FINAL COPY

ITU COUNCIL

GENEVA, SWITZERLAND

30 MAY, 2016

1430

Services Provided By:

Caption First, Inc.

P.O. Box 3066

Monument, CO 80132

1‑877‑825‑5234

+001‑719‑482‑9835

www.captionfirst.com

\*\*\*

This text is being provided in a rough‑draft Format. Communication Access Realtime Translation (CART) or captioning are provided in order to facilitate communication accessibility and may not be a totally verbatim record of the proceedings.

\*\*\*

>> CHAIR: Let's check the interpretation channels.

The third meeting of the ADM meeting is declared open.

Colleagues, good afternoon to everyone.

From the beginning, let's honor our Agenda, approve the Agenda.

Document C16DT3 revision 3 is submitted to you for your consideration. If there are no comments on the Agenda then we can continue.

I don't see any comments on the database. I declare revision 2 adopted.

Let's recall the last meeting, on Friday we finished with the discussion of international numbering resources. That's section 9 of document C16/50. I would like to recall that on Friday we heard a report from Secretary‑General on income from international numbering resources. We also had two contributions submitted from the United States of America and Saudi Arabia. Following this we had a very interesting discussion. It was certainly an interesting, lively discussion that started and some countries didn't have time to take the floor, the United States of America, United Arab Emirates, Tunisia, China, Kenya, Nigeria.

 We're beginning today's meeting by giving the floor to these countries so that they can speak to this Agenda item. We're not closing the list and if anyone else wishes to take the floor, we would invite them to also join the speakers' list.

I first give the floor to the United States of America.

>> UNITED STATES OF AMERICA: Thank you, Chair.

Good afternoon, friends.

The United States will make three points: First, this proposed scheme was originally suggested two years ago by the ITU specifically and I quote, for the purpose of balancing revenue and expenses. At the time we were advised that there was a 7 million Swiss Franc deficit in the financial plan. However, neither the financial plan adopted at the plenipotentiary conference, nor the balanced by annual budget approved by Council 2015 include any revenue from the proposed scheme for new INR assignment fees. All costs of the union, including whatever its incremental costs may be for the direct assignment of certain INRs as well as its costs for the assignment and management of all INRs are fully covered by revenues the ITU already receives, and yet this conversation continues.

Second, how much revenue can the ITU reasonably expect to receive from the proposed scheme? As the Expert Group found, it does not appear practical, therefore, to obtain suggest additional revenue by levying charges on direct assignments of INRs made by TSB. Since that finding, the TSB has reduced the number of INRs it is including in the proposed scheme from more than 30 to only 5. Only one of those, UIFNs, is directly assigned by the ITU.

In its report to council, 2015. TS B revised their scheme with two alternatives: One was the adoption of annual fees, this is essentially the proposal, contribution from Saudi Arabia as well. No information has been provided as to how much revenue would be generated or what cost would be recovered from this approach. Nor is there any analysis or information provided as to the possible impact on consumers or operators. As with all proposed revisions with this scheme, there is no economic analysis to support moving ahead in anyway. More fundamentally ‑‑ excuse me.

In information the ITU did provide in support of this scheme during the plenipotentiary conference we were told about 1,000 UIFNs are assigned per year by the ITU. However, in to the T sector operational plan, document 29 of this council, table 5.3 states that the ITU assigned a total of 765INRs in 2015. How many of those were UIFNs? How many were assigned to non‑ITU members?

How much revenue could possibly be generated by so few, but yet this conversation continues.

Finally the ITU proposed last year that a trial be considered. Some suggested at the time that any such trial should be voluntary. Some have said a trial should be mandatory. Although there is never consensus to pursue this scheme in any form, in the ITU consultation with members on this subject there was something approaching consensus on one point, more than 80% of Member States respondents said that national legislation or regulation would be required to implement the scheme, thus a mandatory trial is out of the question. Moreover, there are likely many countries like the United States where the assignment of numbering resources is performed by an independent company pursuant to a contract with the government and importantly pursuant to regulations that prohibit the collection of number assignment fees in access of cost recovery.

The ITU will incur additional costs to establish a trial, or it will expend resources to develop a trial that could be used to advance development projects. If countries through their legislators, regulators just say no to a trial the ITU will have expended those resources or incurred those costs, money it does not have, to build systems or to develop procedures that it could not use. The time has come to stop this conversation.

Thank you.

>> CHAIR: I thank the United States of America, and give the floor to the United Arab Emirates.

>> UNITED ARAB EMIRATES: Thank you, Chairman.

With regard to this issue, Chairman, the United Arab Emirates are going to participate actively in this debate and have done as part of the Council Working Group on Financial Human Resources. In this we noted that the ITU budget for this year was a balanced budget, was a consequence. We have a question addressed to Mr. Ba, and it is about the budget, through this budget have we been able to overcome the deficit through the sources from the standardization sector or from income from other sources? How will we be able to address this deficit? The report from the standardization sector explains that these resources and it their allocation meant that the ITU was looking at losses.

We support the proposal from Saudi Arabia on this subject. We also support the Recommendations that we find in the Secretariat's report.

Thank you, Chairman.

>> CHAIR: I thank the United Arab Emirates.

I give the floor to Tunisia.

>> TUNISIA: Thank you, Chairman.

On a general note, we support in principle all measures aimed at strengthening the resources available to the ITU. We support all initiatives seeking to strengthen the efficiency and effectiveness of the ITU. To be concise, we support the proposals in the contribution submitted by Saudi Arabia.

Thank you.

>> CHAIR: Thank you, Tunisia.

I give the floor to China.

>> CHINA: Thank you, Mr. Chairman.

We thank the Secretariat for the introduction and thank to the contributions from Saudi Arabia and the United States. We have noticed that because of the reduction in revenue we have a harsh financial situation and we have noticed that in one or two implement, in 5 we have made great efforts in ITU including the reduction of the staffing cost and the reduction of 45 posts, which have led to concerns and worries. In order to sustain the financial strength of ITU and to ensure the efficient work of ITU it is unnecessary to generate new revenue. Therefore China supports the proposals of the Secretariat and Saudi Arabia, including the trials and also the maintenance fees of the database as well as adjustment to the fee structure as well as other measures.

Thank you.

>> CHAIR: Thank you, China.

I give the floor to Kenya.

>> KENYA: Thank you very much, Chairman.

We too it, like the previous speakers, thank Saudi Arabia and the U.S.A. for their submissions and certainly to the Secretariat for a well-balanced summary of the work that's gone into this issue.

Chairman, we note two significant issues: One, in the report the increased misuse of some of the resources; two, the fact that receipts of the provision of these services, it is well below the costs of providing it. We are of the view, Chair, that the argument that's done on the fact that the budget. The union is already balanced and there is no need for looking at other revenue streams, it is not in any way related to this issue. You cannot really provide a service at a cost below ‑‑ I mean, costs that are not covered by the receipts from that particular service.

Chair, we want, like the previous speakers, to associate ourselves with the Recommendations made in the Secretariat report and certainly that's shared fully with the submissions of Saudi Arabia.

Thank you very much.

>> CHAIR: Thank you, Kenya.

I give the floor to Nigeria.

>> NIGERIA: Thank you, Mr. Chairman.

Distinguished colleagues, good afternoon to you all.

Mr. Chairman, since this is our first time taking the floor during your meeting, we would like to join our colleagues in congratulating you for your appointment to take charge of the Committee and we wish you well in the discharge of your mandate.

Mr. Chairman, we would like to join other colleagues in thanking the Chairman of the Council Working Group on Finance and Human Resources for the detailed report submitted to this Council which touches on issue of revenue generation by the Secretariat through the cost recovery from INR.

We thank the Secretariat for their submission which goes to justify the need for the Secretariat to generate revenue through these means. We thank administrations that made contributions to this particular issue, mainly U.S.A. and kingdom of Saudi Arabia.

Mr. Chairman, we have carefully gone through the report of the Chairman Council Working Group on Finance and Human Resource with respect to ongoing debate and analysis and various contributions and have listened carefully with keen interest to all the previous speakers, including those that spoke last Friday on this subject matter.

My dear colleagues, we have been consistently requesting the Secretariat to reduce costs, generate revenue while at the same time adding to their workload through constant demand. In this regard, Nigeria would like to note the following from those that are against generation of revenue by the Secretariat, what exactly are they against? How will the INR charges affect them and their administrations since they're subscribers and users of what we're talking about?

Finally how do they want the Secretariat to generate the revenue we have requested from them taking are in consideration the proposed options given to us by the Secretariat.

My administration, we want answers to these three questions this because administrations have been taking the floor and saying there is no need for the Secretariat to recover costs of administering this particular numbers and with that preferred solution for the Secretariat to generate revenue which we, the administration, have mandated them to do, Mr. Chairman, the Secretariat have already given us three options which they feel could be used to break even and not be running at a loss as it is presently the case. If you may permit me to recall these three options, the options are the possibility of trial although the Secretariat we have been told that there was no consensus reached on the feasibility of such an approach and the cost of the databases and three, identification of other possible sources of revenue.

Mr. Chairman, in view of the foregoing Nigeria administration, we like the idea of additional revenue generation by the Secretariat and this administration believes that Council could fine tune the Secretariat proposals to arrive at compromise for minimal fee at the beginning to satisfy all which would certainly be beyond the cost recovery level.

Thank you, Mr. Chairman.

>> CHAIR: Thank you, Nigeria. On my list I have two Member States and to Observer States. With that, I would like to close the list.

France, you have the floor.

>> FRANCE: Thank you, Mr. Chairman.

Good afternoon to you all.

For my Delegation, the revenue stream from the national numbers and resources it, they rest on major principles, one is of good governance of rare resources because we know that's what makes this possible to make better use of various resources. Those parties who are not using the resources would be incited to abandon the use for commercial reasons and to allow all those who need them to use them.

The seconded principle is that of justice. We believe that the fees for rare resources need to be paid by the users of those resources and not by Member States or certain members who do not use them. Certain elements in the Saudi contribution, they seem quite promising to us. The second proposal, which is to ask the entities to which international numbers and resources are attributed and assigned to members of the ITU, that's a practice used by many organizations, for example, in a format that would be certainly a promising way to follow.

More generally, the question of fees, if we use the resources, it could be placed in a more narrow context of the ITU budget as pointed out as a result of cost‑saving measures for the moment, the budget, it has been balanced and we know quite a few challenges are facing the Union, for example, in order to ensure how to introduce the health insurance and other costs, such as China, Nigeria before me, we would like you to look at new revenue resources and to diversify to the sources in the extent that most of the budget is now made up by Members' contributions and we believe this source of the financing of the Union should be diversified making it possible to achieve financial sustainability. So for all these reasons, we believe that the ITU needs to press on with work in this area.

Thank you.

>> CHAIR: Thank you, France.

India, you have the floor.

>> INDIA: We appreciate the points raised by other Member States and different views making the subject more clear and easy to understand from a limitation perspective. In fact, there looks to be an overwhelming support to the argument to strengthen to the resources of ITU which is considered very important. Other subjects, there are two subjects in front of us, implementing of the charges of new resource allocation and secondly, why should which use the resources of what I just mentioned and how the calculations have been arrived. Perhaps since it is still in discussions, how is it shown in the operational plans and it may not reflect with the deficit, but maybe the Secretariat can give clarity on the subject later.

However, had we understood clearly that there is a deficit and there is a demand from other Member States that ITU should look at more revenues and we should render management and the practices in an efficient manner taking all of this into consideration with P. with support from the proposal of ITU without creating new revenue streams from numbering resources.

Thank you.

>> CHAIR: Thank you, India.

Please give the floor to Observer States.

The United Kingdom, you have the floor.

>> UNITED KINGDOM: Thank you, Chair.

Good afternoon to all.

Thank you, Chair, for giving me the floor.

The U.K. supports the principle that ITU should be able to cover costs but not that it should raise revenue per se.

The U.K. responded to the 2015 consultation on INRs that there were a number of issues which needed to be resolved before the ITU should move to a position where it could raise additional charges for INRs.

I don't think these issues have been resolved yet.

In order to make such a fundamental decision we would expect an economic assessment of the costs providing INRs and an assessment of what the impact is, including in relation to consumers and the industry. we would also expect an assessment for want advantages and disadvantages of making such charges. In particular, we're concerned that where the numbering administration, the national numbering administration allocates INRs, as in the case of INNs, the move to charge additional charges would undermine the principle of national sovereignty. It also raises legal issues and we would expect to have to make changes to primary legislation in order to enact it. I can also add that we would not be very happy to act as an agency for collecting unpaid charges which in some cases would be fairly small.

Like the U.S., we believe that now the ITU budget is balanced and the proposal should be dropped. If there's a decision that the scheme for charging would go ahead on a voluntary basis then we could accept that, but not on a mandatory basis because it would just be impractical for us to move ahead in this way for the foreseeable future.

Thank you.

>> CHAIR: Thank you, United Kingdom. Sweden, you have the floor.

>> SWEDEN: Thank you, Mr. Chairman.

Sweden is of the view that based on the recent survey that was put forward by the United States and United Kingdom that it is not necessarily constructive to continue to discuss new tore increased fees for INRs is. We note that the budget is balled and that it is covered by Member States, sector members and for uses for the INRs, is it not correct to say that as for the deficit in the INR databases, the cost is already recovered by the fees and others.

We understood that the intention from the proponents originally were for quick recovering the costs. However, some interventions is talked about revenue generation and we don't agree on that principle.

Furthermore, by adding a new fee or increased fees wouldn't some countries result in the use of paying twice since the license fees from Telecom operators are used to pay the membership fee to ITU which is used to cover the cost for the database and if the operators don't have to pay an additional fee, that would result in paying twice for the same service.

Furthermore, we don't see a possibility to introduce new fees for INRs assigned by the Member States. We therefore agree with the U.S. and U.K. that the issue should be dropped at this time.

Thank you.

>> CHAIR: Thank you, Sweden.

We'll suspend the discussion on that.

I will ask the Secretariat to provide us clarifications.

You have the floor.

>> SECRETARIAT: Thank you, Mr. Chairman.

Good afternoon to you all.

There was a question which has been directly about targets of finances from the UIA about the budgetary balance. The 2016/2017 budgets was balanced on the basis offer certain assumptions made by the plenipotentiary conference in 2014. It was pointed out that we were going to have a budgetary gap in terms of revenue and expenses, we had a long discussion on that and so it was agreed by the Secretariat it, they would keep working and if necessary would make use of the reserve fund in order to balance the budget. That was the consensus achieved with regards to the financial plan and budget for 2016/2017 in Busan, the Secretariat worked with other sectors in order tore present the budget for 2016/2017 service which would be balanced. That draft required considerable efforts at the level of three sectors and at the level of the general Secretariat. It was not only the of TSB that needed to work in terms of reducing costs. We worked on the basis of assumptions contained in Resolution 5 in Busan and the efforts from the three sectors and general Secretariat were in a position to present a balanced budget without making use of the reserve funds.

In regard to 2018/2019 we developed ‑‑ we are going to develop working assumptions this summer once the Council is over and then we'll present those assumptions either in December, but it will be quite difficult to present for the manage ‑‑ for the management to present a balanced budgets if we don't identify new sources of revenue. As you're aware, the plenipotentiary conference is more than the contributions of Member States by more than 10 contributing unions. The secretary had I can't tell will do its utmost to present a had balanced budget to you, but it will be a tall task. For that reason Resolution 158 authorizes the Secretary‑General to try to diversify into other revenue resources. As you know, our revenues are based more than 90% on the contributions by Member States and sector members and the rest is received from cost recovery such as the cost recovery for satellite and networks and filing and we are supposed to identify new resources of finance, of revenue in order to present a balanced budgets once again. Here are some clarifications. I'm not sure if my colleagues from the TSW wouldn't want to comment on what I said but I thank you.

>> CHAIR: Thank you.

From my point, I would also like to give the floor to Mr. Shaw from the Secretariat.

>> SECRETARIAT: Thank you, Mr. Chairman.

I wish I could say something really smart now but I don't have a solution to the discussion. I can respond with the fact that regarding the statement of the United States, the United States referred to the operational plan that was presented this morning, and one of the KPIs was the number of assignments in 2015. We gave the number of 765 numbers that were assigned last year. Out of 765 numbers, there were 743 which were UFNs, international fees for numbers. Perhaps some facts regarding the UIFNs, we have currently assigned 37,000 UIFNs ‑‑ I'm rounding here ‑‑ of these 37,000 UIFNs, about 8,500 were assigned to non‑members. Those non‑members constitute ‑‑ I think it was 69 different entities that had UIFNs. Of those UIFNs that have been assigned to members, the number of entities, it is 43.

Thank you, Mr. Chairman.

>> CHAIR: Thank you.

As we can see, the divergence of views, my impression is that it will be difficult to achieve consensus at this meeting. This is what I'm going to suggest, that the Secretariat prepare relevant documents and we would be able to pick up this discussion in the Autumn. That's my proposal. Are there any objections or proposals?

Saudi Arabia, you have the floor.

>> SAUDI ARABIA: Thank you, Mr. Chairperson.

We would like to thank the Secretariat and all those who made interventions within this important topic and which represents an important priority to the ITU in order to preserve its distinctive position in the future.

Mr. Chairperson, this topic was studied since 2013 comprehensively and the Expert Group published many reports and we did try in our contribution to summarize the most important and salient parts of those report and also the documents presented to the conference and also to the Council. Mr. Chairperson, we're not sure what is required from the Working Group that looks into Financial and Human Resources since this topic was subject to many, many studies over the past years.

What is essentially required from the Working Group? As is known, Mr. Chairperson, there is many countries that have supported the proposal submitted by the Kingdom of Saudi Arabia and we thank those countries for that support which would allow the ITU to achieve a budget and a balanced budget for the coming year. What's required from the Working Group if this topic is entrusted to it? No explicit requests were made. All the information is there. It will be useful for us to be clearer, Mr. Chairperson.

Thank you.

>> CHAIR: Thank you, Saudi Arabia.

I give the floor to India.

>> INDIA: Thank you, Chairperson.

We're trying to understand the questions of Saudi Arabia, the impossibility availability and other studies that have been done by the Working Groups and other platforms as well, please, I beg your pardon, Chairman, by referring the case back to the Council Working Group perhaps at this moment I don't understand the advantage we'll get from that. When we look at the Resolution of 158 clearly saying that Council is expected to study the possibility of establishing mechanism to afford more financial stability for the union and to make recommendations in that regard. This is something to be decided by the council and when the relevant information is available, we refer back to the council Working Group perhaps we need to explore what are the benefits and costs. We're here with the relevant it information and data and perhaps the validation and the subject, it is more invited than referring the case back to the active Working Group.

Thank you, Mr. Chairman.

>> CHAIR: Thank you, India.

I would like to give the floor to Mr. Ba.

>> SECRETARIAT: Thank you, Chairman. To respond to the Distinguished Delegate of India, Resolution 158 does not specifically refer to UIFN. It refers to the diversification of sources of income ‑‑ revenue rather ‑‑ that the ITU was to analyze with the possible aim of finding a means of diversifying sources of revenue.

With regard to sending this question back to the council Working Group on Financial and Human Resources it could assist in best development especially of the cost recovery for UIFN. If you recall, it was the Council Resolution of 1996 which set the amount for joining, to get a UIFN number, and it was set at 200 Swiss francs a number, it has been some 20 years with the same tariff applied. If the Council accepts and requests the Secretariat to provide a more detailed study on the past 20 years, particularly with regard to the UIFN and come up with a proposal that would be discussed in the October and then possibly February session bearing in mind it is starting from October ‑‑ beginning of February that we would be able to present the draft budget for 2018/2019 and take into account possibly the revision of the cost for UIFN. Those are some reasons that the Secretariat thinks it is good to send it back to the CWG in order to consider this issue. There are more than 700,000 that's not counted under cost recovery and the Secretariat, we're developing this process, could look at striking a balance between these costs, for example, with regard to the UIFN numbers, noting there hasn't been a revision of the fee structure since 1996 and it has been more than 20 years since the cost of the fee for these numbers were set.

Thank you.

>> CHAIR: Thank you, Mr. Ba.

Taking into accounts the comments from the Secretariat, what proposal could we make?

Well, from simply an organizational point of view, we could create a small ad hoc group with representatives of the Saudi Arabia, U.S., other interested parties participating. That's one option that we could propose.

If the colleagues believe that the Secretariat's proposal to continue work in the CGFHR group is right and they can, but if colleagues aren't in favor of that toppings, then we can create a small ad hoc group. I'm not really certain as to what the results of such an ad hoc group could be at this point. my feeling is that this is not an issue which has been especially worked on to date and it is unlikely we can decide on this issue in one, two days. I stand ready to hear your opinions from the room.

There you have it, the two options which I'm setting before you at this point. I invite anyone who wishes to take the floor to do so at this stage. Transportation I give the floor to Bulgaria.

>> BULGARIA: Thank you very much, Mr. Chairman.

As usual, this is a very heated, interesting debate.

Mr. Chairman, I'm not so sure that I'll speak ‑‑ this meeting here, in the plenary, with all of the six languages, all of this, it costs a fortune. There was a decision in the Working Group level once we discussed this issue and the Chairman is here next to me, there was a decision asking the Secretariat to come up with proposals related to the council. I'm hearing once again that all this should be going back in the vicious circle to the Working Group. Mr. Chairman, if you continue in this pace and in this method of work, we will overspend by far much more money than we will ever generate.

Mr. Chairman, I haven't heard at least from the discussions here somebody saying they're clearly against the voluntary adherence to the test. That's point number one.

Point number two, from 1996 UIFN are somewhere forgotten. Frozen. The Secretariat did not come up with proposal on this subject. I believe the knowledge that the Secretary has, they deal with the data in detail, they could provide us with a very good tool so that they could come to the Council, to this Council with a proposal on how to handle it. You cannot continue to talk about this for years and delay and delay.

Thank you very much, Mr. Chairman.

>> CHAIR: Thank you, Bulgaria.

I give the floor to the United States of America.

>> UNITED STATES OF AMERICA: Thank you very much, Chair.

We thank all colleagues for the comments we have heard today. In particular, we would association great with Bulgaria's comments about the amount of money that's been spent discussing this issue over the last two years. We would note that the assignment of INRs is not based on cost recovery today and that makes it similar to almost all other ITU services that are provided today. Finally, Chair, with regard to your proposal that this issue be sent back to the CWG, I would note that the CWG report offered three different Recommendations. The last Recommendation is that we consider new revenue sources.

Perhaps the issue of new revenue sources could be sent back to the CWG for study.

Thank you.

>> CHAIR: I thank the United States of America and give the floor to Saudi Arabia.

>> SAUDI ARABIA: Thank you, Mr. Chairperson.

I do not want to compare the question of study or imposing more revenues on the IUIFN. We can support the conclusion you have reached with regards to new resources, other resources that the Working Group can look into as a new source of finance. As for the discussions regarding the UIFN we have exhausted our discussions and I think that this Council can come up with a decision regarding this topic. I would like to refer here, Mr. Chairperson, and to the Honorable Delegates that we will always come back to fill in the gaps and this comes at the expense of other items that could be used in projects and initiatives especially related and often in interest of the it interested countries and the fees will strengthen the financial resources of the ITU but it would reduce the erroneous use of such resources.

I would also like to refer to the fact that something for some fees in exchange of the UIFNs would have an impact on local legislations, national legislations and the proposal from the kingdom of Saudi Arabia has taken this into consideration and we would like to impose fees on the UIFN and the collection, collecting of this amount of money can be done by the ITU, no money would be collected by a Member State or by anyone else.

Last point, Mr. Chairperson, has to do with the proposal to impose fees on an experimental basis. In all reality, Honorable Delegates, Mr. Chairperson, this is illogical. Who will volunteer to pay an amount in exchange of using the UIFN?

Finally, we were in our first day of the second week of the Council's meetings. We see there is still a possibility to discuss the topic and to come up with recommendations in this context.

Thank you, Mr. Chairperson.

>> CHAIR: Thank you, Saudi Arabia.

I give the floor to India.

>> INDIA: Thank you, Chairman.

We also thank the Working Group Chairman about the deliberations and what's happened in the meetings and they're clear that the studies, inputs, they have been explored and now we're here to take action. We appreciate that point of view.

They also made it very clear that countries will not collect these charges by the ITU and to reiterate, there is nothing more to do unless the new reference has been made to them, new material had has been shown to them. In this regard, perhaps as Secretariat says, in case there is any new material information, perhaps they could bring it back to the Committee in a Committee meeting here so that we can review and we all should take some initiation in this regard in going forward on this subject.

Thank you.

>> CHAIR: Thank you, India.

Well, as I see it, the meeting intends to address this problem, to resolve this longstanding problem at this council meeting. Let's form a small ad hoc group of all interested parties. To the Chair of the ad hoc group I propose should be Mr. Carolyn Greenway. If she's listening.

We have already tried to create an ad hoc group once. I wish to avoid the ad hoc groups in the ADM Committee but I believe that we ‑‑ other ad hoc groups are finishing their work today so we have time for ad hoc group to work.

I would like to ask the Secretariat to tell us where this is going to take place and which room and when and this ad hoc group has to consider the proposed recommendations and either choose one of them or combine them and decide what's to be done at this Council and what instruction it is should be given to the it Council working on Financial and Human Resources.

With that discussion, this item is concluded.

The next issue, section 10 of C16/50.

I'm giving the floor to Mr. Grace who has joined us this week.

>> Thank you very much, Mr. Chairman. It.

Good afternoon, everyone.

First of all, I apologize for not being available last week. I would like to thank my Vice‑Chairman, Mr. Rio, for presenting the first part of the report.

Ladies and gentlemen, as the Chairman has noted, section 10 of document 50 addresses the issue of the digital object architecture and the master framework agreement between ITU and the donor foundation and the scope and implementation between ITU and the Dona foundation. . I would suggest, Chairman, that the representatives here look at the report, the full report from the February meeting of the Council Working Group on Financial and Human Resources for more information than what you see here.

We received a document with respect to this issue from the TSB. Unfortunately there was no clear consensus on the information that was in that document.

For example, some Delegates considered that the draft criteria discussed on the MOUs would be it applicable on the MOU on Dona and others were of the view that it had no significant strategic, financial implementations.

Therefore, Chairman, there was no clear consensus that emerged from this discussion. In addition, some Delegations pointed out that the criteria were still vague, it could be interpreted in different ways. It was further clarified that when Council approves the criteria for OMUs, that criteria could not be applied in a retroactive manner.

Chairman, the views of the Delegates that participated in the discussions, they were widely divergent. The matters were referred to this Council for further clarifications. Unfortunately, we couldn't determine any options for a way forward so, again, Council is invited to determine an appropriate course of action to progress the discussions further.

Thank you very much, Chairman.

>> CHAIR: Thank you, Mr. Gracie.

Now within the framework of section 102 we have contributions from the United States of America, Saudi Arabia and the Russian Federation. I'm going to ask the United States of America to present their contribution, document C16/78.

>> UNITED STATES OF AMERICA: Thank you very much, Mr. Chairman.

Al good afternoon, colleagues.

The United States once again appreciates that the Secretary‑General took steps to provide Council with MOUs with financial and/or strategic implementations. For more than a year we have been discussing the ITU's participation in an MOU with the Dona foundation as well as activities in which the ITU is engaged with respect to digital object architecture technology. We have listened to the explanations provided during both the September and February meetings of the council Working Group on financial and human resources and have participated actively in those discussions.

In our contribution we distill those discussions in a list of key conclusions that we request be confirmed and reflected in the summary report of this meeting. The conclusions are as follows:

First, a service level agreement separate from this MSU would I a Lou the ITU to make use of the DOA for its internal records management purpose. Second, the ITU confirmed that it is not undertaken and will not undertake any activity to support the Dona foundation on public policy issues.

Third, the ITU is not and does not intend to become a multiprimary administrator 80s only role in the global handle registry is in regard to the ITUs management of its own information and infrastructure.

Fourth, the ITU does not and has no plans to market DOA‑based applications.

Fifth, if the ITU is not engaging in outreach efforts with the Dona foundation nor plans to do so.

Six, the ITU will not take action to reconstitute the global handle registry.

7th, the Secretary‑General will consult council before any change to these practices is contemplated.

We feel these conclusions are critical to fulfilling the CWG FHR's invitation for council to determine an appropriate course of action. We think without this baseline understanding it will not be possible for us to progress in conversation.

The United States understands the value that the ITU derives from the use of digital object architecture internally. We also recognize that various stakeholders may find the DOA platform useful for the development of applications and services f we, however, view these as separate from the issue of whether or not we need this memorandum of understanding.

After close analysis the United States is of the view that the MOU is not needed for these activities to continue and would support its termination.

However, in the first instance we request the Council to once again confirm the conclusions we have listed here.

Thank you very much.

>> CHAIR: Thank you, United States.

Saudi Arabia, could you present your conclusion in document C16/93.

Saudi Arabia, you have the floor.

>> SAUDI ARABIA: Thank you, Mr. Chairman.

The Council at its latest session instructed this in order to provide to the Council Working Group on Financial/Human Resources more information about DOA. And particularly the MOU with the Dona foundation, in 2015 the Secretary‑General, in the fifth meeting of the Council Working Group provided a detailed analysis with regard to this matter in legal terms. Saudi Arabia is grateful to the Secretariat for the efforts taken and the clarifications provided. We are aware that that was done in a very detailed manner and that Saudi Arabia would like to present a certain amount of clarifications itself. In particular, we support the view held by other countries, namely with regard to Article 1 of the ITU Resolution and others that need to be applied. The resolutions in plenipotentiary, in conformity with the constitution of the ITU Saudi Arabia would like to have all the new technologies and benefits accrued to the entire population of the planet and with regard to the digital architecture and in order to put in place the results WSIS outcomes and SDGs in all industries and all sectors so that Member States receive all the needed technical assistance include kindergarten assistance related to DOA indications based on DOA.

Thank you, Mr. Chairperson.

>> CHAIR: I would like to ask the Russian Delegation to con present their contribution.

>> RUSSIA: Mr. Chairman, as we have all heard, this matter has been considered on a number of occasions as past be Councils and the CWG, a number of issues had been raised and in each case the Secretariat provided clear‑cut ideas and the fear expressed in documents by other countries, in particular ‑‑

>> CHAIR: There is a technical fault ‑‑ no. No. No. There is little problem with ‑‑ with the automatic connection, it is ‑‑ ‑‑ it is now working.

>> RUSSIA: Therefore, answers were given to all questions raised by the Secretariat and all of the fears had been dispelled in a well‑argued manner. No new questions required any additional clarifications on the part of the Secretariat were raised at the last meeting and at the same time arguments and the discussion on that meeting in fact appear to gravitate to retaining a monopoly and not allowing new competition in the management of the Internet resources, particularly in the introduction of IOT.

With regards to technical matters related to the introduction of the DOA are subject to consideration that's relevant in the Study Groups and not even supposed to be discussed at the level of the Council. In that sense I would like to seek your assistance, Mr. Chairman, to request our distinguished colleagues from the United States to explain to us from the legal standpoint what are the grounds, what were the grounds when SG11, the Delegation of The United States refused to consider a consideration on DOA. The matters contained there, they were of technical nature. It is quite irrelevant as to how the Council will rule on its memorandum because otherwise it would appear that no new technologies could be considered until the Council gives a go ahead. That will represent a new practice in the work of ITU and I'm urging you to explain to me what are the legal procedures adopted at the ITU in order to justify it such a step.

At the same time, a positive result of the implementation of the DOA in the ITU needs to be disseminated so the entire Union, including the development sector, the development of DOA is one of the Internet resources regulated to international ‑‑ to Internet related public policies would also make sense to be considered within the Council Working Group on the Internet. Why not? We believe that the memorandum of understanding between the ITU had the does not run contrary to the of basic documents of the Union and are of interest to ITU members, particularly those from developing States. That's why we believe it is necessary to recommend to relevant SDGs and the Working Parties and all other relevant working groups to an lies the information on DOA, including that pertaining to the memorandum of understanding with the Dona Foundation. We have suggest concluding the discussion of this issue and to instruct the Secretariat to carry on the work within the framework or memorandum signed. We see no legal restrictions whip would serve as it does rejecting the memorandum.

>> CHAIR: Thank you.

I'm inviting a new request for the floor.

Canada, you have the floor.

>> CANADA: Thank you very much, Mr. Chairman.

Good afternoon to you, to all colleagues. We would like to start by thanking Saudi Arabia and the United States and the Russian Federation for the very important contributions. Mr. Chairman, this is an issue that we have been discussing since last Council. We have addressed this issue from two different perspectives. One, a process related one. As you may recall, this MOU appears as an information document at the Council session which meant by its mere nature of being an information document that it was there to be endorsed, not to be discussed. That was a first challenge that we encountered.

When the document was brought up to the attention of the plenary and then subsequent reviews, including at the Council Working Groups following Council 2015 we identified in the MOU some provisions or paragraphs, I would say, that were cause for concern. First of which, giving to the ITU the roll of inheriting Intellectual Property Rights, the authority for the ITU to promote the technology beyond its strict confines here at the Union, and furthermore, the issue of what are is called the reconstitution event dealing with serious matters of inheriting financial and legal responsibilities in are the event that the Dona Foundation is not able to continue its operations.

Mr. Chairman, as we have repeatedly stated in previous meetings, there is no issue with the ITU using the digital object architecture. It is an information management system. We see no issue of that. If I recall correctly on the margins ever Study Group 17 in February there was a workshop, and a very important nice presentation given by the director of the Dona Foundation and if I recall again correctly, specific question was asked does the use of the digital object architecture require an MOU or does a service agreement, is that sufficient? If I recall correctly again, the latter is the only requirement for the UTU to use the digital object architecture.

Consequently, Mr. Chairman, we would either advocate for a thorough revision of the MOU or for Council to support the document in the U.S. contribution that would certainly in the absence of aggregating the MOU would clarify the specific role of the ITU in the further implementation of this MOU.

Thank you.

>> CHAIR: Thank you, Canada.

India, you have the floor.

>> INDIA: Thank you.

We aware that the technology is developed as mentioned in the information session and we acknowledge and congratulate them for contributing to the technology.

We have gone through the contributions and various points from different Member States. We also understand that the various technologies are relevant and information management, management of critical information infrastructure is there. At this point had we would like to convey we support the activities with regard to the technology and the management and with the ITU with the Dona Foundation.

Thank you.

>> CHAIR: Thank you, India.

China, you have the floor.

>> CHINA: Thank you, Mr. Chair.

I would like to extend our appreciations to the explanation given by the Secretariat and the contributions by the Member States.

With respect to the MOU, Dona Foundation and the ITU and the it collaboration, it is very important. The ITU should intensify to the cooperation with others to the benefit of developing other countries in accessing ICTs and promoting the interoperabilities between different systems and this is in line with the objectives and the purpose of the ITU. Second such cooperation, it is incorrect and in line with ‑‑ in compliance with the related rules and it is an important part for the implementation of the ITU strategies. The signing of MOU with Dona is in compliance with the applicable rules and the MOU has taken affect and we don't need to spend time on whether this MOU is valid or not the.

Third, we think that we should further promote the work we have already carried on.

We agree with the positions expressed by India, Russia and we should end the discussions and continue the framework in cooperation with the framework of the MOU and we should actually make more efforts in the field of applications of to the DOA and provide more assistance for the developing countries.

>> CHAIR: Thank you, China.

Rwanda, you have the floor.

>> RWANDA: Thank you, Chair.

Rwanda also appreciates the contributions by U.S.A., Saudi Arabia and Russia. We note like the speakers before me the potential that the DOA has and on had that basis we are of the view that cooperation between ITU and developing countries, it should be encouraged rather than discouraged and of the view that Russia's submission, the contribution, we support that view that ITU should be supported to continue the current efforts and we don't see anything wrong with the MOU, with the Dona Foundation.

Thank you, Chair.

>> CHAIR: Thank you, Rwanda.

Tunisia, you have the floor.

>> TUNISIA: Thank you, Mr. Chairman.

We have followed this discussion now with a great deal of attention. We can see that the DOA merits further and should also enable us to obtain interoperability to be able to exchange important information and to derive full benefits from the new technology particularly for developing countries. We do not believe there is any issue with the memorandum with the Dona Foundation which we find in conformity with the provisions of the ITU Constitution.

I think such memoranda with other entities, in other areas would be quite instrumental in helping us to move forward to disseminate new technologies to developing countries and that only supports the efforts that have already been undertaken by the ITU.

Thank you.

>> CHAIR: Thank you, Tunisia.

Japan, you have the floor.

>> JAPAN: Thank you, Chairman.

I would like to express thanks to the U.S.A. and Saudi Arabia and Russia Federation for preparing contributions.

I believe it is not appropriate to conduct this new activity based on this MOU because we have been discussing on this issue for a long time. There is still different views on this issue. We have not reached consensus.

I have a view that it will be appropriate for ITU to focus its DOA activity on to the standardization work in ITU sector.

Thank you, Mr. Chairman.

>> CHAIR: Thank you, Japan.

Australia, you have the floor.

>> AUSTRALIA: Thank you, Chair.

Australia would also like to thank the U.S.A., Saudi Arabia and the Russian Federation for their contributions. We would like to associate with the comments made by our colleague from Canada, and we share the concerns Canada has expressed with specific elements of the MOU, particularly the obligations placed on the ITU. For that reason we would support consideration of redrafting the MOU or replacing it instead with a service agreement.

Thank you, Chair.

>> CHAIR: Thank you, Australia.

Switzerland, you have the floor.

>> SWITZERLAND: Thank you, Mr. Chairman.

We thank all of the countries that have made written contributions to this discussion. There are a number of countries that could profit from assistance on the part of the ITU in order to get ‑‑ to get better grips to the benefit that could be derived from the benefit of this new technology. Consequently, Switzerland supports the cooperation between the ITU and the Dona Foundation within the framework of the existing memorandum.

Thank you.

>> CHAIR: Thank you, Switzerland.

Pakistan, you have the floor.

>> PAKISTAN: Thank you, Chair.

We support the activities of ITU which are it in the Constitution. As clarified regarding the MOU, we support this initiative as apparently it looks like it will help development of the ICTs and developing countries.

I think that activities should continue so that processes and cons are clear and then we'll be able to make better decisions.

Thank you.

>> CHAIR: Thank you, Pakistan.

Nigeria, you have the floor.

>> NIGERIA: Thank you, Mr. Chairman.

Once again we would like to thank the Chairman of the Council of the Working Group for their comprehensive reports in this document and for bringing to the attention of the Council issues on the DOA and the MOU between ITU and it Dona Foundation, whereby the Council has been requested to give clarification on the scope and implementation of the MOU between the two bodies.

We would also like to join our colleagues in thanking the U.S.A., Kingdom of Saudi Arabia and Russia Federation for their excellent contributions to this topic.

Mr. Chairman, we have critically examined all of the contributions and have listened from interventions from colleagues from the floor with great attention. It

As stated in the Secretariat document of Council Working Group on Finance and Hugh Nan Resource 6/19 of 25th, February, 2016, I quote in accordance with Article 2.1 of the MOU between ITU and the Dona Foundation any action it to be undertaken by ITU in the implementation of this MOUs to the availability of resources and in accordance with Article 9. There is no specific the commitment with regard to funding on the part of either party. Unquote.

Furthermore, the discussions in the 2016 pleating of the Council Working Group did not result in any consensus on a way forward on this particular topic.

Nigeria, therefore, does not support the termination of the MOU with Dona Foundation because it is clear from reports of the Secretariat that there are no financial or strategic implementations with this ITU. We believe the work with Dona Foundation and activity it is on the DOA will bringing significant benefits to developing countries and we encourage ITU to continue in this direction.

Mr. Chairman, Nigeria administration believes that this is a good example of an area where elbow ship should only ensure that ethical standards have been applied but we should not discuss this in detail since it is designed to those that are outside of our scope of work.

Nigeria administration would like to support this MOU and thank the Secretariat for this proposal. We would also like to urge the Secretariat through you, Mr. Chairman, to implement this MOU immediately as soon as they can identify potential plans in order to be able to take advantage of their position in a timely manner.

You all know today that the life psyche as well of an ICT tool is limited, but you can come and establish yourself early enough, amp which you may have an opportunity to improve continuously for a given period.

Mr. Chairman, with your indulgence, we would ask the Secretariat to study the implementation and report on an annual basis the progress made during the year starting from 2017

Thank you.

>> CHAIR: Thank you, Nigeria.

I give the floor to the United Arab Emirates.

>> UNITED ARAB EMIRATES: Thank you.

At the outset I would like to thank the TSB for the session organized last Friday. It was an information session on this topic. During this session we looked at the details linked to digital architecture. I thank the United States of America, the kingdom of Saudi Arabia and Russian Federation for their contributions on this item.

Chairman, we support this memorandum of understanding which is concluded between the ITU and the Dona Foundation. We would like to hear the opinion of the legal adviser of the ITU on this point and to receive information with regard to the issues raised by some Delegates who spoke about the possibility of canceling this memorandum of understanding.

Thank you.

>> CHAIR: I thank the United Arab Emirates.

I give the floor to Morocco.

>> MOROCCO: Thank you, Chairman.

We believe that the activities of the ITU on digital object architecture as part of the framework agreement between the ITU and the Dona Foundation are fully in line with objectives of the Union. We approve this framework agreement.

Thank you.

>> CHAIR: Thank you, Morocco.

I give the floor to Burkina Faso.

>> BURKINA FASO: Thank you.

We would like to thank the Russian Federation for their contribution.

We support the activities relating to instilling security in the use of ICT in a particular, all initiatives undertaken as part of this. For this reason, Chairman, we support continuing it cooperation and collaboration with the Dona Foundation.

Thank you, sir.

>> CHAIR: Thank you, Burkina Faso.

We still have four Observer States on the speaker list p I would ask the observers to be as brief as possible since we are getting close to coffee break time.

I give the floor to the United Kingdom.

>> UNITED KINGDOM: Thank you, Chair. Thank you to the Member States who have made contributions.

The U.K. has reflected on the discussions is over the past year and we would propose now that the ITU should no longer promote DOA above other systems and it should now withdraw from the MOU with the Dona Foundation.

DOA is only one of several systems which could be used for purposes in relation to IOT. We consider that in fact there are some significant concerns about the suitability and the security of DOA for many IOT applications. For developing countries which are facing real challenges in terms of infrastructure, Broadband connectivity, capacity building, we have seen no evidence at all that DOA will address any of those challenges.

Mr. Chairman, the UK has been very active in this debate because there is an important principle for us here. Be need an ITU which undertakes its duties in a way that's technology neutral and which is non‑discriminatory.

We note that DOA has been developed by a private organization and it is still in the hands of that private organization. DOA is a product and users have to sign a licensing agreement to use it. We would not expect the ITU to actively promote a Microsoft product, for example, or an Apple product. Why should the ITU promote the product of another private company? We believe that the ITU should no longer focus on DOA and stop promoting it in ITU Study Groups, in workshops and other forums.

Finally, with regard to the MOU, the UK notes that the purpose of the MOU between the ITU and the Dona Foundation is to ensure a new and enduring organizational home for the global handle registry. DOA is owned and operated by the Dona Foundation and CRNI, private companies that hold the relevant Intellectual Property rights. We have agreed to take on a range of commitments to the Dona Foundation. We understand, of course, that the ITU is using DOA for its document management system and, of course, there is no problem with that, and there is absolutely no need to have an MOU to use a document management system. We have heard no persuasive reason why the ITU should take on any commitments to providing the Secretariat support, accepting licensing rights or ensuring the continuity of DOA. Again, the commitments that the ITU has accepted in the master framework document inappropriate in our view for a respected United Nations agency like the ITU. We have heard this afternoon proposals to revise the MOU and we see no reason or need for the ITU to have an MOU with a Dona Foundation tall and it is right for the ITU to withdraw from it.

Thank you.

>> CHAIR: I thank the United Kingdom.

I give the floor to the Republic of South Africa.

>> SOUTH AFRICA: Thank you, Chair.

Chair, brief rich, South Africa supports the MOU between ITU and the DOA and we believe it falls within the mandate of the ITU strategic platform and it is aligned with the decisions taken by the council and the plenipot. We have fundamental concerns with regard to the positions that have been put forward by both the U.S. and other countries that are proposing for the review of the MOU. As this review we do believe it is retrospective and a number of decisions have been taken and this basically says that we're therefore not mitigating those particular decisions and we're not conceding to our own decisions that were taken.

Chair, ITU like WSIS, like the UNGIS, as well as other bodies have a mandate to work on public policy issues as per the U.N. Resolution and I would quote the recent Resolution that was adopted by the U.N. by the heads of states in government in December, 2015, there are fundamental issues that I would like to bring to the attention of Council.

Firstly, the program supports the Developmental Agenda. As it has been said by previous speakers, south Africa, like others, we see this as an opportunity to gain entry in the monopolized Internet system. This carries potential powers for countries to be economically empowered through the Internet which is a subject that's quite close to the ITU management of the infrastructure we as Member States view as serious. Therefore we would like to encourage the ITU as well as other organizations and particularly this Council not to create barriers for us to pursue the Developmental Agenda. This also empowers the ITU to carry out its duties. More especially the issues of rights it and we have to break the silos of ownership which is currently in the hands of the few.

The framework of implementation change provides a useful basis to inform the work of ITU Study Groups and Working Parties and interested Council Working Groups. South Africa agrees that any positive outcome coming out of this work should be pursued and should be disseminated to membership through the ITU‑T group. The framework of implementation should remain in place and we urge that Council considers this.

We support the work that's been done thus far by the Secretariat and we urge that they would continue to work under the current framework.

Thank you.

>> CHAIR: Thank you, South Africa.

I give the floor to Sweden.

>> SWEDEN: Thank you, Mr. Chairman.

Sweden would like to thank the administrations providing the input to this Council meeting on this issue. Sweden shares the concern expressed by several members ever council, United States, Canada, Australia. Sweden also shares what was observed by the United Kingdom. Based on documents provided and the discussion of the Council and the documents before the Council Working Group on the financial resources Sweden does not see any reason for ITU to be anything else than a customer to the DONA Foundation. The proposals by the Russian Federation and the kingdom of Saudi Arabia argues that ITU should support the DOA as a standard for the whole world and that ITU's engagement in the Dona foundation is proper for the management of the Internet resources, especially IOT deployment. We appreciate the frankness but we're not convinced why they should have a relation to the DONA Foundation in other capacities as a customer. More importantly, we look forward to discussions that have yet to take place on fundamental issues as why should ITU take such an engagement when it seems to be outside of ITU's responsibility and more important overlap with existing work in well‑established global forums. What are the merits of the UA that would motivate the use for Internet management, especially for IOT deployment. We're also concerned about the multilateral engagement for the Dona, what is means for a single Internet and the agreement we have made in WSIS and Tunis and in New York.

>> CHAIR: Thank you, Sweden.

I now give the floor to Iran.

>> IRAN: Thank you, Chairman.

I don't want to repeat any argument against or in favor of the subject. What you cannot do in this Council, you cannot decide either way.

You cannot decide to stop the MOU and you cannot decide to go to the service level agreement. This is the very two different arrangements and requires a lot of discussions. The only thing that you can do, postpone the decision up to the neck Council and to continue with existing sectors or the process.

Thank you.

>> CHAIR: Thank you, Iran.

I would like to give the floor to the director of the TSB.

>> TSB: Thank you, Mr. Chairman.

Good afternoon, everyone.

After listening to the discussions, and very much I appreciate the opinions, they're all very useful.

I don't want to lose this aspect. I believe they have provided all of the information, as much as possible. Frankly, every information, it is already in your hands.

Let me say of this, we have to carefully differentiate between the DOA, Dona and others and the recommendation 1255, it is our Recommendation p you approved it. The Member States, they approved it of 1255.

We have to make a clear differentiation. This is the first point. in this regard, if I'm very sorry about this, the Russian Federation indicated and made reference of this recommendation, it was failed without any other background it and it was unfortunate. All we have responsibility to work together with the product, the recommendation or all as the same status. We have to ensure this first.

The second point, considering this, even our EMU, if I come here, it is started at the start of the EMU and it was quite helpful to find out and to apply all this as an architecture how to utilize the ITU. We have found one of the findings, the obligation, it is document handling, that's a very, very useful thing for us. Even not what is document handling, but there are many objects we have to handle for ITU uses, even workshops. Many, many things are now disoriented. We handle this as object, this object, it is important for us. Through this, we have to improve our level of operations. This is useful for us but let me say at this moment this obligation, it is ITU internal use until you agree with this as a new revenue generation it appears to be another challenge.

Anyhow, we focus on the Internet usage and the actual fact is that we never promote this and we have a couple of cases of workshops to dealing with this technology ‑‑ with this architecture as to how this is useful for such workshop or subject like a counterfeit. Afterwards some of the members, they approached us, they approached us, they want to know the details of the DOA as an architecture.

Our conversation is based on that 1255. The extra tier 1255, it is our product. That's our status. It was to create an opportunity for us to adopt as an international standard. We're challenging for the announcement of the 1255, to meet the security requirement as much as possible. Another point is a private company issue. In my recollection I'm not sure, Dona is the a private company, if my understanding is correct, this is a non‑profit organization. Let me say this, our product is developed based on the contribution by the private companies. This is ‑‑ our product is a collaboration of the private companies contributions, I don't know if I agree with this with a recommendation but it is a problem to utilize this.

This is a very fundamental question because how do we operate the ITU, how do we develop the standard as someone recommends, someone had advertised this specific technology. I believe that we do not promote this new but we promote the 1255. This is our mandate. The product, how do we disseminate above resolve and how can we not be a barrier, this is coming from your contribution, your members, your private sectors contributions.

Another example, we're trying to advertise as much as possible, because it is important for our infrastructure development and as from the mobile universal charger, there were certain difficulties and we advertise this and now we're able to be unified with the universal charger. This is what ‑‑ we have the allocation in this direction, it is very difficult to justify how to move forward. Please, I request to you, differentiate the how to utilize this Recommendation and it is another part and also you have to carefully look at this MOU and it is in your hands. I'm not sure how to apply with this, the retro applying of this, the modifications, the only one ‑‑ created by the union, who can believe with us, in any time, we could possibly change any agreement, how we can move forward, and this, for the DOA, the time being, we try with all our efforts to extend the Internet use as much as possible so this is our status. Please, when you discuss this point, please separate the two different views and look to how we can really deliver this from our discussion. This is quite important for us.

Ever

Before the coffee break, that's my comment for you for further consideration.

Thank you.

>> CHAIR: Thank you, Mr. Lee.

I think that's excellent advice you have given us with regard to the coffee break. Relax a little bit, talk to colleagues, use this time for that.

I would suggest that we come back here in 11 minutes at 4:35. It is coffee break.

(Break).

>> CHAIR: Colleagues, would you please take your seats? It's time to resume our work.

First of all, I have an announcement about our INR ad hoc group, it will convene at 8:00 a.m. tomorrow morning in Room G1, 8:00 a.m., Room G1. The ad hoc group.

Let's resume our session. We last discussed section 10 related to a memorandum with the Dona fund. I presume we have heard all those wishing to speak on this matter, but there were certain questions asked in particular to the legal adviser. I'm going to ask him to provide us with his comment on this matter.

>> LEGAL ADVISER: Thank you very much, Mr. Chairman.

I would tend to say that practically everything has already been said and written in legal terms and with that regard, if you'll permit me, I'll refer the Council to Revision 1 of document 19 of the Council Working Group on Financial and Human Resources, the document which contains over a number of pages all of the answers to the legal issues raised in this discussion. I'm not going to go into detail of the issues and I'm just going to refer the Council to that document and will simply say in summing up that the principle conclusion of that analysis led us to believe that A, there was no income incompatibility with the basic instruments of the Union in terms of signing that MOU. On the other hands, if there are legal risk ‑‑ and there is always legal risks when it comes to conclusion, an agreement with a third entity ‑‑ that those risks, they're fairly constrained and limited with the memorandum itself and on neutrality principle at ITU it is not thrown into any task by that memorandum. I don't know if you would allow me to go knee more details because we would find more details in the document I have referred to in my intervention.

Thank you, Mr. Chairman.

>> CHAIR: We have heard the views of the members, the Secretariat and the TSB Director. I suggest we put an end to our discussion at our Committee and leave it at that.

As my capacity as Chair of this Committee I believe that since in favor have spoken ‑‑ a majority have spoken in favor of maintaining the memorandum we do not have enough grounds in order to reject it.

I suggest that this is exactly what we're going to report to the plenary, or clearly there are explanations of details that can be attached to that decision.

We can also suggest to ask the Secretary‑General to regulate the report on the progress of the implementation or the memorandum of understanding at subsequent council meetings.

The United States, you have the floor.

>> UNITED STATES OF AMERICA: Thank you very much, Mr. Chair.

The United States, although we were ‑‑ although in our contribution we did reference that we would support the termination of the MOU, there was another proposal in our contribution that we think was a bit overlooked by this Council and that is that we ‑‑ that we provided a list of key conclusions that we derive from the various conversations that we had including the workshops, the reports, the discussions within the council Working Group on Financial, Human Resources itself, and these conclusions are very important because they establish a baseline understanding about the various provisions of the memorandum of understanding that clearly from the conversation this afternoon there still remains some confusion about.

Mr. Chairman, we request that the Secretariat be asked to review these seven conclusions that are found in our document and provide a response to confirm whether or not these are accurate and we request the conclusions are reflected in the Council's report related to this MOU.

Again, we think that this is a way forward for us to have a better understanding about what this MOU and implementation truly entails and we sought to be completely factual in our understanding and in these conclusions. We would like to request that that occur.

Thank you very much.

>> CHAIR: Thank you, United States of America.

I give the floor to the Director.

>> TSB DIRECTOR: Thank you. I just ‑‑ this is a contribution also from the American states of America, that ‑‑ I'm not quite sure I can give this right now, this one by one or if they can give ‑‑ because of something ‑‑ it is something of a clarification that would be good to ‑‑ most of this ‑‑ the 7 points, it is a request to clarify of the points so that we can give this answer to you offline or we can challenge it here.

I'm a bit reluctant myself because as an example, ITU does not and has no plans to market the obligations, so as I said before, the obligations, they're utilizing in the internal uses but I don't know what market means, the marketing like a commercial business? We don't have that intention, but I understand out how we can incorporate this, to market, this is a ‑‑ this is a bit more than language wise, some levels of clarifications, this depends on you but my recommendation and preference is that our Secretariat can get together to address your points if you're okay.

Thank you.

>> CHAIR: Thank you, Mr. Lee.

Given the Secretariat's remarks and the answers from the legal advisers, the comments from some countries, this is what I'm going to suggest that perhaps the Secretariat takes it off line with the United States to be able to incorporate the recommendations in the reports or at least my understanding is that was exactly the gist of director's proposal.

If I was wrong, please correct me.

I have the following proposal to you, since most of you are in favor ‑‑ I apologize.

The United Arab Emirates, you have the floor.

>> UNITED ARAB EMIRATES: Thank you, Mr. Chairperson.

As I have understood from the intervention of the Honorable Delegation of the U.S. I would like that these points be included in the Council's report, however as the director of the Bureau has said maybe an unofficial meeting can take place between the U.S. and the Standardization Bureau and this can be discussed in the Committee before it is forwarded to the plenary.

Thank you, Mr. Chairperson.

>> CHAIR: I thank the United Arab Emirates, and the Russian Federation.

>> RUSSIA: Many thanks, Mr. Chairman.

We support the intervention by the United Arab Emirates because we're not in a position to include or incorporate what we haven't discussed.

Our principles, they're going to apply to the technologies exclusively or applied to other technologies in other companies to ICANN, Microsoft, only to DONA? That's what I would like to come to grips with. I would ask those that would conduct consultations, if they would make it clear for us what the principles really apply for.

>> CHAIR: Thank you, Russian Federation.

Following the proposal made by the Bureau California director proposal or supported by the Emirates, from Russia, we suggest that the United States representatives meet offline with representatives of the sector and try to come up with a proposed text for the inclusion into the report of the Committee of which we would have a look at it and discuss it and to take our final decision at the ad hoc Committee.

If there is no objections to this proposal, we'll move on.

Canada, do you have objections? Canada, you have the floor.

>> CANADA: Thank you, Chairman.

In principle, no objection. Just to clarify our understanding the United States' contribution has a very specific proposal and that proposal is for council to confirm the above understanding which is those 7 bullets including on page 3 of all, including document 78. If my understanding is correct there is also those offline consultations, they would also lead for a proposal for council to endorse those seven bullets as in page 3 of document 78 by the United States and then it would be submitted to the next plenary to be included if those 37 bullets are accepted in the summary of this Council.

Thank you.

>> CHAIR: Thank you, Canada.

I give the floor to Bulgaria.

>> BULGARIA: Mr. Chairman, from the presentation of the U.S.A. document, one of the point is that the current MOU be stopped, to be applicable anymore and listening to the voices of the floor, from other administrations, many of them, they said that they should not be allowed. Having such a meeting between the director and one Delegation is going to lead to what? And then what is the deadline for the outcome of the discussions between the Director and the U.S.A. Delegation?

Thank you.

>> CHAIR: Thank you, Bulgaria.

Switzerland, please.

>> SWITZERLAND: Thank you, Chairman.

With regard to the clarifications which the U.S.A. wished for, we have a little difficulty here.

Firstly, according to our information at least two of the bullet points with regard to two of these bullet points the requests are based on a misunderstanding so it seems that it may not be possible to ‑‑ it may not be possible to confirm or to deny some of these requests because they're based on a misunderstanding. Secondly we believe that a real discussion should take place if some activities, which the ITU should no longer undertake are nevertheless compatible with the fundamental instruments of the Union so that the activities would be authorized by the basic instruments, I think that they should be aware of the implications if it decides to further restrict what is set forth in the basic instruments of the union. It is my opinion that it is a good thing for the United States of America and the director of the TSB clarify ‑‑ to clarify any decision on what you can and cannot do and enough time should be given for such a consideration so that Member States are aware of the competency of the Union based on these basic fundamental instruments.

Thank you.

>> CHAIR: Thank you, Switzerland.

The United States of America.

>> UNITED STATES OF AMERICA: Thank you very much, Mr. Chair.

I wanted to respond just to clarify a couple of points.

First although in our intervention we mentioned that we would be among those countries that would support termination of the MOU, this is not one of the seven conclusions that we're currently asking be confirmed. These conclusions are very specific ‑‑ are very specific and are based on what the Secretariat has told does or at least our interpretation of the presentations that we have gotten. We're attempting to just record that critical information that we were given in previous discussions.

In order to confirm that these are, in fact, the correct conclusions to have drawn and to ensure that we're capturing that we would accept that proposal to sit down with the Secretariat as long as there's an opportunity to bring them back here and to have the Council endorse them.

Again, what we're seeking to build common understanding and to take this conversation forward. If any of these are not correct we welcome the Secretariat's explanation and we can update them and make them correct and then put them in the record.

We appreciate the opportunity.

Thank you very much.

>> CHAIR: I thank the United States.

That's what I want to propose in principle and with regard to the question of Canada, we're not simply picking up on the Bullet points from the U.S. constitution and coping and pasting them in the report, we're looking at what hour countries understood and we work together with the Secretariat and propose a compromised option so that we can then look again, look at again at the ADM Committee and we can decide whether to adopt that or not.

With that understanding, I would propose that work be carried forward in this manner.

By the way, I wish to take into account the quite interesting comments from the Russian Federation namely that this proposal and criteria are up to the MOU, so what case are we setting precedent for other MOUs if we set forth these criteria and perhaps we'll have to use them for other memoranda of understanding for the future. There needs to be an understanding on the part of all the parties as to this when working on the text.

I will conclude the ‑‑ I would propose that we conclude the discussion on this item and move on to the next item to be considered, and that's section 11 of document C16/15.

I would like to invite Mr. Bruce Gracie to report on the results of work under this section.

>> BRUCE GRACIE: Thank you very much, Chairman.

Section 11, we're now at other business in the report of the Council Working Group. The first item concerns the issue of the Union headquarters premises over the long‑term and the work of the Council's Working Group that was established for the purpose of examining various options. As you can see, Mr. Chairman, the Recommendation here, it is for the Council to be invaded to approve the designation of the Council Working Group on Financial and Human Resources as the focal point for further discussions. Particularly financial implications of the options of the future premises of the Union. The second issue, Chairman, which I don't believe requires much discussion, concerns the issue relating to the possibility of creating an ad hoc group to deal with youth empowerment as referred to in the plenipotentiary conference Resolution 198. The recommendation, it is for the Council to take note of the advice from the Council's Working Group that a new ad hoc group to examine this issue, it is not required and that Member States should be encouraged to include young persons on their Delegations to ITU events in the future.

These two items, other business items, Mr. Chairman, I refer it back to you for further discussion.

Thank you.

>> CHAIR: Thank you very much, Mr. Gracie.

I would like to take this opportunity to thank Mr. Gracie for the huge amount of work that he's done in this Council Working Group. I don't know whether or not he can continue with the work of this group or not.

In any case, he has made a huge contribution to the work of this group and I would like to thank him for that.

With that, we have considered the conclusion of this document. We still have three items from this document which we're still working on.

The first one of these, it is with regard tore a document on Resolution 1333. I have it on the table now but we're not going to consider it today. We're going to consider it tomorrow I believe.

The second eye team we still have outstanding is the ad hoc group on INRs and the third item which we haven't concluded on is what we have just discussed, the proposal in the report on memoranda of understanding.

So with that we can turn to the next document, which is C14/40. A report by Secretary‑General on improvement of management and follow‑up to the definitely of ITU expenses by sector members, associates and academia. I would like to invite Mr. Ba to introduce this item.

>> SECRETARIAT: Thank you.

On behalf of the Secretary‑General I have the honor of introducing document C16/14. It is on the improvement of management, a follow‑up to the defray of the ITU expenses by sector members, associates and academia. And a Resolution 152, Busan revised in Busan and the plenipotentiary conference, there was a report to the council on the management and follow‑up of the ITU expenses and associates highlighting any difficulty that may be encountered and proposing further improvements.

Since the entry of force of the Resolution 152 there have been positive results on the payment of contributions which is translated into a better recovery rate and a reduction of the debt in particular, the current debt of the sector members. Following the adoption of this Resolution as some flexibility is being granted to the Secretary‑General during the 2011 session of council and a personalized reminder procedure for the sector members and associates who are late in payments have been established and there is a very close internal collaboration which has been implemented with the Bureaus, sector Bureaus and regional offices to look to the debts repaid and to reach out to the administrations and others concerned. Efforts have been made to ensure that the participation of entities that have been frozen that risk being suspended begin to participate again. Also looking to the 47 entities of risk suspension in May 2015.

As to the 147 entities at risk of suspension, May, 2015, the status of entity, whose participation is frozen and allows the entity concerns to have further time to address this situation. While granting supplementary delay is allowed for some entities and they can keep the status as members when it is clear that some ‑‑ that some entities that have been excluded for a long time have not paid their arrears, they're suspended. They can express interest and work in the sectors, normally they would regularize in short timeline.

This is entities that have been frozen, part one, since January, 2016.

This is in line with Annex 1.

We have began to recover companies since the publication of this document. The results demonstrate the number of excluded sector members and associates as showing an encouraging decrease over the years. The number of contributing units lost to secluded sector members have significantly decreased going from 15.2 units in 2008 to less than one unit, .8 in 2015.

So it behooves us to continue with this flexibility to ensure that the Secretary‑General has flexibility in adopting the following Recommendations.

To continue a close collaboration for follow‑up of the payment of fees by sector members, associates and academia.

Coordinated efforts are necessary to retain suspended entities with the aim of recovering their arrears and reactivating their participation work of the sectors.

Two, while experience handles shown that flexibility has been useful to provide additional time to retain some entities of the ITU pertinent to else exclude the long‑term suspended entities a as they're unlikely to be engaged and repay dues. It is recommended that the same process be followed every year.

Nevertheless, the ITU Secretariat requests those administrations which pursuant to Article 19 of the Convention approve the participation of sector members and associates to continue to provide ongoing support with regard to following up on entities in arrears with the contributions. The council is invited to take note of the report by the Secretary‑General on the improvement of management, a follow‑up of the defrayal of the ITU expenses by sector members and absorb I can't tell and academia who endorse the recommendations in section 4 of this document.

Thank you very much, Mr. Chairman.

>> CHAIR: Thank you, Mr. Ba.

I would like to invite anyone who wishes to take the floor on this document to do so.

I give the floor to China.

I don't see any other requests for the floor.

Therefore, the ADM Committee is invited to take note of the report of the Secretary‑General and to endorse the Recommendations in section 4 of the document.

I give the floor to Saudi Arabia.

>> SAUDI ARABIA: Thank you, Chairman.

As an observation as regards the company from Saudi Arabia, in Annex 1, it speaks as one of those that have been frozen or suspended, according to the information we have and in coordination with the Secretariat we are aware that Mobilee has taken the necessary decision in order to pay its dues, therefore there's a need to update this Annex.

Thank you, Chairman.

>> CHAIR: Thank you, Saudi Arabia.

I give the floor to Mr. Ba.

>> SECRETARIAT: Thank you, Chairman.

I can confirm that the company has paid their due. As this is an information document where it is mentioned in order to be taken note of we have, of course, updated our files to this effect and Secretariat, the same case is actually true for the company from Iceland, DCN Hub and two from the U.S.A. These companies, they have all paid their dues since the publication of document 14. We did not believe it necessary to offer revision version of this document but at an internal level these four countries are taken off the Annex 1 list.

Thank you.

>> CHAIR: Thank you, Mr. Ba.

It is proposed that the ADM Committee take note of this report and enforce the Recommendations in section 4. The document is noted.

The next item for our consideration at today's meeting is Agenda item 9, ‑‑ I beg your pardon ‑‑ item 10, document C16/47.

A report from the Secretary General on if provisional participation of entities dealing with telecommunication matters and activities of the Union. I would like to ask you to introduce this document.

>> SECRETARIAT: On behalf of the Secretary‑General it is my pleasure to introduce document 47 which reports to the council the names of the entities dealing with telecommunication matters, provisionally included in the list of sector members to participate in the work of the sectors under CB237 and the names of the associates admitted to participate in the a given Study Group. Document 47 invites council to review the request for participation with request to the conformity with council's procedure and it, two, to confirm the action taken by the sec setting general regarding if the emission of 7 entities dealing with telecommunication matters as listed in the Annex. There are five sector members and two associates in the list.

Thank you, Chairman.

>> CHAIR: Thank you, Mr. Clark.

I would like to invite anyone who would like to take the floor on this document to do so now.

I don't see any requests for the floor. I would take note for this document.

And to confirm the action taken about I the Secretary‑General regarding the admission of the seven entities dealing with telecommunication matters as listed in the Annex. The document is approved.

The next item on our Agenda is document C16/9, the report of the Secretary‑General on the annual review of revenue and expenses.

I would like to invite you to introduce this document.

>> SECRETARIAT: Thank you. ladies and gentlemen, Distinguished Delegates, on behalf of the Secretary‑General I have the honor ever introducing document C16/9 on the annual review of the revenue and expenses with the ITU convention number 73 which provides that an annual review of revenue and expenses should be carried out by the council.

The purpose of this document is to report on the status of the implementation of the 2016, 2017biannium budget of the first year, on table one on page 2, you see the effective revenue and expenses on the 22nd of February as stood as such and the estimates for the end of the year. The table shows the total cost recovery is higher than planned and it should compensate for the loss expected with regard to sector members and the reduction of the revenue from interest.

The income will be in line with the budget. Looking to expenses, you can see that as a result the expenses for the union are estimated to be in the budgeted amount so the revenue expenses will be balanced as was forecast and this means that the Council is invited to take note of this document.

Thank you very much, Mr. Chairman.

>> CHAIR: Thank you.

I would like to invite anyone who wishes to take the floor on this to do so.

I don't see any requests for the floor for this document. The ADM Committee is invited to take note of this document.

The next item on our Agenda is the consideration of document C16/46. It is a report by the Secretary‑General on the after service health insurance liability.

I would like to invite Mr. Ba to introduce document C16/46 to the ADM Committee.

>> SECRETARIAT: Thank you, Chairman.

Al ladies and gentlemen, Distinguished Delegates, on behalf of the Secretary‑General I have the honor of introducing document C16/46 containing the report on the ASHI liability, After Service Health Insurance Liability.

This document takes stock of the information with regard to ASHI on the 31st of December, 2015 in accordance with a request which was made in 2014 for the ITU to submit annual reports on ASHI liability and to present proposals with figures to finance part of its liability, also in accordance with Recommendation number 6 of the external auditors report from the 2012 year.

We have gone from a positive account to a negative balance sheet linked to the ASHI liability following the limitations of the accounting standards for the international sector. It has obligation to ‑‑ obligation to take into account future ASHI liability pace, although it's very improbable for this situation to come about, the Union is increasing the fund covered and reducing its obligation. Actions have been taken in order to return to a situation where the health insurance plan would present services in order to ensure coverage which will fund the liability. If in order to optimize the cost containment ITU ended its participation in the staff health insurance fund called SHIF which was created in the ILO and from the first of May, 2014 it has implemented a staff health insurance scream called the ITU collective medical insurance plan.

This plan, which is administered by the ITU, it is based on a contract signed with a company CIGMA and ‑‑ we have the insurer and we have the claim administrator. Actions taken to ensure this, is for the finances long‑term and had strengthening the health insurance method.

It should be noted that the estimate of contributions paid by the ITU and active officials as well as retired officials features every two years in the biannual budget which is presented by the council.

The measures undertaken by the ITU since 2010 pertaining to this coverage hinges on the following points, an increase of contributions. As you know, in the 2014/2015 budget we went ‑‑ we increased the contribution to health insurance from 3.31% to 3.91%, the same thing went for the 2016 and 2017 budget, this has been gone up to 4.7%, creation of CMIP when savings are made, the Secretary‑General seeks to reallocate this surplus through sending it to the insurance fund.

The separation of the policy in 2013, the sum of 3 million, it has been allocated in order to improve the status of the fund.

The years 2013/2014, they ended with a balance in the same way of the council when adopting the budget for 2016/2017 allocated the authorization of the 2 million funds, that's a fund that's now about 9 million Swiss francs, the same as what I said about the new health insurance policy which is dictated by the needs to get a handle on the costs and the system franchises was introduced and the ITU takes an active part in the U.N. Working Group activities which aims at getting a handle on costs and that group is focused on introducing a common system for all of the U.N. organizations and our group is to report in 2018. Here you are, ladies and gentlemen, these are some elements which we have put into place in order to improve the ASHI fund and as I have indicated so in each budgetary period we have tried to introduce the system pay as you go, those are long‑term commitments which the ITU needs to be able to phase and as I have already indicated the number of pensioners, they're higher than those who are in active service. ITU needs to contribute to that actively, it is difficult to reduce the liabilities given the assumptions we have taken into account and the diversification policies in the effort to reduce costs we're hopeful in the future that we'll be able to significantly reduce the size and liabilities.

Thank you very much.

>> CHAIR: Thank you, Mr. Ba.

Now anyone who wishes to speak to this, I invite you to do so.

I thought that there would be perhaps no requests for the floor.

I'll ask the interpreters for an additional 15 minutes.

>> Certainly, Mr. Chairperson.

>> CHAIR: I give the floor to Spain.

>> SPAIN: Thank you, Chairman.

I just would like to thank the Secretariat for this document and especially for the efforts and measures they have taken and what they have done for so.

Time and we believe it is the right approach. We would like to thank the ITU staff for their efforts and contributions to the sustainability of the ITU's finances. We're aware of the difficulties and the challenges faced by the ITU, for example, more retired staff than active staff and we note that the majority of them live in Geneva and this is in addition to a worrying trend with the increase in medical costs, particularly in Geneva more than the budgets and the salary of the staff, this is a trend which is not sustainable in the future and we need to seek new solutions in all probability which will mean containing costs.

We would also like to urge the Secretariat to continue with the efforts to find a fair solution for the ITU in the final repetition of the joint fund of the ITU.

Thank you.

>> CHAIR: Thank you, Spain.

Germany, you have the floor.

>> GERMANY: Thank you.

I cannot look to you, I have to look carefully at my notes.

With regard to this after service health insurance fund the interministerial guideline for financial questions and international organizations, it chapter 4.2, section 147 applies as far as the German government position is to be defined. Unfortunately when this fund was established this guideline has not been taken into account because Germany in other U.N. organizations, they have opposed to the creation of such funds. I won't explain the reasons for this. You should just know it.

As far as the situation is in ITU we do not believe that the fund now can be abolished, we would then request and I think this is realistic that if at all if ITU conditions as in the document of the general Secretariat, to find this ASHI reserve as far as possible with the budgetary surpluses.

Thank you very much, Mr. Chairperson.

>> CHAIR: Thank you, Germany.

Switzerland, you have the floor.

>> SWITZERLAND: Thank you, Mr. Chairman.

I thank also the General Secretariat for the efforts taken and measures put in place.

Switzerland would gravitate towards the same conclusions it as the previous speaker. You would know that this is something with respect to Switzerland has asked the Secretariat to try to have a more long‑term plan in order to improve the situation to balance this. Switzerland is concerned about whether it poses positively, negatively, depending on the actuarial management and that's the management of the situation, it is not easy in any case, at any rate we would like to have a planning meeting in the long‑term, it to have at least estimates as to how we can resolve this issue.

Thank you, Mr. Chairman.

>> CHAIR: Thank you, Switzerland.

I would ask Mr. Ba to comment and to address the questions raised.

You have the floor.

>> SECRETARIAT: Thank you, Mr. Chairman.

As we have indicated, this document aims to identify the measures that the Secretariat has already taken into place or intends to take into place although as you know it is very difficult every year, the actuarial estimates, they change depending on the actuarial assumptions and nevertheless we can state a slight improvement in 2015 as compared to 2014 when we made our ‑‑ when we reported on the financial management and you will see for yourselves that the situation has slightly improved.

The measures that have been put into place or are at the disposal of the general Secretariat to improve the situation is till utilized with the surplus ‑‑ still utilized with the surplus accruing at the end of each financial year as pointed out by the Honorable Delegate of Germany in 2013 and 2014. The situation allowed the general Secretariat made available to millions of Swiss francs to improve the funds and in addition to that, 400,000 has been put in place for 2014/2015. The general Secretariat has also increased health insurance contribution to the 4.27% in the budget and also we have put into place when we left the collective insurance in favor of the Sigma system and introduced that system and franchises making it possible to bring down the costs, those pensioners and those in active service, they use a different system for medical expenses with the view to reduce the costs as pointed out by the Honorable Delegate of Spain many around Geneva, Europe, the medical costs, they're very high compared to other organizations with staff in regional offices much more numerous and they show the costs that are lower and so ITU is trying to put into place long‑term plans and mechanisms that are difficult to put in place. We try to approach the ASHI liabilities using the joint platforms of the United Nations that are very active from the U.N. group that wishes, for example, to introduce common estimates for the entire U.N. system and we try to see if we could have a common pension fund for common health insurance fund just as we have a common pension fund and then we could reduce the liabilities on the part of each U.N. organization taken separately. This is a track along witch the Secretariat is proceeding and I expect a detailed report from the United Nations General Assembly in 2018. We take on board all Recommendations, but this is a very complicated field.

Thank you.

>> CHAIR: Thank you.

Bulgaria, you have the floor.

>> BULGARIA: Thank you very much, Mr. Chairman.

We would like to thank you for the presentation of the situation and we have to like to state that we're supporting the notions of Spain and Germany for every effort to be made to balance the ASHI liability funds. One technical correction I would like to offer now, once we speak other than English language and then the things appear on the screen, SIGNA, that's the company separating for the health insurance of ITU staff, on the screen it appears as Greek letter Sigma. Please avoid this mistake anymore.

Thank you.

>> CHAIR: Thank you, Bulgaria.

Yes. Indeed, when recapturing that, there are ‑‑ it is helpful, it has been helping us.

Given the comments from the Secretariat, I suggest that we take this document 16/46, we take note ‑‑ we have taken note of it.

With that, I suggest that we adjourn our session. I thank you very much. I would like to remind you that the Steering Committee will have a meeting now in Room A and we'll resume our work tomorrow.

Thank you very much and good night.

(17:46).

\*\*\*

This text is being provided in a rough‑draft Format. Communication Access Realtime Translation (CART) or captioning are provided in order to facilitate communication accessibility and may not be a totally verbatim record of the proceedings.

\*\*\*