DECISION OF THE ENERGY CHARTER CONFERENCE

Subject: Report of the Working Group on Transit


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

Keywords: Working Group on Transit, Transit Instrument, Multilateral Transit Framework
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.