

Report of the  
High Level Committee  
to review the  
structure and functioning  
of the  
International  
Telecommunication  
Union (ITU)

# **TOMORROW'S ITU: The Challenges of Change**

Geneva, April 1991



INTERNATIONAL  
TELECOMMUNICATION  
UNION



**REPORT OF THE HIGH LEVEL COMMITTEE  
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**THE CHALLENGES OF CHANGE**



**Dedication  
to  
POUL HANSEN**

Mr. Hansen became ill during our fourth session and passed away in March 1991. As Chairman of the Advisory Group on the Changing Telecommunication Environment, and as a valued and forward-looking member of our Committee, he led the way in identifying the issues, in challenging us to address them, and in stimulating change in the ITU.

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## I. SUMMARY

1. The world of telecommunications is undergoing rapid change in technology, in the creative and world-wide application of that technology, and in its immensely varied commercial applications. The information and telecommunications revolution - almost a cliché in the hands of writers and analysts - is a daily practical reality in the work of the ITU. The ITU remains unique and irreplaceable as an intergovernmental organization, both in its leading role in the global information economy and society and in the manner in which it addresses the needs of developing countries and engages the private sector in its work as part of the wider ITU family.
2. Our Recommendations aim to help the ITU to meet the challenges of change and to continue to play its leading role in world telecommunications. Our principal recommendations are as follows.
3. The ITU should not seek to broaden or change its overall mandate, but should play a stronger and more catalytic role in stimulating and coordinating co-operation between the increasing number of bodies concerned with telecommunications. It should also recognize the growth of regional bodies and develop with them relationships which retain the ITU's primary role but allow for necessary, complementary activities.
4. The supreme body should remain the Plenipotentiary Conference, meeting every four years. It should be supported by the Administrative Council, to be renamed ITU Council, playing a broader and more strategic role.
5. The substantive work of the ITU should be organized in three Sectors: Development, Standardization and Radiocommunication. The Standardization Sector should include the current work of the International Telegraph and Telephone Consultative Committee (CCITT) and some standardization work currently done by the International Radio Consultative Committee (CCIR). The Radiocommunication Sector should include most of the current CCIR work and that of the International Frequency Registration Board (IFRB) and its specialized secretariat. The division of responsibilities between the Standardization and Radiocommunication Sectors will be kept under review and adjusted when necessary to meet changing needs and to ensure efficiency. The Development Sector should encompass the current work of the Telecommunications Development Bureau (BDT). The distinct functions originally envisaged for the Centre for Telecommunications Development should be integrated into the BDT.
6. The current full-time five-member IFRB should be replaced by a part-time nine-member Radio Regulations Board.
7. For each Sector, the supreme body should be a World Conference, supported by Study/Working Groups. World Conferences should be held between Plenipotentiary Conferences, in a regular cycle, to promote more effective planning.
8. For each Sector, elected Directors should head Bureaus at ITU headquarters. They should also chair Advisory bodies which, according to the needs of the Sector, should review its strategies, priorities and activities and help ensure coordination of work and adaptation between conferences to changing needs and circumstances.
9. Each Sector should have its own budget, with all costs and revenues clearly identified, to ensure that all costs are assigned to the appropriate "end user" Sector.

10. The Secretary-General is the chief officer of the Union, with a key role in strategic planning, management and coordination. This role should be strengthened. He should be supported by a new Strategic Policy and Planning Unit, reporting to him but serving the needs of all Sectors. He is also encouraged to set up a Business Advisory Forum through which he can conduct a dialogue with business leaders.

11. At the same time, and supported by improved management systems, he should delegate responsibility to Directors for the management of their budgets and staff, within agreed parameters. The Coordination Committee should play a stronger collegial role in conducting and managing activities.

12. Specific improvements should be made in the internal management of ITU headquarters, in the fields of finance, personnel and information systems. The primary aims are to: improve strategic planning and provide more effective financial, personnel and information management; promote, within this improved framework, delegation of responsibility, greater co-operation between staff and greater exercise of initiative; and, importantly, enable the staff more fully to realize their potential within a well managed organization.

13. Our Recommendations seek to encourage greater participation by all those who have important interests in ITU activities. The ITU is an intergovernmental organization and Members are States represented by Administrations. But it exists to meet a wide range of interests: to facilitate provision of services to end users by operators, service providers and equipment manufacturers; and to assure effective use of the radio-frequency spectrum by all users. Non-Member participants also make a great contribution to its work. Their even greater participation should be encouraged.

14. Our Recommendations will increase some costs, but also lead to savings. With effective implementation, changes in the culture of the organization and the goodwill and support of the staff, we believe that the cumulative impact will have a positive effect on the finances of the ITU and will enhance performance. We have no doubt that the quality and dedication of all who work in the Union will ensure that the ITU does respond to the challenges of change.

15. Our proposals for implementing our Recommendations are in Chapter VII. It is vital that the ITU not lose momentum in taking action on this report and in implementing its Recommendations. Any delay will weaken the ITU's capacity to respond to the rapidly changing telecommunication environment.

## II. INTRODUCTION

1.1 At its last Plenipotentiary Conference (Nice, 1989), the ITU decided in Resolution No. 55 that a High Level Committee (H.L.C.) should be established to recommend, on the basis of an in-depth review of the structure and functioning of the Union, measures to enable the ITU to respond effectively to the challenges of the changing telecommunication environment. At its Extraordinary Session in November 1989, the ITU Administrative Council in Resolution No. 990 set out the detailed tasks to be carried out by the H.L.C. and selected 21 Member States to designate representatives to serve on the Committee.

1.2 For those of us honoured by our Administrations by being chosen as Members of the H.L.C. (Annex 1), it has been a daunting but rewarding experience. There were times when we wondered whether it would be possible to do the job in the relatively short time available, particularly considering that all of us have other responsibilities. By working together as members of a dynamic team, however, we have completed our work on schedule.

1.3 Our five main working sessions were held at ITU headquarters in Geneva. At our first session (22-26 January 1990), we concentrated on organizing our work. We chose Mr. G. Warren (Canada) as Chairman, and Mr. A. Boussaid (Algeria) as Vice-Chairman. We appointed Mr. D. Schuster of the General Secretariat as our Secretary.

1.4 At our first session, and with additions at later sessions, we designated the following rapporteurs, from among our members, to coordinate our analysis of each of the principal subjects to be reviewed:

<u>Task</u>	<u>Subject</u>	<u>Rapporteur</u>	
1	Standardization	Mr. G. Hams	(Australia)
2	Regulation		
	a) Radiocommunication	Mr. I. Stojanovic	(Yugoslavia)
	b) Telecommunication Services	Mr. M. Toutan	(France)
3	Development	Mr. S. Regueros Mr. S. Pinheiro	(Colombia) (Brazil)
4	ITU Conferences	Mr. A. Berrada	(Morocco)
5	General Secretariat	Mr. M. Dandato Mr. A. Boussaid	(Zimbabwe) (Algeria)
6	Impact of Changing Telecommunication Environment	Mr. P. Hansen Mr. J. Parapak	(Denmark) (Indonesia)
7	Improved Financial and Personnel Management and Use of Information Technology	Mr. G. Helman	(U.S.A.)

1.5 At our second session (7-16 May 1990), we had the benefit of oral presentations from the Secretary-General and the other ITU elected officials, followed by useful dialogues. Our rapporteurs then presented interim analyses of the first six tasks based on contributions forwarded since the first session by H.L.C. members and other contributors. After an exchange of views on each task, a consolidated list was drawn up of the most significant issues that would be reviewed in detail under each task.

1.6 Our progress report, containing the consolidated list of issues, was considered by the Administrative Council in June 1990. This report was then circulated widely by the Secretary-General, with a request for suggestions and comments, to Administrations, Recognized Private Operating Agencies (RPOAs), Scientific or Industrial Organizations (SIOs), interested intergovernmental organizations and operating agencies, and the ITU Staff Council.

1.7 We also explained the procedures we had followed for selecting a recommended consultant. The Administrative Council approved our recommendation to authorize the Secretary-General to hire Booz, Allen & Hamilton as consultants to make recommendations to the H.L.C. on task 7 (Improved Financial and Personnel Management and Use of Information Technology).

1.8 At the invitation of Mr. P. Hansen and the Danish Administration, the H.L.C. held a special informal meeting 19-21 September 1990 in Copenhagen to consider the impact of the changing telecommunication environment on the ITU (task 6). At our first session we had asked ourselves whether it was necessary to devote a separate task, and to designate co-rapporteurs, to this general subject since, under each of the other tasks, we would certainly be analysing the impact of the changing telecommunication environment. In Copenhagen, under the chairmanship of Mr. Hansen, we realized that we had, indeed, been wise.

1.9 Our general and detailed discussion over the three days in Copenhagen forced us to analyse the ITU's role and specific activities from a broad (a truly "High Level") perspective. It was in Copenhagen that we discovered that the vision of the Secretary-General, after ten months on the job, was along lines compatible with our own. The creative dialogue in Copenhagen, in this way, put into play ideas for adaptation and change that we were able to consider in detail and approve at our later formal sessions.

1.10 At our third session (19-30 November 1990), we heard oral presentations from, and exchanged views with, officials of the European Telecommunications Standards Institute (ETSI), International Telecommunications Users Group (INTUG), Centre for Telecommunications Development (CTD) and the ITU's Executive Director of TELECOMs. Guided by our rapporteurs, we then gave in-depth consideration to the issues under tasks 1 (Standardization), 2 (Regulation) and 6 (Changing Telecommunication Environment), and less comprehensive consideration to the issues under tasks 3 (Development), 4 (ITU Conferences) and 5 (General Secretariat). We also considered the interim report of our consultants on task 7 (Improved Financial and Personnel Management and Use of Information Technology). Our second progress report, which we approved at our third session, was given wide circulation by the Secretary-General.

1.11 Our work was then advanced by two special informal meetings held in Geneva, the first (11-12 February 1991) dealing with task 1 (Standardization) and the second (13-15 February 1991), dealing with task 3 (Development), during which we benefited from the experience of Mr. B. Wellenius, Principal Telecommunications Specialist of The World Bank. These special meetings were followed by our fourth session (18 February-1 March 1991), during which we gave in-depth consideration to the Final Report of our consultants under task 7, to our rapporteur's reports under tasks 4 and 5, and to our conclusions and recommendations under all tasks. Our consideration of the issues of improved personnel management was facilitated by our dialogue with the ITU Staff Council.

1.12 During our fifth session (18-26 April 1991), we approved the details of our Final Report on the basis of a draft circulated in advance by our Chairman. Mr. M. Morris (U.K.) served as our general rapporteur.

1.13 In our work we have received the full co-operation of the Secretary-General, other elected officials and ITU staff. We have sought comments and ideas as widely as possible and have tried to work transparently. We are grateful that, in addition to the 24 written contributions received from H.L.C. members, we received 69 written contributions from 38 Administrations, 12 from other international organizations or agencies, and 31 from the Staff Council and individual staff members. In addition to the oral presentations noted above, Mr. J. Voge, of the French Ministry of Posts, Telecommunications and Space, gave us his perspective on the changes the Union will have to face.

1.14 We, the 21 members of the H.L.C., represent a cross-section of the membership of the ITU. Our members have drawn from a variety of personal experience, including detailed knowledge of ITU activities, expertise in modern management techniques and strategic planning, and involvement in the broader questions of the UN system and multilateralism. We are proud that we have been able to reach a consensus on recommendations which, if adopted, should ensure that the ITU will continue to adapt itself to play the dynamic and vital role needed to meet the challenges of the years ahead. We trust that the mutual respect and spirit of give-and-take, which characterized our work and which animates the whole ITU family, will lead to the approval and timely implementation of our main recommendations.

1.15 We have tried to keep our sights "high" but our feet planted firmly on the ground. In this spirit, we offer our recommendations for endorsement.

### **III. IMPACT ON THE ITU OF THE CHANGING TELECOMMUNICATION ENVIRONMENT**

1.1 The ITU, the UN Specialized Agency responsible for international telecommunications, is the oldest existing intergovernmental organization. Since 1865 it has been adapting itself progressively to a changing environment. Its 164 Member Administrations, and the much wider network that forms the ITU family, are proud of the ITU's record of achievement in keeping pace with technological change.

1.2 It will be impossible for the ITU to sustain this record, however, unless it adapts itself quickly to respond on a continuing basis to the accelerating currents of change. Most main actors in the telecommunications sector, not just the ITU, are reviewing their roles and strategies. Our own review of the role of the ITU has confirmed that it is more important than ever for the ITU to remain the pre-eminent organization in the coordination of international telecommunications. But to ensure that this key role remains true in practice, not just in theory, will require creativity, dedication and flexibility. We offer our analysis and recommendations as a forward step in this direction.

1.3 Over the period since the 1979 General World Administrative Conference (WARC) and the 1982 Nairobi Plenipotentiary Conference, the ITU family has been struggling to keep up with an accelerating pace of change in an ever more complex environment.

1.4 The analysis and recommendations contained in the 1985 Report of the Maitland Commission ("The Missing Link"), which were endorsed in the Arusha Declaration on World Telecommunications Development, have been important in sensitizing the international community to the inextricable link between telecommunications and development. However, the ITU's Centre for Telecommunications Development (CTD) has not been able to play a sufficiently distinct catalytic role, as envisaged by the Maitland Commission, in mobilizing action and resources for telecommunications development.

1.5 Between Nairobi and Nice, the site of the 1989 Plenipotentiary Conference, there were, in addition to regular TELECOM exhibitions and associated policy fora and the heavy schedule of CCITT and CCIR meetings, four World Administrative Radio Conferences (in six sessions) and nine Regional Administrative Radio Conferences (in twelve sessions). Indeed, starting in the second half of 1988, the ITU went through the busiest year in its long history, the highlights being the second session of the ORB-88 WARC, the first World Administrative Telegraph and Telephone Conference (WATTC) since 1973, and the culmination, the Nice Plenipotentiary Conference.

1.6 It became clear during this period that the ITU practice - of achieving "consensus by exhaustion" in final marathon sessions - would be inadequate to sustain the ITU in the even more complex environment of the future. In fact, the success of the WATTC, which was exploring the grey areas between technical regulation and trade and commercial considerations, was in serious doubt until the last minutes.

1.7 Leading up to Nice, the case for the ITU to broaden its perspective and adapt itself was articulated clearly, and in balanced fashion, in the February 1989 Report of the Secretary-General's Advisory Group on the Changing Telecommunication Environment, chaired by H.L.C. member Poul Hansen. At Nice, the Plenipotentiary Conference, in Resolution No.14, commended the Hansen Report and called upon the ITU to analyse the impact of the changing telecommunication environment on the Union's role and to continue to adapt itself to meet the challenges of this environment.

1.8 At Nice the retiring Secretary-General, Mr. Richard Butler, and a number of Member States believed that the impact of the changing telecommunication environment required the immediate approval of comprehensive changes to ITU structures. It was possible to reach consensus in Nice on upgrading the ITU Development function to the level of its Standardization and Regulation functions, namely by converting the Technical Cooperation Department (TCD) of the General Secretariat into the Telecommunications Development Bureau (BDT), to be headed by a Director to be elected at the next Plenipotentiary Conference. It was decided, however, to base further structural changes upon a consideration of the H.L.C.'s analysis and recommendations.

1.9 What are the main changes in the telecommunication environment which will have a crucial impact on the ITU's role as we move toward the 21st century?

## 2. Globalization

2.1 With the accelerating globalization of telecommunication networks and services, and new international alliances being forged in the telecommunications sector, national borders are becoming less and less relevant to telecommunications. It will become increasingly difficult to draw a line between a Member State's national and international telecommunication policies. It was in this context that, in Resolution No.14, the Nice Plenipotentiary Conference called upon the ITU to:

"5. assist Members to analyse the impact and challenges of the changing telecommunication environment on national telecommunication structures and policies, and encourage Members to exchange information, or sources of information, on the range of options available to enable them to adapt their telecommunication policies and structures".

## 3. Pace of Technological Change

3.1 One of the most dynamic forces for change is the convergence of telecommunication, computer, broadcasting and information technologies to create an expanding number of new value-added and integrated communication services. This has created a demand for open global networks capable of simultaneously transmitting voice, data and images to multi-purpose terminals.

3.2 The ITU's roles in standardization, regulation and development must be streamlined to keep up with this pace of change. If the ITU mechanisms tend to restrain promising new technologies, the ITU will be by-passed. Analysis of the impact of changes on the ITU's role, and adaptation of the ITU to accommodate significant changes, must be part of an on-going process of strategic planning and not the subject of a one-shot review every few years.

3.3 The pace of technological change and convergence of technologies also means that ITU activities must be restructured, with clear objectives for each Sector, transparency of costs and budgets, and clear accountability. ITU staff should have the opportunity to keep up-to-date, be enriched regularly by the infusion of fresh talents, and work as a team horizontally across the ITU's vertical sectors.

## 4. Information Economy and Society

4.1 Telecommunications is not just a dynamic sector in its own right. It is now recognized as a key technology underlying the whole global information economy and society, with important implications for political, economic, social and cultural development. The importance of telecommunications to economic viability and competitiveness is leading to its inclusion in bilateral, regional and multilateral trade agreements.

4.2 The ITU obviously has "a" leading role to play in facilitating intergovernmental co-operation to deal with the broader issues of the global information economy and society. It cannot, however, be expected to play "the" leading role since no single international organization has, or could effectively have, that broad a mandate.

4.3 As the discussion of trade in telecommunication services in the current Uruguay Round of the Multilateral Trade Negotiations (MTN) is showing, it is difficult to draw a clear dividing line between the technical aspects of telecommunications and its wider economic and trade policy implications. This means that the ITU and the GATT will have to continue to work co-operatively together.

4.4 The UN Committee on Information, whose annual report is considered by the UN General Assembly, is supposed to maintain an overview on information issues within the UN system. It has not, however, played any real integrating function.

4.5 In the development area, the ITU must interact with a network of international, regional and bilateral financial and development agencies.

4.6 UNESCO has complementary responsibilities in facilitating international co-operation and development in the areas of communication (meaning the mass media). Its International Programme for the Development of Communication (IPDC), however, has faced the same problems as the ITU - the ability to attract only limited voluntary contributions in the face of the vast requirements of developing countries.

4.7 In the field of space communications, the work of the ITU and the UN Committee on the Peaceful Uses of Outer Space are mutually reinforcing.

4.8 Important policy issues concerning the global information economy and society are discussed within the OECD's Committee on Information, Computers and Communications Policy (ICCP). But this forum is restricted to its developed country members.

REC 1 4.9 Faced with this network of intergovernmental organizations, we considered the possibility of recommending a consolidation of mandates and structures at the intergovernmental level. We concluded, however, that this would be impossible to implement. **We recommend that the ITU play a leading role by working co-operatively, more strategically, and in a more systematic manner, with other intergovernmental and non-governmental organizations to ensure that, at the international level, a more comprehensive approach be taken to the broader issues of the global information economy and society.** In this recommendation, we share the perspective which led the Nice Plenipotentiary Conference, in Resolution No.14, to call upon the ITU to:

"6. make its role in coordinating international telecommunications even more effective by:

6.1 - strengthening its cooperation, on subjects of mutual interest concerning telecommunications, with other United Nations organizations such as UNESCO and UNCTAD, with other international organizations having a specific relationship with the United Nations such as the GATT, with other multilateral organizations such as the OECD, with regional and subregional telecommunications organizations and the United Nations regional economic commissions, with regional and sub-regional broadcasting organizations, and with the principal non-governmental international organizations and institutes and academic institutions concerned with telecommunications."

## 5. Rising Importance of Regional Organizations

5.1 The past few years have witnessed the growing importance of regional organizations concerned with such key telecommunications issues as policy harmonization and strategic planning, infrastructure development, standardization, and research and development. This regional impact will probably intensify. How will this affect the ITU's role as the principal intergovernmental organization responsible for coordinating international telecommunications?

REC 2 5.2 All regional organizations take the position that it is in their own interest that the ITU continue to play a pre-eminent role in international telecommunications. **To enable the ITU to play this role in practice, however, we recommend that the ITU should sharpen its focus in its main areas of activity, achieve more timely results, and work in a co-operative fashion, and more strategically, with the main regional organizations.** If it does not do this, the ITU may be increasingly by-passed.

REC 3 5.3 The ITU already co-operates with a number of regional telecommunication organizations who, *inter alia*, facilitate regional preparations for major ITU activities. **We recommend that co-operation with regional organizations should be improved. The ITU family should also be broadened to include closer links with regional development and financial institutions, telecommunications users organizations, and broadcasting organizations.** This strengthening of co-operation was emphasized in Nice Resolution No.14.

5.4 The increasing impact of regionalization on the ITU's role is perhaps best illustrated by the comprehensive initiatives being taken by European Community countries and more widely in Europe to achieve a common telecommunications policy and by the expansion of the membership of CEPT and ETSI to include more European countries. In this context, a positive initiative has been the informal dialogue, begun in Fredericksburg, Virginia in February 1990, to ensure that the ITU's CCITT/CCIR and the main regional standards organizations (ETSI, U.S. T1, Japanese TTC) work more effectively together and with other standards bodies with mutual interests such as ISO and IEC. This dialogue should be broadened and incorporated in the ITU's normal standardization planning process (see Chapter V § 6.2).

## 6. The Development Gap

6.1 Thanks to the work of the ITU and the Maitland Commission, there is a growing recognition of the pivotal role which telecommunications can play in all major areas of development. There is also enormous goodwill, among the members of the wider ITU family, that can be tapped to ensure that telecommunications realizes its potential.

6.2 The reality, however, is that the telecommunication requirements of developing countries are immense, but the technical and development resources allocated to telecommunications development are limited. Moreover, at present, multilateral agencies are the source of only about 5% of telecommunications investment in the developing world, with bilateral and commercial arrangements accounting for about 25%, and internal generation of funds accounting for the lion's share of about 60%. The Centre for Telecommunications Development (CTD) has had limited success in mobilizing additional resources for development projects. These figures relate to developing countries as a whole; they vary from one group of countries to another.

REC 4 6.3 If telecommunications is going to be a positive force in fostering development, rather than having the unintended result of perpetuating gaps, the ITU will have to sharpen its focus. **We recommend that the ITU should play a more clearly-defined catalytic role, as envisaged in Nice Resolution No.14, by working co-operatively with international, regional and bilateral development and financial agencies, and by presenting to developing countries the range of policy and structural options that will generate greater resources for telecommunications development.**

## 7. The ITU Family is Growing

7.1 The ITU family has traditionally been composed of national telecommunications Administrations, Recognized Private Operating Agencies (RPOAs) and Scientific or Industrial Organizations (SIOs). But with an accelerating trend in the provision of telecommunications services toward liberalization, privatization, de-regulation and re-regulation, and the development of new value-added and integrated communication services, the ITU family is growing to include many new actors with important telecommunications interests. These include governmental and private sector commercial operating agencies, business users and other groups representing specialized users, multilateral and regional telecommunications operating agencies, regional and national broadcasting organizations, and international, regional and bilateral development and financial institutions.

7.2 In recent years the ITU has made a good start in broadening its perspective to meet the interests of this wider group. Looking outwards, for example, it has broadened the scope of policy fora held at ITU TELECOMs, by sponsoring ITU-COM 89 dealing with new media services, and by co-operating in USERCOM. But the participation of this wider group must be enhanced in the most important relevant activities of the ITU.

7.3 As regards the ITU itself, it is and should remain an intergovernmental organization whose Members are states. But it directly serves a wide range of interests. Non-Member participants make a massive contribution to its work. The number, and interest in ITU work, of such participants are growing. They are categorized in a number of groups, with different rights and obligations. We have considered two questions - how to encourage greater participation and whether conditions of participation can be rationalized.

7.4 Many of our recommendations, taken together, should help to encourage greater participation. If the ITU itself becomes more responsive to change and to the needs of all members of the ITU family, this in itself will provide the greatest encouragement. More specific measures include: the greater clarity of responsibilities and transparency of budgets and costs, which will show more clearly how contributions are spent; the participation of business representatives in the Business Advisory Forum and in important Advisory bodies for each Sector; and the retention, in the future Sector conferences, of committees open to all Study Group participants.

7.5 We also made an initial review of the different categories and conditions of participation. There is likely to be scope for simplifying these arrangements. However, the matter is complex and cannot be settled quickly. Final decisions will also be affected by decisions of Council and of the Plenipotentiary Conference on our recommendations affecting the structure of the ITU; and they should take account of the views of the participants themselves. In the meantime, the present arrangements have provided sufficient flexibility for the admission of a wide variety of new participants. We have no doubt that the Council will be able to take advantage of them in facing new requests in the short term. **We recommend that the Council should initiate a review of the categories, conditions, rights and obligations of non-Member participants.**

REC 5

7.6 We recognized the importance of intergovernmental organizations operating satellite systems in associating countries in space activities. However, their present status prevents them attending all meetings. **We, therefore, recommend that these organizations be given a status similar to that of Regional Telecommunication Organizations.** As a provisional solution to this problem, until such time as new rules are established, the Council could, by consulting Members if necessary, approve a Resolution whereby intergovernmental organizations operating satellite systems are provisionally treated as Regional Telecommunication Organizations for the purposes of their participation in ITU activities.

REC 6

#### **IV. FUTURE STRUCTURE AND FUNCTIONING OF THE UNION**

1.1 The H.L.C. believes that the statement of purposes of the Union (Article 1 of the Nice Constitution) is sufficiently flexible to enable the ITU to respond to the changing telecommunication environment. The H.L.C. examined a number of proposals for alternative institutional arrangements to fulfil the purposes of the Union, but concluded that the optimum organization can be achieved with a limited, yet significant, number of changes to the existing structure and functioning.

#### **2. Federal structure**

2.1 The federal structure has served the ITU and its Members well over the years. However, if the Union is to keep up with the pace of technological change, improve its effectiveness and make the most efficient use of resources within the federal structure, the Sectors must co-operate closely and the Directors must work together as a management team under the leadership of the Secretary-General.

REC 7 2.2 ***We recommend that the ITU's main functional activities be grouped into the following three vertical Sectors: Development, Standardization and Radiocommunication.*** Each Sector should include: its own Conference, open to all Members, supported by Study and Working Groups; an elected Director, heading a Secretariat (which we recommend should be called Bureau); and an Advisory Board or Committee. Standardization should include the standardization activities of the CCITT and some of the activities of the CCIR. Radiocommunication should include the remaining work of the CCIR and the present activities of the IFRB; an elected Director should manage a Bureau supporting both activities; key decisions in the IFRB field should be referred to a part-time Board. Development would include the Telecommunications Development Bureau (BDT) into which would be integrated the distinct functions originally envisaged for the Centre for Telecommunications Development (CTD). The vertical structure, functions and activities of each Sector are described in Chapter V.

2.3 As foreseen in the Nice Constitution, the functional Sectors should have equal status. Under the enhanced management system proposed by the H.L.C., each Director would assume greater delegated responsibility and accountability for the deployment of financial and human resources.

#### **3. New features of the federal structure**

3.1 The H.L.C. considers that this increased vertical responsibility and accountability must be balanced by reinforcing the horizontal mechanisms to enable the Secretary-General, as head of the ITU management team, to carry out his responsibility for overall management of the Union and coordination of all ITU activities. This could be facilitated in the following ways.

3.2 Strategic Policy and Planning Unit - Nice Resolution No. 14 calls upon the ITU, *inter alia*, to analyse the impact and challenges of the changing environment, take them into account in its work, stimulate a broad multidisciplinary approach to telecommunications policy issues, and assist Members to react to the changing environment. The ITU must become more forward-looking in planning its activities and adapting its work programmes and policies to a rapidly changing environment. ***We, therefore, recommend that a Strategic Policy and Planning Unit be set up in the Office of the Secretary-General.***

REC 8

3.2.1 Overall responsibility for strategic policy and planning lies with the Members, who should exercise it in Plenipotentiary Conferences and Sector Conferences, and as Members of the Administrative Council. At ITU headquarters, responsibility for strategic policy and planning should rest with the Secretary-General with the advice and assistance of the Coordination Committee. The Secretary-General will prepare reports and recommendations for consideration by the Council.

3.2.2 The Strategic Policy and Planning Unit should identify changing trends in the environment and analyse the implications for the ITU. On the basis of this analysis, the Unit would develop options, proposals and plans for the Secretary-General and the Coordination Committee relating to the purposes of the Union as a whole and the policies, actions, changes and adaptations needed to achieve them. Its responsibilities would include helping to determine priorities for the use of scarce resources, co-operating with the Directors of the Bureaus and the Finance Department in the preparation of the Strategic Budget, assisting in developing a coherent framework for managing the ITU's external relations, and assisting the Secretary-General in ensuring the optimum overall effectiveness of ITU headquarters and of relations (including information exchange) between the headquarters and Members. The Unit would have input from each Sector via the Coordination Committee and by working collegially with the focal points responsible in each Sector for strategic policy and planning. ***We recommend that the Head of the Strategic Policy and Planning Unit should be closely associated with the Coordination Committee, perhaps serving as Secretary of this Committee.***

REC 9

3.3 ***We also recommend that within the Strategic Policy and Planning Unit there should be an Operation Analysis function to identify opportunities for operational improvements and assist the Secretary-General and the Coordination Committee in implementing an integrated management structure.***

REC 10

3.4 Enhanced TELECOM Fora - Since the first TELECOM exhibition was held in 1971, these events have been broadened to include fora and seminars on policy, technical and legal issues, with an emphasis on analysis of future developments. Regional TELECOMs, designed to focus on regional concerns, have been added to the four-year TELECOMs in Geneva and, in bringing the ITU closer to its Members, have been useful in heightening awareness of the importance of telecommunications and ITU activities. Specialized TELECOMs, such as ITU-COM 89 with its focus on new media, are an important venue for discussion of emerging priority themes, issues and technologies and for testing out new ideas. The increasingly competitive situation and the growing needs of the Members lead to the need for continuous improvement in the management and overall efficiency of the TELECOM activities.

REC 11 3.4.1 **We recommend** that the TELECOM activities be enhanced.

Specific recommendations are:

- i) TELECOMs should be identified as a separate activity, but one supporting the main purposes of the Union;
- ii) they should be run profitably or at least without loss. Costs and income should be clearly identified. The Council should decide on the use to be made of any surplus, or funding of a loss;
- iii) a constructive dialogue with the exhibitors should be maintained to ensure the success of TELECOMs;
- iv) regional TELECOMs should be held in conjunction with Regional Development Conferences where feasible. Development issues will be very relevant to most regional TELECOMs. This will help to promote attendance at both and help funding of the development conferences;
- v) TELECOM activities should be organized by a department in the General Secretariat. It should work collegially with the Strategic Policy and Planning Unit and the other functional Bureaus;
- vi) in addition, the Secretary-General should be assisted by a Board containing appropriate representatives from ITU headquarters and impartial expertise from outside the ITU.

REC 12 3.5 **Business Advisory Forum** - **We recommend** that the Secretary-General establish a Business Advisory Forum composed of chief executive officers or comparable top management representatives to give him the views of the private sector on the telecommunication environment and how, in the light of the changing environment, the ITU's principal activities can be carried out effectively. Although the Forum would be formed at the discretion of the Secretary-General and should be informal, it is expected that it would meet yearly and that its discussions and ideas would be an important input to the Strategic Policy and Planning Unit and to the ITU's functional Sectors.

REC 13 3.6 **Coordination Committee** - An effective Coordination Committee plays a key role in the operation of the Union. **We recommend** that the Coordination Committee should be chaired by the Secretary-General and also include the Deputy Secretary-General and Directors of the three Bureaus. It should operate as an internal management team to ensure the effective and efficient functioning of the Union. Although priorities should be set within each functional Sector, matters that cut across the functions should be coordinated in the Committee. The effectiveness of the Coordination Committee will be strengthened by the analysis of the Strategic Policy and Planning Unit and by the implementation of the improved management practices outlined in Chapter VI.

#### 4. ITU Conferences

4.1 The Committee considered a number of proposals to facilitate the more efficient management of Conferences, including proposals to limit the duration of statements by Heads of Delegation as practiced in some international organizations, and deadlines for the submission of proposals. The H.L.C asked the Secretary-General to consider ways of managing more efficiently the time during major conferences. The Secretary-General, acting under No. 85 of the Nice Convention, could make specific recommendations, in advance to Members, on how to facilitate the most efficient use of time, for consideration and approval by Heads of Delegation at the beginning of major conferences (including a possible time limit for statements by Heads of Delegation, with full texts being circulated).

REC 14 4.2 The Plenipotentiary Conference remains the supreme body of the Union. It is the highest forum to approve changes which are necessary to adapt the ITU to the changing environment. To keep up with the pace of change, **we recommend a set interval of four years between Plenipotentiary Conferences. This would enable future Plenipotentiary Conferences to be of shorter duration and to focus on longer-term policy issues.**

4.3 Beneath the Plenipotentiary Conference in the ITU structure are the Conferences of the functional Sectors: World and Regional Radiocommunication Conferences, World Standardization Conferences, World and Regional Development Conferences, and World Administrative Telecommunications Conferences if one is required in future. These conferences are considered in Chapter V. To permit the ITU to be able to respond to the requirements of the rapidly changing environment and to allow for the better management and use of the resources required for the preparation of and assistance in conferences, we recommend a regular four-year cycle of conferences:

- one Plenipotentiary Conference;
- two Radiocommunication Conferences separated by a two-year interval;
- one Standardization Conference and, if considered necessary by the Council, a second one at the two-year point in the cycle;
- one World Development Conference, Regional Development Conferences being scheduled by the Council as appropriate.

4.4 The public and press have a legitimate interest in the main activities of the Union. It is in the ITU's interest that its activities should be well known and understood. The general practice of the United Nations itself and of its agencies is that intergovernmental meetings are normally open. ITU practice is more restricted. It is preferable that the press be fully informed by attendance at meetings and by ITU briefings, than through informal, incomplete and perhaps partisan contacts. The same considerations do not apply to all meetings at all levels. Some ITU meetings, for example, are not open to all Members, and many Study Groups could not operate effectively if they were open. The public and press would, of course, have no right to speak at meetings.

REC 15 **We recommend that:**

- i) **conferences should normally be open to the public and other meetings should normally not be open;**
- ii) **conferences and meetings should themselves decide if exceptions to i) should be made for all or part of any meeting;**
- iii) **the ITU should ensure that the press and media are kept well informed of its activities.**

## 5. Council

REC 16 5.1 Discussions concerning the Administrative Council focused mainly on the need to upgrade the level and scope of analysis by the Council. ***We recommend that the name of the Administrative Council be changed simply to the ITU Council, to reflect a broader role of Council beyond administrative matters.***

5.2 The Council should retain its essential function to act for the Plenipotentiary Conference in the interval between conferences. It should maintain its supervisory role for the overall management and administration (financial, personnel and information technology) of the Union, such as an oversight of resource levels established by the Plenipotentiary Conference and approval of the consolidated budget of the Union. The Council should, in this capacity, continue to be the link between the activities of each Sector and the Plenipotentiary Conference. With the improved management practices outlined in Chapter VI, particularly those relating to transparency of cost allocations and budgetary controls, we also see scope for the Council to delegate to the Secretary-General, and in turn to Bureau Directors, more responsibility for the management of resource ceilings and budgets and related administrative matters.

REC 17 5.3 ***We recommend that Council should focus more of its attention on broad policy issues. In the changing telecommunication environment, the Council should be empowered to adapt the policies and decisions approved at the Plenipotentiary Conference within the limits defined by the Constitution and Convention and specific guidelines set from time to time by Plenipotentiary Conferences. Article 3 of the Nice Convention should be reviewed to state in more general terms the duties of the Council.***

REC 18 ***We also recommend that, when adopting the two-year budget and considering the Union's four-year strategic plan (see Chapter VI), the Council should review the Secretary-General's annual report on the policy and strategy of the Union and take appropriate decisions on questions raised in the report. The Council may consider, in this respect, the setting up of special committees of the Council.***

## 6. Elections

REC 19 6.1 ***We recommend that the Plenipotentiary Conference continue to elect the Secretary-General, Deputy Secretary-General, Directors of the three Bureaus, Members of the part-time Radio Regulations Board, and Members of the Council. We recognized that the ITU has many more elected officials than other UN Specialized Agencies, and examined the option of electing only the Secretary-General and having the Secretary-General, after wide consultations, recommend, for approval by the Council, individuals who should be elected as Deputy Secretary-General and as the three Bureau Directors. We also considered whether the three Bureau Directors and/or Members of the part-time Radio Regulations Board should be elected at Sector Conferences rather than at the Plenipotentiary Conference. However, we decided to recommend no change. We noted that a shorter set interval of four years between Plenipotentiary Conferences, coupled with a limitation of two terms for elected officials (Nos. 80, 87, 107, 123 of the Nice Constitution), would reduce the maximum period for which elected officials might serve. We noted that the Plenipotentiary Conference might wish to consider this issue.***

6.2 We examined a number of proposals from our members and from Administrations, as well as those contained in the documents of the Nice Plenipotentiary Conference, concerning election to the Council, including rotation of all members, or creation of a permanent membership category for some Members and rotation within other categories, as exists in some other UN executive bodies. Although the desirability was recognized of encouraging wide participation in the Council, we reached the conclusion that each of the many proposed systems has advantages and disadvantages but that on balance the present system of voting for all Council seats by all ITU Members should be retained.

## 7. Management of the Union

### 7.1 Secretary-General

7.1.1 The Secretary-General is the senior elected official of the Union by virtue of the responsibilities assigned to him, under Article 4 of the Nice Convention, for the direct management of the General Secretariat, the overall management of Union resources, and coordination of all ITU activities. We agree with the Secretary-General that the Office of the Secretary-General should include three units: Strategic Policy and Planning (including Operations Analysis); Legal Affairs; and External and Public Relations. The Secretary-General should also be advised by a Business Advisory Forum as recommended previously in paragraph 3.5.

7.1.2 Under the integrated management structure envisaged by the H.L.C., the Secretary-General should retain authority for financial and personnel management, but delegate responsibility for managing resources, within agreed appropriate limits, to the individual Bureau Directors. Directors would become accountable to the Secretary-General and Council for the budgets of their Sectors. The Secretary-General, in his capacity as Chairman of the Coordination Committee, would ensure that, in areas of overlapping jurisdiction, the most efficient use is made of scarce resources. The Secretary-General would continue to be responsible for the preparation of the consolidated Union budget, with appropriate input from the Directors.

### 7.2 Deputy Secretary-General

REC 20

**We recommend that the position of Deputy Secretary-General be retained to assist the Secretary-General.** He should be elected by the Plenipotentiary Conference and, in addition to serving as the alter ego of the Secretary-General, be delegated specific management functions by the Secretary-General.

### 7.3 General Secretariat

The Secretary-General is head of the General Secretariat, which includes five departments: Personnel, Finance, Common Services, Information Services, and TELECOMs. The General Secretariat should continue to provide coordinated central support for the Secretary-General, the Deputy Secretary-General and the ITU functional Directors.

## V. PRINCIPAL FUNCTIONS OF THE UNION

### (a) DEVELOPMENT - THE STILL "MISSING LINK"

1.1 After years of experience, research and discussion, it is now generally recognized that telecommunications is an essential engine of socio-economic development and the global information economy and society. The 1985 ITU Maitland Commission Report ("The Missing Link"), the 1985 Arusha Declaration on World Telecommunications Development and the 1989 Hansen Report ("The Changing Telecommunication Environment"), all reiterate the positive force of telecommunications in closing the development gap between developed and developing countries and within individual countries. It was from this perspective that the H.L.C. examined the ITU's development function.

1.2 The reality of the development challenge is a vast divide between the enormous telecommunications needs of developing countries and the scarcity of resources. Without a much greater mobilization of resources multilaterally, bilaterally and within individual countries, technological advances in telecommunications may inadvertently perpetuate or even exacerbate gaps in development.

1.3 The Maitland Commission and its offspring, the Centre for Telecommunications Development (CTD), have sensitized the world telecommunications sector and the development and financial sectors to the importance of telecommunications in development. The CTD, despite its efforts, could not, however, play the hoped-for catalytic role distinct from the ITU's former Technical Cooperation Department (TCD) or new Telecommunications Development Bureau (BDT). It will be a task of the BDT to mobilize and channel the goodwill regarding development that exists among the wider ITU family.

1.4 The Nice Plenipotentiary Conference gave Development equal status with Standardization and Radiocommunication. The result was the creation in 1990 of the BDT as a full-fledged ITU permanent organ, with increased resources that would better enable the ITU to perform its dual role as an Executing Agency of the United Nations Development Programme (UNDP) and as the UN Specialized Agency responsible for telecommunications.

1.5 At present, only about 5% of telecommunications investment comes from multilateral sources, including the support activities of the ITU. Bilateral and commercial arrangements account for about 25%. Internal generation of funds within individual developing countries accounts for the lion's share of about 60%. These figures relate to developing countries as a whole. They vary from one group of countries to another. This reality does not lessen the importance of working to increase the share of funds coming from multilateral sources, and to convince multilateral and bilateral agencies to treat telecommunications as a higher priority. There does not, however, seem to be enough support at present to convince us that a proposal to establish a new international investment agency devoted to telecommunications development would attract sufficient resources to be viable.

1.6 When establishing the BDT and the ceiling for its budget, the Nice Plenipotentiary Conference made a special budget entry for the least developed countries. We recognize that it is in these countries that the gap is widest, requiring exceptional efforts from multilateral co-operation. **We recommend that the BDT give special attention to the requirements of the least developed countries.**

REC 21

1.7 Viewed in this perspective, the ITU has an essential catalytic role to play in mobilizing action to assist developing countries. It would be misleadingly egocentric to refer to this as "the" leading role. But it must play "a" leading role, working more co-operatively and strategically, and

in a more systematic manner, with other international, regional and bilateral organizations and agencies. It was in this spirit that Nice Resolution No. 14 called upon the ITU to:

"6. make its role in coordinating international telecommunications even more effective by:

- 6.2 - giving even greater attention to the requirements of developing countries by continuing international initiatives to close the "telecommunications gap" between developing and developed countries;
- promoting co-operation with the principal international, regional and national development and investment agencies to assess the availability of financial resources for telecommunications and to examine how telecommunications can be given a higher priority in the broader development strategies of these agencies".

1.8 The Nice Plenipotentiary Conference increased the ceiling for the share of the ITU Budget allocated to Development to 15 million Swiss Francs in 1990, rising to 22.5 million in 1994. Although this represents a substantial increase in ITU terms, these amounts are not large in terms of the immense requirements of developing countries individually or on a regional basis. The BDT will have to manage these resources carefully and imaginatively.

1.9 A crucial ITU activity will be to present to developing countries the range of policy and structural options that will generate greater resources for telecommunications development. Recognition that this is the key to closing the "telecommunications gap" was an important breakthrough at the ITU Regional African Development Conference in Harare in December 1990.

## 2. Vertical structure

2.1 To fulfil the upgraded development mandate, the Nice Plenipotentiary Conference (Article 14 of the Constitution) established a new vertical structure for the Development Sector, made up of Development Conferences (World and Regional) and the Telecommunications Development Bureau (BDT), with a Director to be elected at the next Plenipotentiary Conference. Article 14 sets out the duties of the Bureau, considerably expanding the mandate of the former Technical Cooperation Department (TCD) and, to a large degree, covering the mandate of the Centre for Telecommunications Development (CTD). In June 1990 the Administrative Council examined and provisionally approved the organizational plan for the BDT.

2.2 Given the very recent implementation of the Nice decisions, we favour retention of the new vertical structure, until sufficient time has elapsed to permit an assessment based on experience. In specific areas, however, we do make recommendations.

## 3. Development Conferences

3.1 Although provision is made in the Nice Constitution for the convening of World and Regional Development Conferences, there is little elaboration of their exact role or functions. **We recommend that the Development Conferences should play a dual role. The first role should be as a forum for the discussion and consideration of topics, projects and programmes relevant to telecommunications development. The second role for the World Development Conferences should be to provide direction and guidance to the BDT, while the Regional Development Conferences should give advice and interact with the BDT, so that account is taken of the specific characteristics of the various Regions. In both capacities, Development Conferences should set goals for world and regional telecommunications and provide a framework for the consideration of policy, organizational, operational, regulatory, technical, financing and related questions. In accordance with the Nice decision, Development Conferences will not produce Final Acts with legal force; their results will take the form of resolutions, decisions, recommendations, etc. The General Rules of Procedure of other ITU Conferences should, however, apply.**

REC 23 3.2 **We recommend** that Development Conferences should be attended by a wide cross-section of senior-level representatives from governments (including officials with responsibility for planning and economic development), the private sector, regional telecommunications organizations, multilateral and bilateral financing and development agencies. This will permit a productive exchange, between partners in development, of experience, information and ideas related to telecommunications development. The objective is to ensure that programmes are effectively coordinated and that duplication of effort and dispersion of resources are avoided. In Regional Conferences, it will be important to encourage broad participation from Members from other Regions, as well as by representatives from important organizations and agencies with interests complementary to those of the ITU.

REC 24 3.3 We considered at length the appropriate relationship between Development Conferences and the BDT. **We recommend** that World and Regional Conferences should examine relevant BDT reports and evaluate BDT activities within their respective spheres of competence. Similar to World Standardization Conferences, World Development Conferences should establish work programmes and guidelines for defining development priorities and planning BDT activities, whereas Regional Conferences should, within their competence, submit recommendations and provide guidance to the BDT. On their agendas, Development Conferences should include the development aspects of the other ITU functions. Following the recommendation of the H.L.C. in Chapter V (b) to discontinue CCITT/CCIR Plan Committees, the H.L.C. is of the view that the technical assistance component of Plan Committee activities should be covered within Development Conferences.

REC 25 3.4 **We recommend** that there should, in principle, be one World Conference, and (subject to need, resources and priorities) one Regional Conference for each region, between Plenipotentiary Conferences. Funding for World and Regional Development Conferences should come from the regular budget of the Union although some contributions may also come from the host country and some participants. It is important, however, to ensure that not too great a share of the BDT's resources is spent on conferences at the expense of other development priorities. The number of conferences should be managed carefully in the interests of quality control and in the light of funds available. **Moreover, we recommend that whenever feasible, Regional Development Conferences should be held in parallel with Regional TELECOMs.**

REC 27 3.5 We considered the mechanisms by which the work programmes established by Development Conferences could be carried out. **Applying the method that has been applied successfully in CCITT/CCIR activities, we recommend** that World Development Conferences should be able to set up Development Study Groups and Working Groups. These Groups would replace, *inter alia*, the CCITT Special Autonomous Groups (GAS) which study specific questions of interest to developing countries.

REC 28 3.6 **We recommend** that Study Groups should be limited in number, in accordance with the availability of resources, to subjects of highest interest. Regional Conferences should also be able to establish Working Groups subject to the same conditions. Study/Working Groups should have specific terms of reference, be created for a limited period of time, and be project-oriented. The BDT should be responsible for their coordination and support, with assistance as appropriate from the Radiocommunication and Standardization Bureaus. To complement the activities of the Study/Working Groups, Task Groups could also be set up by the Director on appropriate specific questions. Participants could include representatives of Member States, RPOAs and SIOs, financial institutions, and development planning organizations.

3.7 We concluded that the question of financing the participation of developing countries in Study/Working Groups, and details of the arrangements for the funding of development activities performed by the Radiocommunication and Standardization Sectors, required further study.

3.8 We discussed several examples of possible Study Groups, including Study Groups on: Development Policy and Financing; Network Planning, Operations and New Services; and Development Conference Preparation and Implementation. The output of the Study Groups could take various forms, including issue papers, reports, handbooks, manuals, and model policies that countries might apply.

#### 4. Telecommunications Development Bureau (BDT)

REC 29 4.1 While we agreed that the BDT's functions should correspond to those defined in Article 14 of the Nice Constitution (Nos. 114 to 120), we found that one of the purposes of the Union in No.16 of the Constitution regarding relations with financial institutions was not reflected in the statement of functions of the BDT. **To harmonize the objectives of the Union with the functions of the BDT, we recommend that the following new provision (No. 116 bis) be added to Article 14:**

##### **No.116 bis:**

**"to act as a catalyst in mobilizing resources for development, and in promoting the establishment of favourable lines of credit, by creating awareness among the governmental authorities of developing countries of the importance of telecommunications in national development and of the priority which might be assigned to this sector, and also by co-operating with international and regional financial and development organizations."**

REC 30 4.2 We consider that the new purpose of the Union contained in No.16 should be enlarged to cover in more general terms the needs of developing countries. **We further recommend that No.16 of the Constitution include a reference to international development organizations. The proposed text might read:**

##### **No.16**

**"i) promote, with international financial and development organizations, the establishment of preferential and favourable lines of credit to be used for the development of social projects aimed, *inter alia*, at extending telecommunications services to the most isolated areas in countries."**

4.3 With regard to the structure of the BDT, we had the opportunity to examine the organization plan for the BDT put forward by the Secretary-General to the June 1990 session of the Administrative Council. The Council provisionally accepted the proposed functions and organizational structure for the Bureau, based on the nucleus of the former Technical Cooperation Department (TCD) of the General Secretariat. The plan further develops an organizational structure for the enhanced regional presence of the ITU as decided in Nice.

4.4 This structure has three principal functional departments: Policies, Strategies and Programming; Field Operations; and Programme Support-Organization and Methods. A fourth unit is responsible for Evaluation. The BDT's field structure includes regional offices for Africa, the Americas, Asia and the Pacific, and Arab States.

4.5 We did not examine the structure of the BDT with a view to proposing changes since we considered that insufficient time had elapsed to provide enough experience upon which to make an informed judgment.

REC 31 4.6 **However, we recommend that the BDT, working within the Development Sector and collegially with other Sectors of the ITU, should ensure that the ITU's catalytic role in stimulating telecommunication development is strengthened.** When its performance is judged at future Plenipotentiary Conferences, at Development Conferences, and by the Council, the BDT must be able to demonstrate that it has pursued with dynamism and efficiency the ITU's catalytic functions, such as mobilizing resources and advising developing countries on a range of policies and restructuring models for generating more internal funds for telecommunications development.

5. **Centre for Telecommunications Development (CTD)**

REC 32 5.1 The Nice Plenipotentiary Conference directed the Administrative Council to decide, at its May-June 1991 session, the future of the CTD. We recognize the results, achieved by the members who have served on the CTD's Advisory Board and by the CTD staff, in sensitizing the wider ITU family to the importance of telecommunications development. However, the CTD could not establish a catalytic role distinct from the role of the TCD/BDT. We agree with the views of the CTD's Advisory Board, and of consultants engaged by the Secretary-General to study BDT/CTD activities, and **recommend that the distinct functions originally envisaged for the CTD should be integrated into the structure of the BDT, without maintaining the CTD as an identifiable unit within the BDT.** Appeal for voluntary contributions to promote telecommunications development can only be successful if the BDT's processes are transparent. Donors will want clear accountability for funds contributed. Ensuring the transparency of its processes should be a high priority for the BDT.

6. **Development Advisory Board**

6.1 We consider that the type of Advisory Board established for the CTD should be retained and adapted to the ITU Development Sector. If the BDT is going to fulfil its catalytic role in promoting telecommunications development, including in mobilizing resources, the BDT will need a similar mechanism to facilitate outside participation.

REC 33 6.2 **We recommend that the Director of Development establish a Development Advisory Board to promote external participation by a cross-section of senior-level individuals with special interests and expertise in telecommunications development.**

REC 34 6.3 A non-exhaustive list of participants for the Advisory Board would include: Administrations, bilateral and multilateral aid organizations, public network operating agencies and other service providers, manufacturers, financial and investment institutions, consultants and user associations. **We recommend that Members of the Advisory Board be appointed by the Director of Development in consultation with the Secretary-General. The Advisory Board would be chaired by the Director, and the Secretary-General would attend meetings.**

6.4 As indicated by its name, the Advisory Board would fulfil an advisory function for the Director of the BDT and would not have supervisory functions over the BDT.

REC 35 6.5 We noted that Nos. 75 and 77 of the Nice Constitution give the Council special duties concerning technical assistance and technical co-operation that are not given concerning Standardization or Radiocommunication. We considered whether these special duties were consistent with the upgrading of the BDT to equal status with the other Sectors. **We recommend that the Council should exercise the same control that it exercises over the other Sectors. In this respect, provisions Nos. 75 and 77 of the Constitution should be reviewed by the Plenipotentiary Conference.**

## **(b) STANDARDIZATION**

1.1 The ITU's standards-making function exemplifies the urgent requirement for the ITU to adapt itself to the changing environment. The emergence of related international, regional and national standards bodies, the unprecedented rate of development of new telecommunications technologies with the need for standards to keep pace, the convergence of information systems and telecommunications networks, and the impact which standards are having on global markets and trade issues, are factors favouring an invigoration of the Union's standardization function. Otherwise, the ITU will be unable to sustain its pre-eminent international role.

1.2 The Nice Plenipotentiary Conference considered a number of contributions aimed at increasing the effectiveness of the ITU in carrying out its standardization function. The Plenipotentiary Conference, however, chose not to recommend any specific structural nor organizational change. It asked the H.L.C. to review the structure and functioning of the organs which carry out this standardization function, the CCITT and CCIR.

1.3 We began our task by reflecting on the continuing relevance of the ITU standardization function. The ITU remains the only truly global organization in which most governments and the world-wide telecommunication industry come together to agree on global telecommunication standards. The ITU has a distinguished record in the area of standardization. Its active involvement in standards has enabled nations to develop their domestic telecommunications infrastructure and to interconnect their networks into regional as well as global networks. These networks have contributed significantly to economic and social development, and have become the essential web tying together people and enterprises throughout the world. Global standards have led to the creation of global markets for telecommunications equipment and services. Continuing technological advances are opening the way to wider communications possibilities and to the facilities and services desired by users at the lowest cost.

### **2. Deficiencies in the ITU's standardization function**

2.1 We reflected on those aspects of the ITU standardization process requiring improvement. First, the CCIs must respond more effectively to the priorities of the international telecommunications sector and user community. Telecommunications manufacturers, service providers and users should play a larger role in the decision-making and strategic planning processes of the ITU.

2.2 Second, the relationship between the ITU and other standards bodies needs to be better defined. With the emergence of a growing number of national, regional and international standards organizations playing greater roles in international telecommunications, the ITU must harmonize its activities with these standard bodies in a more strategic, integrated and systematic way.

2.3 Third, major improvements must be made to speed up the standards process, improve working methods and procedures, streamline study group structures, and eliminate overlapping. More attention must also be given to the strategic planning and management functions and to closer integration of standardization work with the ITU's related work in radiocommunication.

2.4 Finally, the ITU's standardization work must attract, to a greater extent, the interest of developing countries. This requires close coordination with the BDT.

### 3. Establishment of a new Standardization Sector

3.1 We believe that the fields of activity currently addressed by the CCIs should be carried out within two major Sectors of the ITU, one devoted to telecommunications standardization, and the other essentially to the efficient management of the radio-frequency spectrum in terrestrial and space radiocommunications but with other related duties in Radiocommunication. **The H.L.C., therefore, recommends the establishment of a new ITU Standardization Sector.** The responsibilities of this new sector should include all the Standardization activities currently carried out by the CCITT, and some activities currently carried out by the CCIR. In Chapter V (c) (i), we recommend that the rest of the work currently assigned to the CCIR should be carried out in a new Radiocommunication Sector. **The H.L.C. recommends that the initial division of CCITT/CCIR work between the Standardization Sector and the Radiocommunication Sector should be based on the following specification of roles:**

i) The duties of the Standardization Sector shall be to study technical, operating, and tariff questions and to issue recommendations on them with a view to standardizing telecommunications on a world-wide basis, including recommendations on interconnection of radio systems in public telecommunication networks and on the performance required for these interconnections. Technical or operating questions specifically related to radiocommunication according to ii) below, come within the purview of the Radiocommunication Sector.

ii) In addition to the spectrum management and registration activities discussed in Chapter V (c) (i), the duties of the Radiocommunication Sector shall be to study questions and to issue recommendations relating to:

- a) the use of the radio-frequency spectrum in terrestrial and space radiocommunications (including the geostationary orbit);
- b) characteristics and performance of radio systems;
- c) operation of radio stations;
- d) radiocommunication aspects of distress and safety matters.

These studies shall not generally address economic questions but, when they involve comparing technical alternatives, economic factors may be taken into consideration.

3.2 In the duties of the Standardization Sector (see 3.1 above), "recommendations on interconnection of radio systems in public telecommunication networks and on the performance required for these interconnections" cover such network aspects as: transmission and overall performance requirements; signalling; formats; protocols; and architecture and service concepts.

3.3 At our request, the two CCI Directors have drawn up an indicative list of an initial division of work based on these criteria; it is available to Members of the Council.

3.4 We recognize that the inclusion of "characteristics and performance of radio systems" in the duties of the Radiocommunication Sector will lead to Recommendations which can be regarded as important standards in the future development of public networks. We consider, however, that, at this time, interrelation with efficient spectrum management on balance outweighs the network considerations and issues. Besides, we wish to emphasize that the ITU is one organization; boundary interactions will always exist because of the nature of radiocommunication and can be managed with co-operation and coordination between the two Sectors.

REC 38 3.5 Technological change in telecommunications is rapid and continuing and further boundary changes will be required as radiocommunication becomes even further integrated in public networks with developments such as broadband networks and Universal Personal Telecommunications. Some work on radio systems, which would now be incorporated into the Radiocommunication Sector, could be transferred in the future to the Standardization Sector. There will be a need for successive changes as technology develops and in the light of experience. At any point in time, we should also seek to organize work efficiently, and to minimize duplication of effort and interfaces between activities. The ITU will therefore have to be flexible and have credible arrangements for responding readily to changing circumstances. **We, therefore, recommend that members and other participants in both Sectors keep this position under continuing review. Both Advisory Groups should also regularly review the effectiveness of current arrangements and whether change is called for; and Directors should ensure, with Members, that when necessary the issues are raised at Standardization and Radiocommunication Conferences, which should approve necessary changes.** It would be useful if Directors could arrange joint consultation between their Advisory Groups on important issues, particularly if this could result in common proposals being put to both Conferences. Simpler changes could be agreed between the Directors and Study Group Chairmen, with advice if necessary from the Advisory Groups.

REC 39 3.6 Because of the continuing major advances in technology and the potential for progressive boundary changes, **we recommend that the statement of duties of the Standardization and Radiocommunication Sectors should be drafted in broad terms, to permit any necessary future changes. The terms of the Constitution, in particular, should be very broad, and the terms of the Convention should permit necessary flexibility.**

#### 4. Vertical structure

REC 40 4.1 **We recommend that the vertical structure of the Standardization Sector consist of three levels: a World Telecommunication Standardization Conference supported by Study Groups, an Advisory Group on Standardization, and a Standardization Bureau, headed by a Director.**

REC 41 4.2 The World Telecommunication Standardization Conference would play a similar role to a Plenary Assembly, as set out in Article 17 of the Nice Convention, modified to take into account the success of the accelerated procedure for approval of Recommendations outside Plenaries. **We recommend that Standardization Conferences be held every four years, with the possibility for the Council to convene an additional conference, at the two-year point in any cycle, if significant standardization issues arise.**

REC 42 4.3 **We recommend the establishment of an Advisory Group on Standardization. Its principal duties would be to review priorities and strategies in the Union's standardization activities, to review progress in the implementation of the Standardization Sector's work programme, and to foster co-operation and coordination with other standards bodies and with the Radiocommunication and Development Sectors. Membership of the Advisory Group would include the Director of Standardization, some senior-level representatives from Administrations and from RPOAs and SIOs, and Study Group Chairmen; but meetings would be open to Administrations. The Advisory Group would have no formal authority other than that possessed by the Director and the Study Group Chairmen. However, the quality of the attendees and their level of responsibility in their respective organizations would command respect for their views. The Advisory Group would meet as necessary, but at least once a year.**

4.4 The Director of Standardization would be elected by the Plenipotentiary Conference. The Bureau and Study Groups would correspond to, and function in much the same way as, the current CCITT Secretariat and Study Groups.

## 5. Improved working methods

5.1 Major improvements to speed up the standards process, improve working methods and procedures, streamline Study Group structures and eliminate overlapping functions, have been implemented by the most recent Plenary Assemblies of the CCITT and CCIR. In the light of the progress already achieved in these areas, and of further changes being considered by ad hoc Restructuring Groups in both permanent organs, we are confident that the internal review processes established by the CCIR and CCITT will lead to further improvements in the timely development of standards.

REC 43 5.2 We have recommended, in Chapter IV of this report, the establishment of a Strategic Policy and Planning Unit to ensure that the ITU responds effectively to the challenges of the changing telecommunication environment and to ensure the best use of the resources at its disposal. A planning process specific to the standardization function would be an important contribution to strategic planning. With the recent adoption of the accelerated procedure for approval of recommendations, future World Standardization Conferences will be spending less time approving recommendations. **We, therefore, recommend that future Conferences devote much more time to policy issues, strategic planning, priority setting and work programmes.** Since Standardization Conferences will provide strategic direction at four and possibly two-year intervals, there is also a need for strategic planning to be carried out on an ongoing basis. **We, therefore, recommend that work programmes approved by the Conference be updated annually by the Director of Standardization, with the co-operation of the Advisory Group on Standardization.** These work programmes should reflect the rapidly changing needs for Standardization in the telecommunication market-place and should be expressed in terms meaningful to the senior management of ITU members, with estimates of completion dates and key milestones.

REC 45 5.3 Work programmes developed in this way, which will be tailored to the available financial and human resources, will not always meet the wishes of all participants. **We recommend that a way should be created to enable participants, who wish to do so, to contribute sufficient funds and skilled resources to advance the timing of projects of special interest to them.** This should be regarded as an exceptional occurrence which must not cause distortion to the planned work programme. Funding and staffing rules would need to be developed by appropriate groups within the ITU.

REC 46 5.4 Publication, documentation and communications with Members on ITU Standardization work is another area which can be significantly improved. **We recommend that the ITU proceed as quickly as practicable into the large-scale use of electronic information storage and exchange.** We support the consultant's recommendation, in Chapter VI, that information exchange, including continuing development of the TIES system, be treated as one of the eight priority projects to be addressed in the Information Services area. We have also been observing the work taking place in the CCITT on electronic information storage and exchange, and have noted the co-operation occurring with other international organizations and the ITU Information Services Department. **We recommend that this work be pursued vigorously with the aim of having substantial progress made by the end of 1991.** We recognize that paper documentation will still be required and that progressive approval of Recommendations under the accelerated procedure will require Recommendations to be published in booklet form rather than in the traditional coloured books. We also note that appropriate work is proceeding in the CCITT to develop a "user friendly" form of publication. We also support the consultant's recommendation that a Sales, Marketing and Distribution Unit be established in the General Secretariat. We see this unit as worthwhile not just to stimulate incremental, profitable markets, but also to ensure appropriate pricing of both paper-based and electronic documents.

## 6. Co-operation with other standards organizations

REC 48 6.1 The relationship between the ITU and other standardization organizations is, as previously discussed, another important area which needs to be reinforced if the ITU is to maintain its pre-eminence in world-wide standardization. **We recommend that the ITU establish, at an early stage in new projects, a global framework within which international, regional and national organizations can work.**

6.2 We support the informal coordination which is being expanded as a result of recent meetings between ETSI, ANSI(T1) and TTC (Japan). ITU representatives should be encouraged to work co-operatively with these and other organizations to achieve understanding of work programmes and co-operative efforts where appropriate.

6.3 However, we caution that ITU Members who are not part of regional standards organizations must be kept informed. The ITU must continue to provide fora for them to contribute throughout the standards development process. This must be kept in mind particularly when considering co-operative work with regional standards organizations.

6.4 We are aware that the CCIs have been co-operating with ISO and IEC. The conversion of telecommunications networks to digital operation is broadening the interface with these bodies. This must be taken into account in the design of Study Groups in the new Standardization Sector.

6.5 In all cases, consultative arrangements and coordination of work programmes will be facilitated if the ITU, as discussed previously, adopts a more formal and effective planning process.

## 7. Developing country participation in ITU standardization activities

7.1 It is of paramount importance that the Standardization function become more relevant to developing countries. Their participation and involvement in standards activities must be increased. Developing countries currently face the problem of too few experts and limited budgets for extensive participation in international standards activities.

REC 49 7.2 Developing country participation should be matched to specific needs and interests. All countries, and especially developing countries, should be selective in choosing the particular aspects of the standardization work in which they will participate. **We recommend that the Standardization Bureau address this selectivity issue on a priority basis. For example, it may be possible to extract and group matters under active study which may be of particular interest to developing countries.** In this way, participation can be focused to the greatest extent. Adequate advance notice of meetings when the specific matters are likely to come up will also be required. We welcome the fact that the Standardization Bureau now provides explanatory notes with new Recommendations. Many new Recommendations are so complex as to be difficult to understand by anyone outside the Study Group.

7.3 Participation may also be enhanced by the move away from the four-yearly approval of Recommendations. This caused a huge volume of documents to be circulated immediately before Plenary Assemblies. The smoother flow of draft Recommendations under the new accelerated approval procedures will allow more efficient use of skilled resources and more time for consideration and understanding of individual Recommendations.

7.4 Developing countries should particularly focus their participation on the development of detailed standards for the extension of basic telecommunications infrastructure in their countries. **We, therefore, recommend that responsibility for current GAS activities be transferred to the BDT, with technical assistance being provided in consultation with the Standardization and Radiocommunication Bureaus.**

REC 50

7.5 Another area of standardization, which should be of special interest to developing countries, is the development of advanced network standards for telecommunications facilities in their key economic centres, in order that these countries may participate effectively in world economic activities and meet the needs of global enterprises.

REC 51

7.6 **We recommend that the BDT assume increased responsibility for funding developing country participation in standardization work.** The provision of funds for this purpose should be in keeping with the priority assigned by the BDT to the importance and role of standards in the area of development. **We recommend that the Standardization Bureau**

REC 52

**provide technical support to assist the BDT in carrying out this function.** It must, however, be recognized that this is not the primary role of the Standardization Bureau. Its resources are limited and it faces a challenging task in meeting world demands for standards.

REC 53

7.7 **We recommend that Plan Committees be discontinued.** The data base on the international telecommunications network should be continued, as far as necessary, by the Standardization Bureau in co-operation with the BDT. An efficient mechanism for increasing understanding of standardization plans would be for World and Regional Development Conferences to have agenda items covering progress in both basic and advanced standardization activities and technical sessions on the latest developments. The ITU could also convene or co-sponsor special seminars or meetings to discuss the standardization issues of most interest to developing countries.

#### 8. Role of the private sector

8.1 The ITU Constitution and Convention provide adequate scope for participation of private industry and private network operators in the standardization process. The extent of their participation is large and growing. The role of the private sector in standardization activities will be broadened by our Recommendation (in 4.3 above) to include senior-level individuals from private sector telecommunication enterprises among the members of the Advisory Group on Standardization. This will enable RPOA and SIO representatives to provide their input to the strategic planning process of the Standardization Sector. It should also enable them to state their specific needs and views in relation to the priorities to be established. **Finally, we recommend that Members encourage private sector participation in national fora for coordinating ITU work and in delegations to relevant ITU meetings and conferences.**

REC 54

#### 9. Involvement of the international user community

9.1 Business enterprises are becoming increasingly dependent on their telecommunication services. They should have a significant say in the establishment of priorities within the ITU standardization process. International user organizations can and do participate in ITU standards work in an advisory capacity. They should be encouraged to participate more. Network operators, service providers and manufacturers all aim to meet user needs and increasingly consult users. Many ITU Administrations consult user and other interests in developing national positions, and this is to be encouraged, particularly in respect of the interests of smaller end users, including individual customers. The improved ITU standardization planning process, as discussed previously, should also provide the user community with an opportunity to contribute its views on what standards need to be developed and in what time-frame.

(c) **REGULATION**

(i) **RADIOCOMMUNICATION**

1.1 No. 1010 of the Nice Constitution defines radiocommunication as "telecommunications by means of radio waves". The rapid development of radio systems in the changing telecommunication environment will continue to have a profound effect on the use of the radio-frequency spectrum.

1.2 While radio links play an important role in the world's public telecommunication networks, the use of the radio-frequency spectrum offers many other socio-economic benefits, through a number of different services such as radionavigation, aeronautical and maritime mobile services, broadcasting, safety and distress operation, remote sensing and radio amateur.

1.3 The rate of change in radiocommunication technology is accelerating. From the early spark gap transmitters to shortwave broadcasting to microwave links to satellites and to deep space communication, the forefront of radio technology continues to expand. Radio waves respect physical laws, not political borders. The radio-frequency spectrum and geostationary satellite orbit are limited common resources. Thus, international co-operation is essential not only from the standpoint of minimizing interference, but also to ensure interconnectivity and inter-operability, important considerations in the global information economy and society.

1.4 But the intensity of use and the growing number of new applications of radio are straining the multilateral mechanisms for co-operation. As all countries face increasingly difficult financial pressures, the amount of resources which can be devoted to multilateral agencies such as the ITU is not growing commensurate with the exploding use of radio. As a result, priorities must be established and greater efficiencies obtained. The multilateral coordination of the use of radio needs to be transparent and must ensure fairness and equitable access to the spectrum and orbit resource. Developing countries need to be involved in a more meaningful way. Otherwise, the technological gap will widen. As in the case of Standardization, unless the ITU responds to these changes, there is the risk that it will become increasingly marginalized. The larger users of the spectrum might then turn to other arrangements to coordinate their intensive use of the spectrum.

2. **Simplifying the Radio Regulations**

2.1 The ITU Radio Regulations, from their first adoption by 29 countries in 1906, have grown in a piecemeal fashion over the past 85 years. They have become impossibly complex and have not kept up with the rapidly changing environment. They no longer deal adequately with the rapid pace of technological change and with the convergence of technologies. Recognizing these facts, the Nice Plenipotentiary Conference directed that a Voluntary Group of Experts (VGE) be established to make recommendations to simplify the Radio Regulations and to consider new methods for allocating the spectrum. This work has begun and will complement the recommendations contained in this report.

2.2 In accordance with the provisions of Nice Resolution No. 8, the VGE's schedule calls for its work to be completed by the time of the 1993 Council session. However, this Resolution proposes that the work on Article 1 and Article 8 of the Radio Regulations be completed by the 1992 Council session and the work on simplified procedures be accomplished by the 1993 date.

REC 55 We consider that the simplification of the procedures would greatly facilitate the implementation of certain recommendations in this report. **We, therefore, recommend that the Council should redirect the VGE priorities so that the second task (further resolves (a) 1.2 of Resolution No. 8) be completed first and, in any case, in time for submission to the 1992 Council session.**

### 3. Vertical structure

3.1 In 1987/88, a partial review of the radiocommunication-related activities of the ITU was conducted. A Panel of Experts from 21 countries reviewed the IFRB's role and presented a report to the Administrative Council. This report contained many excellent detailed recommendations concerning the activities of the IFRB in fulfilling its responsibilities under the Nairobi Convention and Radio Regulations. The terms of reference of this review, however, were not as broad as those of the H.L.C. For example, it did not encompass the activities of the CCIR. Also, in the three years since the review was conducted, the environment has continued its relentless evolution. As well, the implementation of automation has advanced considerably. Rapidly advancing technologies and new applications of radio, such as low earth-orbiting satellites, present interesting challenges to the international co-operative framework. And the pressure on scarce financial resources has greatly intensified in the past few years.

REC 56 3.2 **As a general principle, we recommend the merging of radiocommunication-related activities of the ITU into a single Sector. Thus, the current IFRB and most radiocommunication activities of the current CCIR (see Chapter V.b, section 3) would be merged into a new Radiocommunication Sector.** Of course, good horizontal working relations and communications between the Radiocommunication Sector and the Standardization (and Development) Sectors must be established. This integration of all radiocommunication-related activities of the Union would reduce the possibility of duplication and would result in greater efficiencies. It would also facilitate a broader participation in all aspects of the radiocommunication-related activities of the Union.

REC 57 3.3 **We recommend that these radiocommunication-related activities of the Union (following the changes in Chapter V.b) should be directed by World Radiocommunication Conferences. These conferences will combine the responsibilities of the current Administrative Radio Conferences and the current CCIR Plenary Assemblies. Because of the rapidly changing radiocommunication environment, these conferences should be held in general every two years.** This will be particularly necessary as the ITU tries to catch up to the widening gap between its Radio Regulations and the current radiocommunication environment.

REC 58 3.4 The two main functions of these conferences should be to review and revise, where necessary, the Radio Regulations, on the basis of an agenda adopted by Council following the consultation procedure, and to carry out the present functions of the CCIR Plenary Assemblies. With regard to this latter task, and recognizing the need for greater involvement of non-governmental organizations in the work of the ITU, **we recommend that the Conferences include a committee open to those entitled to participate in the Radiocommunication Study Groups.** The recently adopted accelerated procedure for the approval of CCIR Recommendations will result in a reduction of the previous role of the Plenary Assembly. As a result, this can readily be combined with the duties of the Administrative Radio Conferences. The Conferences would deal with any provisions of the Radio Regulations which are on its agenda, as approved by the Council, and with the present CCIR Plenary Assembly activities. While these

REC 59 provisions might deal with only one radio service, the flexibility should exist for conferences to address any provisions of the Radio Regulations. **We recommend that each conference plan the agendas for at least a four-year cycle of conferences. Work plans should be drafted and recommendations made to the Council. Each conference should deal with technical matters arising from the work of the Study Groups.**

REC 60 3.5 The Study Groups should operate largely as at the present time. However, preparatory work for conferences could address both technical and regulatory matters. **We recommend that a Radiocommunication Study Group Advisory Committee be established to provide guidance on the work of the Study Groups. It would be composed of senior representatives from Administrations, RPOAs, SIOs and the Study Group Chairmen.**

#### 4. Radio Regulations Board

REC 61 4.1 Currently, the responsibilities of the IFRB are carried out by a five-member full-time Board, assisted by a permanent secretariat. The main reason for a collegiate body such as the Board is that it would be difficult to entrust the findings related to the recording of frequency assignments and the interpretation of the Radio Regulations to a Director, given that the sovereignty of countries can be affected by these actions. When the Board was established in 1947, it was composed of eleven technical radio experts who were very involved in the day-to-day examination of requests from Administrations to have their frequencies entered into what is now called the Master International Frequency Register. However, over the years, the Board has established rules of procedure and technical criteria which allow most notices from Administrations to be treated in a routine manner. This has also enabled the increased implementation of automation. As a result, the Board routinely approves the vast majority of the findings produced by the secretariat staff with the help of the computer. In addition, the results of the work of the VGE, referred to in paragraph 2.1 above, are expected to greatly facilitate the activities of the Board. Thus, **we recommend that the full-time five-member Board be replaced by a part-time Radio Regulations Board.**

4.2 This change would lead to no loss of effectiveness. Meetings would be well prepared by the Director and his staff. The Board could meet on a quarterly basis or less frequently if this later proved adequate. The staff would also be far more efficiently managed by a single Director than by a Committee. A part-time Board would also enable better geographic representation since it would not be as costly to increase the size of a part-time Board as it would that of a full-time Board. Members of such an expanded Board would better understand the needs of all Administrations and, in particular, those of developing countries.

REC 62 4.3 **We recommend that members of the part-time Board be elected in their individual capacity on the basis of their qualifications** as given in the relevant provisions, modified as necessary, of Article 12 of the Nice Constitution and Article 5 of the Convention.

REC 63 4.4 In terms of the size of the part-time Board, we recognized the conflicting objectives of cost and efficiency versus broad geographic distribution. Following discussion of various alternatives, **we recommend that a nine-member Board would represent a workable number.**  
REC 64 We explored the concept of creating a larger Board, which would establish panels of members to attend specific meetings. However, on balance, we are of the opinion that this would result in a loss of consistency and continuity between meetings and therefore **recommend that all Board members attend the meetings.**

REC 65 4.5 We recommend that the Board approve the technical standards and rules of procedure to be used in the application of the Radio Regulations by the Director and the Bureau, and interpret the provisions of the Radio Regulations in this respect. As indicated previously, findings should be issued on behalf of the Board by the Director, based upon these approved standards and procedures. Any review of a finding which is requested by an Administration, and which cannot be resolved using the established criteria, should be considered by the part-time Board.

5. The Director and Bureau

REC 66 5.1 We recommend that the new Radiocommunication Bureau should be composed of the Director and the staff dealing with the Radiocommunication Study Groups and those staff involved in the administration of the Radio Regulations, i.e. the IFRB specialized secretariat and part of the present CCIR secretariat would both report to the Director who, over time, would put in place the optimum organization.

5.2 The elected Director should direct the work of the new Radiocommunication Bureau and serve as Executive Secretary of the part-time Board. The Director should prepare draft revisions to the technical standards and rules of procedure for consideration by the Board. The Director should coordinate the technical and regulatory preparations for the Radiocommunication Conferences, ensuring that the work of the Study Groups and the work of the Bureau are properly integrated. The Director should communicate to Administrations the results of this preparatory work, collect their comments and then submit a consolidated report to the Conference. This should limit to a minimum the consideration and re-visiting of technical matters in the Conference. The Director and Bureau should continue to provide the kind of assistance that the IFRB currently provides to Administrations as specified in the Radio Regulations. In fact, because of the improved management structure in the Bureau, the level and quality of this assistance should be even better than that currently provided. Special studies requested by Administrations and reports on these studies should go to the Board. The Director will also maintain the Master International Frequency Register and the other service documents referred to in the Radio Regulations.

5.3 The Director should manage the resources provided by the Council and report on programme results obtained. Based on the advice of the Board and the Advisory Committee, the Director should prepare, for the consideration of the Radiocommunication Conference, a plan of work for the period between Conferences. The Director should provide an annual report to the Council comparing the work plan and the results obtained. The Director should also carry out those functions related to the Study Groups which are found in Article 22 of the Nice Convention. And last but not least, the Director, working closely with the BDT, should foster international co-operation in development and the use of radiocommunication systems.

(ii) **TELECOMMUNICATION SERVICES**

1.1 The ITU seeks to promote the efficient and widespread development of telecommunication services. In respect of international services, in particular, achievement of this objective is supported by the work done in the Standardization and Radiocommunication Sectors, which facilitate the technical and operational interconnection of networks and services and ensure coherent and effective use of the radio frequency spectrum, and in the Development Sector, which ensures that the particular requirements of developing countries are being met. We have considered what future role the ITU should play in respect of service regulation.

1.2 A starting point for our consideration was, naturally, the International Telecommunication Regulations (ITR) approved in the Final Acts of the World Administrative Telegraph and Telephone Conference (WATTC) in Melbourne in 1988. This Conference almost failed over the difficulty of reaching a consensus balancing the sovereign rights of governments to regulate national telecommunication services with the reality that, in the rapidly changing telecommunication environment, more and more telecommunication services are being liberalized. Many developing countries were particularly concerned that telecommunication development might suffer if the role of government were weakened. Agreement was finally reached on a minimal number of general principles, which call for "compliance with, to the greatest extent practicable, the relevant CCITT Recommendations" for "services offered to the public as well as to the underlying international telecommunication transport means used to provide such services". For other services, Member States may enter into "special arrangements". The flexible framework approved in Melbourne preserves a viable role for the ITU in facilitating the reconciliation of interests at the international level.

1.3 The development of international telecommunications will continue to be shaped by significant and continuing changes in the environment, in particular the rapid pace of technological change, a proliferation in the range of services offered and of service providers, and differing and evolving national (and in some cases regional) policies, which increasingly tend to favour liberalisation and competition. These changes are inter-related. Technological change, for example, not only promotes the development of new services, but tends to weaken or break down both distinctions between services, networks and service providers, and regulatory definitions and requirements.

1.4 These changes also make provision of telecommunication services increasingly subject to rules governing trade, commerce and competition. The circumstances of countries differ, of course, and national policies differ as a result. But all ITU Members are affected by the changes in technology and in the availability of services. It is in the interest of economies world-wide that improvement in the range, quality and cost effectiveness of international services should be promoted.

1.5 At a time of such significant and rapid change, any framework of international regulation should be sufficiently flexible to permit, and indeed encourage, innovation and improvement. It should not impose unnecessary barriers since they will soon be rendered obsolete. We believe that the general principles, which form the heart of the International Telecommunication Regulations (ITR) approved at the WATTC, provide sufficient flexibility for the foreseeable future.

REC 67 1.6 **We recommend that there is no need for the ITU to schedule regular World Administrative Telecommunication Conferences (WATCs). The Strategic Policy and Planning Unit (recommended previously in Chapter IV), working collegially with the Standardization Bureau, should keep under review significant developments of a kind which might call for a review of the ITR. If these developments suggest the need for a general review, or for specific changes, then the Strategic Policy and Planning Unit should bring this to**

the attention of the Secretary-General, and the Council can consider, on advice from the Secretary-General, what is the most appropriate way of dealing with the matter. Meanwhile, some CCITT Recommendations (particularly within the field of Study Group III) contain provisions which may be "regulatory" in nature, as distinguished from provisions on service and operational matters. The relevant Study Groups should continue to review and simplify any relevant Recommendations in the light of the WATTC philosophy of flexibility and the objectives identified above.

1.7 We also considered the implications of the current Uruguay Round of Multilateral Trade Negotiations (MTN). Telecommunication services are within the scope of the proposed General Agreement on Trade in Services (GATS) agreement. The basic focus and purposes of the GATS and the ITU are, however, different. The efforts of the former are primarily focused on access to and use of telecommunications capabilities in order to encourage efficient, global and liberal approaches to the provision of services, thus facilitating global economic growth. The ITU's focus is, more specifically, to achieve a technically efficient global telecommunication infrastructure. The functional approaches are also different. The ITU, with no real enforcement powers or settlement of dispute procedures, relies very much on practical, co-operative activities, and on numerous detailed and specific agreements and arrangements, worked out between pairs or groups of members and service providers, which provide for day-to-day operations and changes. Any problems are sorted out between the partners concerned. The proposed GATS, on the other hand, relies on the establishment of general trade-oriented frameworks and principles, including dispute settlement procedures.

1.8 Trade rules are, in principle, concerned with promotion of trade in goods and services generally, so that it is appropriate and natural for them to address telecommunication services. Although the purposes and approach of the GATS and the ITU are different, however, they are complementary. While there is likely to be some overlapping or "grey areas" between the two, we do not foresee any major or fundamental conflict or incompatibility. The ITU is evolving to provide for an increasing range and variety of networks, services and participants, and to work with new organizations concerned with the provision and use of telecommunications. It is working in an increasingly liberal environment, and seeking to promote innovation and efficiency in the flexible way outlined above. The philosophy and spirit of the ITU's evolution are, therefore, not fundamentally different from those emerging in the GATS. It is understood that the latest draft Annex on Trade in Telecommunication Services recognizes the role of the ITU and the needs of developing countries. There is no reason, therefore, why the ITU and GATT should not continue to proceed together along compatible paths.

1.9 But a continuing effort will be required to avoid the emergence of incompatible sets of regulations, and even of differences in terminology. We cannot make specific recommendations at this stage in relation to the current GATS, as negotiations are still in train. However, we can make some proposals.

REC 68 1.9.1 We note that the Secretary-General has established close liaison with the GATT Secretariat. We welcome this, and **recommend that this close co-operation should continue.**

1.9.2 We note that any Agreement covering trade in telecommunication services will address in some ways what have in the past been considered as "regulatory" aspects of telecommunications, and could lead to some such aspects being subject to new institutional arrangements. We have noted, however, that the ITU has adopted a flexible approach in this area, avoiding unnecessary and detailed provisions. The ITU should, therefore, ensure that it removes any unnecessary technical barriers which are inconsistent with its facilitating role.

REC 69 1.9.3 We **recommend** that these issues be further considered when the current Uruguay Round has concluded, and that consideration be given at that time to entering into an agreement with GATT setting out GATT's and the ITU's complementary roles and how the two organizations should work co-operatively.