of Pakistan favored the commercial approach. Best product for the best price must remain the basic consideration. This may not necessarily be compatible with a distribution of awards according to investment

- 3 -

shares. If the Committee favored distribution of contracts, some sort of compensation would be necessary since only a minority of the present 67 members were in a position to compete in the procurement of space segment components. The principle of the best product at the best price should be adopted in the definitive arrangements, and if contracts are to be distributed among signatory states, any increase in costs be subsidized by those states which benefitted from the award of contracts.

The Representative of India fully supported the position of the Federal Republic of Germany and the commercial principles in Article X of the Interim Agreement. There should be some form of aid for non-participating countries. This aid would be in the form of technical assistance and training. A fund, separate from the regular funds of INTELSAT, consisting of contributions made by states receiving contracts in amounts proportional to the value of the contracts would support this aid.

The Representative of Italy felt that Article X of the Interim Arrangements created confusion. The criteria were, to some extent, contradictory since it is impossible at the early stage of this technology to offer the best product at the best price. However, the developing countries would be able to compete in a relatively short time for contract awards, at least, at the subcontract level. A policy based on compensation for increased costs would create a variable situation; once a developing country grasped the technology it might be able to bid at lower cost, thereby removing the need for compensation. The less developed countries would benefit more if they received technical aid rather than money. In determining contract awards it would be difficult to assess the actual increase in costs as well as to determine the method of distributing those costs. One acceptable solution would be to insert a clause in procurement contracts prohibiting participation by any country unless it had a technical assistance program for developing countries. This would avoid setting up a separate program of assistance in INTELSAT. If bids were comparable the bidder whose country has the greater technical aid program would be preferred.

The Representative of Israel, noting what appeared to be fairly general agreement on the best product for the best price, stated that international participation could take place where equal bids were submitted or where a state whose national submitted a higher bid would be willing to bear the increased cost in order for its industry to get the contract.

The Representative of Algeria favored the criteria of best product for best price and widest international participation. However, if the latter criterion results in increased procurement price, the developing nations should be compensated in the form of technical aid. A practical compensation formula might be difficult to devise. If so, the first criterion, above, should be incorporated in the definitive arrangements and it should be left to those countries engaged in procurement to make their own appropriate arrangements to enable their contractors to compete successfully.

The Representative of Colombia supported the position presented by the Representative of Venezuela for compensation in the form of international aid.

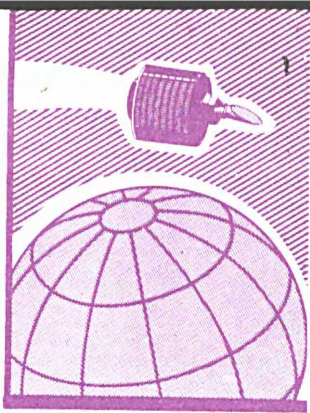
The Representative of the United Kingdom noting that reductions in space segment charges were largely due to the heavy traffic between Europe and North America, stated that what counts is a balance between the advantages and disadvantages of participation in an international system such as INTELSAT. Although this traffic is primarily the result of the most industrialized countries, it is suggested that they must bear the burden of any plan of compensation. Specific proposals should be made so that the countries being asked to bear the financial burden may study them. Specifically what would be the costs of such a plan and how would they be determined; how would such costs be attributed and distributed; to which contracts would they apply?

The Representative of Tunisia supported the Algerian position. He was also concerned that the best product for the best price should be balanced with the policy of distributing contracts among members.

The Observer from Poland expressed his special interest in the position presented by the Representative of India that a program for compensation in technical aid be established for those countries unable to participate in INTELSAT procurement. It seemed appropriate to create a special fund made up of obligatory payments of some percentage of the value of deliveries by the manufacturers furnishing the equipment to INTELSAT. The money from the fund should be devoted to technical assistance for the developing countries on the basis of their economic and technical development. It could be administered by a Special Committee of the Board of Governors.

The Chairman suggested the formation of a working group to consider all ideas and proposals which had been voiced. After considerable discussion, it was decided that there would be a working group composed of Algeria, Argentina, France, Fed. Rep. of Germany, India, Italy, Japan, Pakistan, the Philippines, the United Kingdom, the United States and Venezuela; this composition would reflect the various viewpoints and a measure of geographical distribution. The meetings of the working group would be open and any delegation attending would be given the opportunity to express its views. It was also agreed that the working group will meet Wednesday, March 5, 1969, at 2:30 p.m. in Room 1105.

The meeting was adjourned at 5:10 p.m. with the next session to be at 2:30 p.m., Thursday, March 6.



PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

Com. IV/SR/4 (Final)
March 25, 1969

SUMMARY RECORD - FOURTH SESSION OF COMMITTEE IV THURSDAY, MARCH 6, 1969

Convening of the Session

The session was convened at 4:15 p.m. by Chairman Alessandrini. He called on the Representative of Italy to report on the progress of the Working Group.

Procedure

The Representative of Italy raised a procedural problem which had arisen since the last Committee session, namely, whether the Chairman of the Working Group should be named by the Committee or selected by the members of the Working Group. He stated that the Secretary General had informed him that the organization of its Working Groups was for the Committee to decide.

With the concurrence of the Committee the Chairman remanded this decision to the Working Group and noted that the first Working Group of Committee I had its Vice Chairman as Working Group Chairman.

Procurement Policies - Report of Working Group's Progress

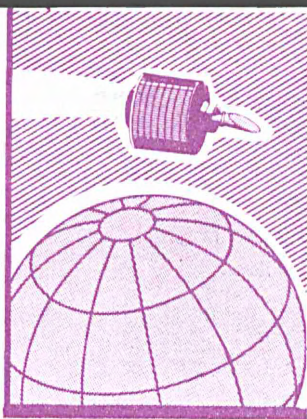
The Representative of Italy reported that the Group in discussing Item I, Procurement Policies, had considered a proposal of the Representative of Venezuela, as amended by other representatives, which read as follows: "The Governing Body will award contracts through open international tender to bidders who offer the best combination of quality, price, and most favorable delivery time." In the Working Group three points were discussed: (1) the principles of open international bidding, accepting the best quality, price, and most attractive terms--on which there was practically full agreement; (2) some form of international participation, on which there was some disagreement as to implementation; (3) whether international bidding should be limited to INTELSAT member countries. (This final point which had been introduced in the Working Group, by the Representative of Nigeria, was subsequently withdrawn by him.) It was thought that perhaps another meeting would enable the Working Group to finish its work.

The representative of the United Kingdom agreed with the conclusions of the Representative of Italy on the progress of the Working Group. He further noted continued differences among the members of the Group, and thought that further attempts should be made to resolve them within the Group rather than discussing them before the full Committee. He suggested the Group meet Friday afternoon, March 7, to give the members ample time to reflect on the Group's problems. It was decided that the Working Group would meet on Friday, March 7, at 3:30 p.m., in a room to be announced by the Secretariat.

Adjournment

The meeting was adjourned at 4:50 p.m.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

Com. IV/CR/4
March 6, 1969

PROVISIONAL SUMMARY RECORD - FOURTH SESSION OF COMMITTEE IV THURSDAY, MARCH 6, 1969

Convening of the Session

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Procedure

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Procurement Policies - Report of Working Group's Progress

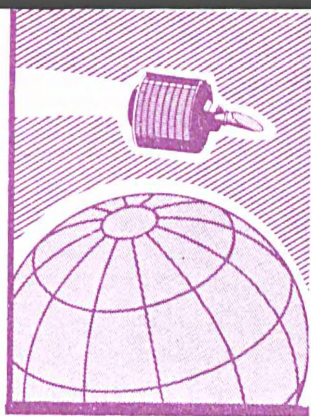
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The representative of the United Kingdom agreed with the conclusions of the Representative of Italy on the progress of the Working Group. He further noted continued differences among the members of the Group, and thought that further attempts should be made to resolve them within the Group rather than discussing them before the full Committee. He suggested the Group meet Friday afternoon, March 7, to give the members ample time to reflect on the Group's problems. It was decided that the Working Group would meet on Friday, March 7, at 3:30 p.m., in a room to be announced by the Secretariat.

Adjournment

The meeting was adjourned at 4:50 p.m.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

Com. IV/SR/5
March 10, 1969

PROVISIONAL SUMMARY RECORD--FIFTH SESSION OF COMMITTEE IV MONDAY, MARCH 10, 1969

Convening of Session

The session was convened at 2:40 p.m. by Chairman Alessandrini, who requested the Working Group's Report.

Report of the Working Group

The Working Group Chairman, the Representative of Italy, presented Document Com. IV/5 (Rev. 1), the revised Report of the Working Group. He noted that the Working Group was not unanimous and had presented three alternative propositions.

The Chairman thanked the Working Group for its report and asked for specific comments by the Committee. There being none, the report was accepted.

Continued Discussion of Procurement Policy

On the suggestion of the Representative of the Federal Republic of Germany the Committee opened discussion on Article 10(b) and (c) of the Special Agreement (Doc. 4). The Representative of the Federal Republic of Germany stated that Article 10 has worked well. It would seem appropriate, therefore, to have similar provisions to Article 10 (b) and (c) in the new agreement.

The Representative of the United Kingdom thought it would be difficult to discuss procurement policy further until Committee I had made more progress on the structure of the organization.

The Representative of Venezuela observed that the ICSC report stated that Article 10 had not worked well.

Note: Any changes or corrections in this Summary Record must be submitted to the Secretary General within 48 hours.

The Representative of France concurred with the Representative of the Federal Republic of Germany. The provisions of Article 10 (a), (b), (c), and (d) should be continued but it might be too early to draft language for the new agreement because Committee I had not yet developed the necessary guidelines.

The Representative of India agreed that procurement policy pursuant to Article 10 has worked quite successfully and should be retained. Some delegations have disagreed because of increased costs to the developing countries. However, most delegations favored the development of technology. Ideas for compensation to countries needing it would be supported by his delegation.

Item II: Inventions, Data and Technical Information

The discussion proceeded to Item II with reference to paragraphs 544-549 of the ICSC report.

The Representative of Venezuela emphasized that developing countries were at a disadvantage because they contributed to the development of patents and inventions through the investment quota and charges, yet do not benefit from the patents directly.

The Representative of Algeria referred to his country's view on page 116 of the ICSC report and noted that the report did not bring out difficulties in implementing Article 10 (f) and (g) of the Special Agreement during the interim period. These provisions resulted in a considerable increase in contract cost because of the procedure the contractor had to follow in furnishing patent rights. This was normal practice but as a result INTELSAT paid more for development. This increase was incurred by all members but the great majority could not benefit because they could not use the information.

The Arab group believed there was a need to safeguard the interests of all countries through adoption of one of the following alternatives:

1. The organization would place contracts without asking the contractor to surrender patent and invention rights.
2. The organization would reserve the rights, as in Article 10 (f) and (g), but would administer them so that all countries so wishing could use them on an equitable basis of appropriate royalty payments proportional to investment shares. Another equitable solution was to distribute the income from inventions and royalties. Countries paying for the rights could benefit from them without further charge just as they now could under Article 10 (f) and (g).

- 3 -

The Representative of the United Kingdom recalled that the members of the Interim Committee were acquainted with the difficulties inherent in implementing the general principles. The new agreement should contain only principles leaving implementation of details to the Governing Body. Any other procedure was likely to repeat the difficulties already experienced. Article 10 (a) and (b) might require substantial modification, including correction of some drafting deficiencies. There were four fundamental questions:

1. What rights should INTELSAT seek?
2. For whom were these rights required?
3. For what purpose were they to be exercised?
4. On what terms would they be exercised?

In regard to the first question, INTELSAT must have access and rights to the use of, and be able to authorize others to use, the patents and inventions directly developed from contracts. Regarding the second question, INTELSAT should seek rights not directly resulting from contracts but needed to promote effective use of the space segment. Regarding question three, INTELSAT would require these rights for itself in order to perform functions given to it. With reference to question four, rights in the foreground were exercisable without further payment to signatories but were subject to payment determined by the Governing Body.

The Representative of France favored principles in sufficient detail to avoid varied interpretations. The past situation had not been satisfactory for anyone. Contractors might maintain rights over their inventions but the organization would use such patents free of charge. Royalties for use by anyone else would go to the contractor.

The Representative of the United States agreed with the Representative of the United Kingdom. The Board of Governors should determine rights, taking into account the problems of the INTELSAT and the various practices. Article 8 of the Draft Operating Agreement (Document 10) should be reviewed for possible drafting changes.

The Representative of Italy noted that Article 10, Sections (f) and (g) had complicated the life of the ICSC Committee. Negotiating contracts with various contractors required flexibility. There would need to be a compromise between the organization and the contractor to assure the organization got the best contract. Detailed rules should not be put into the Definitive Arrangements but should be left to the Governing Body. He thought the first alternative of the Arab group would make the companies happy but it would not lower costs or improve performance.

The Representative of India agreed with the Representative of Italy that general principles should be included in the Definitive Arrangements. Technical information should be freely available without payment as long as it is used for purposes consistent with those of INTELSAT.

Agreeing with the Representative of Venezuela, the Representative of Chile said that patent and data rights should be acquired from INTELSAT. Developing countries were not able to use the technical information obtained by INTELSAT as a result of financial contributions. This information could be used only by developed countries; therefore, Signatories should obtain information only if they paid royalties. In this way countries could recoup part of their investment.

Working Group

The Chairman asked if a new working group should consider this subject.

The Representative of Algeria suggested they have the same working group since it concerned a similar matter but proposed inclusion of the Representative of Nigeria.

The Representative of Nigeria wished to become a member of the group.

The Representative of Mexico also wished to be included in the working group. He pointed out that other Committees had opened their working groups for comments by observers when necessary and he believed the same policy should be followed in this working group.

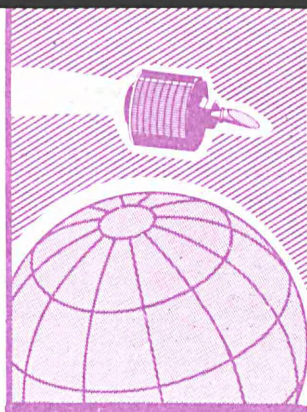
The Representative of Singapore asked what the policy would be regarding the three formulations in the earlier working group's report.

The Chairman said that these would appear in the report of the present meeting and would be borne in mind by the working group.

The Chairman suggested a meeting of the working group on Wednesday, March 12 at a place and time to be determined.

The Committee adjourned at 3:55 p.m.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

Com. IV/SR/6 (Final)
March 25, 1969

SUMMARY RECORD - SIXTH SESSION OF COMMITTEE IV THURSDAY, MARCH 13, 1969

Convening of the Session

Chairman Alessandrini convened the session at 3:50 p.m. Noting with regret that Vice Chairman Bodede had to leave, he pointed out that election of a new Vice Chairman was necessary. He also announced that the Steering Committee had asked the Committee to provide its report to the Secretariat by Saturday morning to make possible translations and distribution on Monday in preparation for the Plenary. The Chairman also observed that a drafting group would be necessary to prepare this Committee's report.

The Representative of Italy suggested a small drafting group comprised of those delegations that had submitted proposals. The Chairman asked that the drafting group consider points I and II of the working agenda. The following delegations agreed to serve on the group: Algeria, France, the Federal Republic of Germany, the United Kingdom, the United States and Venezuela. It was agreed that this Committee would meet at 9:30 a.m. Friday, March 14 at a room to be announced.

At the Chairman's request the Chairman of the Working Group on Item II reported that two positions were presented. The United Kingdom proposed leaving decisions regarding obtaining rights in patents and data to the Governing Body to decide between licenses or titles as it deemed appropriate. On the other hand, Canada, the Federal Republic of Germany and India, in a joint document, urged that a license policy be adopted, namely, that a contractor must grant a non-exclusive license to any member of the organization. A license probably would avoid unnecessary expenses because only that which was clearly required would be obtained, thus avoiding an unnecessary accumulation of information and patents. It was argued that the United Kingdom position offered a more flexible approach by taking account of the possibility that it might, at some point, be desirable to acquire titles. The two positions could not be reconciled; this issue had remained unresolved after extensive discussions in the ICSC. It had been suggested that the two positions be forwarded to the Committee.

The Chairman suggested that if nothing more could be accomplished by the Working Group the matter be referred to the drafting group.

The Representative of the United Kingdom suggested the drafting group might narrow the differences, especially if the Working Group Chairman participated. The Chairman concurred.

The Representative of Canada suggested that the Representative of Switzerland, who participated in a number of discussions on the subject at the ICSC, be included in the drafting group. The Representative of the Federal Republic of Germany asked that Canada and India be observers on the drafting group because they had submitted a document jointly with the Federal Republic of Germany.

In response to the Chairman's request for views regarding the substance of the Working Group's report, the Representatives of Belgium, the Netherlands, Switzerland and France supported the proposal by Canada, India and the Federal Republic of Germany. In doing so the Netherlands Representative reserved his right to consider the Working Group's document when presented.

The Swiss Representative felt the title policy had serious shortcomings. It has in the past prevented some contractors from participating in bidding. The income from royalties has been disappointingly small over the past four years. The danger of too flexible a policy creates uncertainties as to what course the Governing Body might follow. The thirty million dollars spent on research and development of the INTELSAT IV, an expense shared equally by INTELSAT and Comsat provided no benefit to INTELSAT as far as patents and data are concerned.

The French Representative felt the Swiss statement particularly important because it came from one who had looked closely into the contracts over the last four years. It is obvious the present policy is not financially sound and requires a change. A policy which is too flexible results in ambiguity. The position presented by Canada, India and the Federal Republic of Germany provides guidelines where required and flexibility where that is necessary.

The Representative of the United States noted that his delegation's proposals regarding patents and data, in Doc. 10, were similar to those of the United Kingdom, and were intended to provide sufficient flexibility. The Managing Body which would be familiar with actual business operations, would be best equipped to judge specific arrangements regarding patents and data as the need arose. Experience had demonstrated that no additional costs are incurred in either title or license approach. Granting of titles would give more control over that which is purchased. In some instances it would be easier to deal with contractors where titles were involved. This issue, having been discussed in great detail at the ICSC without resolution, should be left to the Governing Body to decide.

The Representative of Pakistan suggested the phrase "Governing Body" in the draft proposed by India, Federal Republic of Germany and Canada should be replaced by the phrase "Appropriate Body", and the term "INTELSAT" be replaced by "Organization".

Procedure

The Representative of Italy felt point 3 of the working schedule would be adequately dealt with by the continuance of Article VII of the Interim Arrangements with any adjustments which may be made by other committees. With respect to point 4 of the working schedule he felt that this matter should be considered by the organization in the course of its normal operations and should also be detailed for inclusion in the Definitive Agreements.

The Representative of the United Kingdom questioned whether lengthy discussions of Item 3 on the working agenda were necessary. He was willing to continue with Article VII. He suggested that if anyone had any proposals regarding this subject it should be submitted as a document and distributed to the members of the committee so that it may be discussed at the Saturday meeting.

There being no other speakers on patents and data, the matter was to be referred to the drafting group.

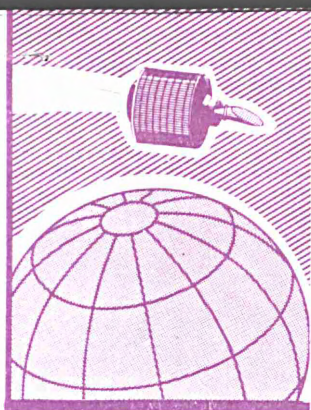
Election of Vice Chairman

The Chairman then invited nominations for Vice Chairman. The Representative of Tunisia was nominated and elected unanimously. The Chairman concurred.

Adjournment

The meeting adjourned at 5:30 p.m., until 10:00 a.m., March 15.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

Com. IV/SR/6
March 13, 1969

PROVISIONAL SUMMARY RECORD--SIXTH SESSION OF COMMITTEE IV THURSDAY, MARCH 13, 1969

Convening of the Session

Chairman Alessandrini convened the session at 3:50 p.m. Noting with regret that Vice Chairman Bode de had to leave, he pointed out that election of a new Vice Chairman was necessary. He also announced that the Steering Committee had asked the Committee to provide its report to the Secretariat by Saturday morning to make possible translations and distribution on Monday in preparation for the Plenary. The Chairman also observed that a drafting group would be necessary to prepare this Committee's report.

The Representative of Italy suggested a small drafting group comprised of those delegations that had submitted proposals. The Chairman asked that the drafting group consider points I and II of the working agenda. The following delegations agreed to serve on the group: Algeria, France, the Federal Republic of Germany, the United Kingdom, the United States and Venezuela. It was agreed that this Committee would meet at 9:30 a.m. Friday, March 14 at a room to be announced.

At the Chairman's request the Chairman of the Working Group on Item II reported that two positions were presented. The United Kingdom proposed leaving decisions regarding obtaining rights in patents and data to the Governing Body to decide between licenses or titles as it deemed appropriate. On the other hand, Canada, the Federal Republic of Germany and India, in a joint document, urged that a license policy be adopted, namely, that a contractor must grant a non-exclusive license to any member of the organization. A license probably would avoid unnecessary expenses because only that which was clearly required would be obtained, thus avoiding an unnecessary accumulation of information and patents. It was argued that the United Kingdom position offered a more flexible approach by taking account of the possibility that it might, at some point, be desirable to acquire titles. The two positions could not be reconciled; this issue had remained unresolved after extensive discussions in the ICSC. It had been suggested that the two positions be forwarded to the Committee.

The Chairman suggested that if nothing more could be accomplished by the Working Group the matter be referred to the drafting group.

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- 3 -

Procedure

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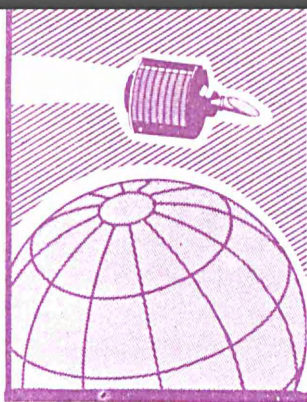
Election of Vice Chairman

The Chairman then invited nominations for Vice Chairman. The Representative of Tunisia was nominated and elected unanimously. The Chairman concurred.

Adjournment

The meeting adjourned at 5:30 p.m., until 10:00 a.m., March 15.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR
THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

Doc. IV/11/7
March 17, 1969

PROVISIONAL SUMMARY RECORD - SEVENTH SESSION OF COMMITTEE IV
MONDAY, MARCH 17, 1969

Convening of the Session

Chairman Alessandrini convened the session at 4:10 p.m. Noting this session was to examine the Committee's report to the Plenary, he asked the Drafting Group Chairman to introduce the proposed report.

The Chairman of the Drafting Group, the Representative of Italy, reported unanimous agreement by the Drafting Group on document Com. IV/12. The Committee's Working Group A had earlier presented in draft form the several proposals regarding Item I, Procurement Policies. The Draft Report repeats these formulations and other related proposals. It also annexes the two formulations, namely, documents Com. IV/10 and Com. IV/11, on Item II, Inventions, Data and Technical Information.

The Representative of Venezuela noted a discrepancy in the Spanish and English versions of document Com. IV/12 under Item I(i). The language in question derived from document Com. IV/6 submitted by Venezuela in which the term "most favorable delivery time" was used rather than "timely performance" as it appears in the English version of the draft Committee report. The Representative of Italy agreed that the Venezuelan wording should be "controlling" since it was his proposal that had been included in the report.

To clarify the Chairman asked the United Kingdom Representative as an English-speaking delegate, whether he saw a difference between "timely performance" and "timely delivery." The United Kingdom Representative said he saw a distinct difference. The Venezuelan Representative observed that this demonstrated the translation discrepancy he had mentioned. The Italian Representative suggested "best delivery time" be used and the Chilean Representative concurred. The French Representative said that Item I(iii) seemed to be based on a French proposal and should be translated literally as "time of delivery." He also preferred that Item (iii) be three paragraphs, since three ideas are expressed. After some discussion decided to use "most favorable delivery time."

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The Representative of the United Kingdom suggested that the original documents upon which the wording of the report was based should be annexed. The Representative of Italy demurred, pointing out that some language was not the result of specific reliance on a particular submission. This was the case with Item I(ii). He suggested each country insure that its own proposals were properly rendered.

The Representative of Japan pointed out that the first meeting of the Working Group was on March 5 rather than March 3. The Chairman asked the Secretariat to make a correction if necessary.

The Representative of Syria suggested leaving the report in the form submitted, feeling it self-explanatory.

The Representative of Morocco said the report should set forth more precisely that technical assistance when considered as compensation would be difficult to express in exact monetary calculations. The Representative of Italy observed that the report twice refers to the concept urged by the Representative of Morocco. The proposition appears in negative form at the end of Item I(iii) and in the affirmative in the paragraph following Item I(iii).

The Representative of Morocco reserved his right to submit his views to the Plenary but would like to add after Item (iii) the following language: "Certain delegations have indicated that compensation in the form of technical assistance cannot be put into exact figures." The Representatives of France, Syria, Venezuela, Chile, and Israel supported the suggestion of the Representative of Morocco. The Chairman indicated that if agreeable to the Committee the proposed language would be included. No objections were raised and the language was added to the report.

The Representative of Italy suggested that points III and IV of the working agenda could be completed with small effort by this Committee. He had specific language to propose with respect to point III. The Chairman suggested that since points III and IV were not included in the ICSC Report, they be left to future consideration. The Representatives of Switzerland and Venezuela concurred with the Chairman. The Representative of Chile, agreeing that points III and IV should be considered later, suggested that the Committee's report note that these points were not covered because of lack of time. In this way the report of Committee IV would be complete. There being no objection, this addition was adopted.

The Chairman stated that the Committee had worked hard and well and fulfilled its responsibilities. He expressed his thanks. He also noted that the report of Committee IV would be submitted to the Chairman of the Conference at 10:00 a.m., Wednesday, March 19th.

Adjournment

The session adjourned at 5:15 p.m.