

**ENERGY CHARTER
SECRETARIAT**

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Brussels, 30 June 1999

Related documents: CC 145, RD 1 (ECC of 30 06 1999)

DECISION OF THE ENERGY CHARTER CONFERENCE

Subject: Report of the Working Group on Transit

The Energy Charter Conference at its 3rd Meeting held on 30 June 1999 took note of the Report of the Working Group on Transit, as introduced by the Chairman of the Working Group in Room Document 1.

The Conference concluded that the Working Group should continue its work on the Multilateral Transit Framework as a package consisting of a legally binding instrument (Protocol), Model Agreements and other legally nonbinding instruments.

The Conference approved the proposal of the Working Group that it should in particular, within its terms of reference:

explore the scope for, and establish the content of, an appropriate form of instrument on transit clarifying and elaborating upon Article 7 and other relevant Articles of the Energy Charter Treaty; and

consider measures to be incorporated into an appropriate instrument, including, but not limited to, sanctity of contracts, limitation of non-technical losses, optimal utilisation of existing transit systems and a framework for establishing new transit systems/capacity, including establishing a positive investment climate for such new transit systems/capacity;

further explore the deferred issues such as liability and dispute settlement as formulated in the terms of reference of the Transit Working Group;

discuss the incorporation of other relevant matters relating to privileged entities, tariff methodologies and accounting principles/ standards into an appropriate instrument;

continue in its deliberations on the development of project specific instruments such as Model Agreements, and other supplementary legally nonbinding generic or specific

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instruments such as Guidelines and Codes of Conduct, with the aim to present a developed set of Model Agreements to the December 1999 Conference meeting.

It was agreed that the Working Group should present a proposal to the December 1999 Conference meeting for formally opening negotiations on an instrument (Energy Charter Protocol and / or Declaration), with a view to concluding these negotiations as early as possible, but in any case before the end of the year 2000.