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| **Council Expert Group onCouncil Decision 482** |  |
| **First meeting – Geneva, 27-28 September 2018**  |  |
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|  | **Document EG-D482-1/9-E** |
| **26 November 2018** |
| **English only** |
| FINAL REPORT OF THE First MEETING of theCouncil Expert Group on Council Decision 482 |

1. **Opening remarks and approval of the Agenda**

On behalf of the Secretary-General, the Director of the Radiocommunication Bureau (BR) Mr. François Rancy welcomed the participants to the first meeting of the Council Expert Group on Council Decision 482. He stressed the importance of the work that lies ahead of the Group and expressed his confidence that the meeting will demonstrate a spirit of compromise in delivering the results, mandated by Council 2018. He mentioned that Decision 482 was established in a period of large increase of satellite network filings with the objective to help eliminate the so called “paper satellites”. He added that as a consequence of the Cost Recovery flat fee, the additional cost of increasing complex networks is zero but the additional cost of processing those networks is not zero and this discrepancy should be avoided with an appropriate adjustment to Decision 482 to be provided by this Expert Group.

The Chairman thanked the BR Director for his support. The Chairman stressed the need for the Group to work together in the spirit of consensus.

The draft agenda, Document [EG-D482-1/1](https://www.itu.int/md/S18-EGD482-C-0001/en), was presented and approved. It was requested that the BR make its documents available prior to the deadline for the contributions from the membership to allow sufficient time for study and preparation of contributions.

**2 Terms of reference**

The terms of referenceof the Council Expert Group on Decision 482, Annex to Document [EG-D482-1/1](https://www.itu.int/md/S18-EGD482-C-0001/en), was presented. No comments were provided.

**3 Review of Procedure B for complex non-GSO satellite filings**

**Document** [**EG-D482-1/2**](https://www.itu.int/md/S18-EGD482-C-0002/en) **from the United States of America - Working Document on NGSO Cost Recovery and draft revisions to Decision 482**

The document provides a detailed analysis of Procedure B and is only applicable to non-GSO cost recovery filings. The Attachment to the document contains a spreadsheet for the user to evaluate potential changes to the formula for Cost Recovery.

The document states that Cost Recovery charges applicable to various types of non-GSO satellite systems should be transparent, reviewed with care, ensure a fair and appropriate sharing of associated processing costs, and reflect the actual and demonstrable costs by the BR to process the filings taking into account that the purpose of cost recovery is not revenue creation but purely recovery of actual cost. Any changes to Cost Recovery should take into account the actual time and other resources (e.g., computer time) spent by BR staff on processing filings. Without having more information on the actual cost of processing such filings, any proposals to change Decision 482 would be premature. The BR is encouraged to provide information on the actual cost of processing large non-GSO system filings.

During the discussions it was mentioned that:

* The purpose of cost recovery is not revenue creation but purely recovery of actual cost.
* The use of an individual staff tracking mechanism for processing satellite network filings was implemented in the early 2000 but finally abandoned in 2005.
* There is a need to better evaluate the notion of complex and large filings and to avoid invoices with excessive values.
* Any draft modifications to Decision 482 are premature at this meeting which should only prepare a report on studies and recommendations for follow-up actions.
* Only the consideration of break points (existing and possible new ones) may be discussed at this point in time, as the overall issue is still being quantified.
* Not only complex satellite systems have a high number of units. Simple satellite systems may also have high number of units.
* The number of units is not the only criterion to characterize complex satellite systems. There is a need to identify the criteria to characterize complex satellite systems.

**Document** [**EG-D482-1/3**](https://www.itu.int/md/S18-EGD482-C-0003/en) **from France - Cost Recovery applicable to non-GSO satellite systems filings**

The document analyses Procedure B and states that the Expert Group should study in more detail the relevance of the number of units of the ‘breakpoint’ to qualify the complex non-GSO satellite filings, and should consider a new mechanism to limit the Cost Recovery fee as the number of units becomes very large. The Cost Recovery fee should be related to the real increase of the workload for the BR of the complex non-GSO satellite filings.

Any changes to the Cost Recovery charges should apply to coordination requests with a date of receipt after the effective date of approved changes, and to Notifications which are associated with these coordination requests with a date of receipt after the effective date of approved changes.

During the discussions it was mentioned that:

* It is very important to highlight that any changes to the Cost Recovery charges should not apply retroactively. Care should be taken regarding the date of entry into force of any changes.
* If there is no incentive on the Cost Recovery charges, submission of complex filings could continue at no additional cost for the administrations but high additional cost for the BR.
* There is a need to find a balance for complex filings with very large number of units and the consideration of a second break point (ceiling) could be consensual. There is a need to avoid invoices with excessive values.
* Complex filings delay the processing of other filings and thus should be discouraged.
* The Cost Recovery fee should reflect the real work and actual time/efforts spent by the BR, and thus there is a need to know more details on the actual/real cost of the BR.
* The work of this group should be limited to the scope defined in its term of reference, concentrate on technical/regulatory aspects and refrain from revising entirely the structure of Cost Recovery in Decision 482.
* The work of this group should only affect the non-GSO excess cases that create additional work for the BR and delay the processing of filings and should not impact other GSO and non-GSO cases. Administrations shall comply RR No. 4.1.

**Document** [**EG-D482-1/4**](https://www.itu.int/md/S18-EGD482-C-0004/en) **from the Secretariat - Review of Procedure B for complex non-GSO satellite filings**

The document aims at providing more information to the Council Expert Group on the main cost drivers of the regulatory processes associated to complex non-GSO satellite filings. The document provides an assessment based on relative comparisons to existing resources used for processing non-GSO satellite filings, and based on this assessment it suggests some possible ways forward concerning Procedure B.

The document provides in its annex examples and statistics related to Procedure B and invites the Council Expert group to consider them in order to determine the most appropriate break point. On this basis, the BR would be in a position to assess the added resources needed to process non-GSO filings beyond the second breakpoint.

During the discussions it was mentioned that:

* Complexity of a non-GSO satellite filing may not be modelled in the most precise way by cost recovery units however alternatives, such as those presented by the BR during the October 2017 meeting of ITU-R Working Party 4A would lead to additional formulas to be inserted in Decision 482, which may complicate the Decision.
* Having an upper boundary to invoices is necessary, to avoid non-payment by administrations of very large invoices, and recourse to the ITU reserve account as it occurred in early 2000.
* Estimates of time and costs spent by the BR to process non-GSO satellite filings larger than 1000 units are needed to be able to define breakpoints between “usual” and “complex” filings.
* Regulatory actions by WRC-19 on standardization of input data are seen as the most viable long-term solution. Besides compiling existing proposals to modify RR Appendix 4, the BR is invited to suggest additional possible changes to this Appendix that would facilitate handling complex non-GSO satellite filings.

**4 Review of Procedure C**

**Document** [**EG-D482-1/5**](https://www.itu.int/md/S18-EGD482-C-0005/en) **from the Secretariat - Review of Procedure C**

The document aims at providing more information to the Council Expert Group on the main items driving costs of the process of examining conformity of certain non-GSO satellite filings with the equivalent power flux-density (epfd) limits contained in Article 22 of the Radio Regulations. Based on this assessment, the document suggests some possible ways forward concerning Procedure C.

Three main factors have been identified: more harmonized and standardized input data, software developments required by revisions to Recommendation ITU-R S.1503 and software maintenance.

During the discussions it was mentioned that:

* Means to provide greater stability to Recommendation ITU-R S.1503 should be investigated (the possibility of incorporating this Recommendation by reference in the Radio Regulations was mentioned).
* Updates to the epfd validation software depends on the revisions to Recommendation ITU-R S.1503, which are decided by the ITU membership in ITU-R Study Group 4. As such, it is difficult to predict the occurrence of new revisions, but it can be safely assumed that two years are needed to go through the entire process of a new revision.
* Revisions to Recommendation ITU-R S.1503 are until now always backward compatible.
* Epfd validation software is currently outsourced, but the option of being able to maintain it as an internal software on the long term is studied by the BR.
* Required costs for software updates and maintenance, irrespective of final decisions on Decision 482, are always discussed by the Council during the approval of ITU biennial budgets.

**5 Draft structure for a report containing recommendations about the possible revision of Decision 482 with regard to complex non-GSO satellite filings**

**Document** [**EG-D482-1/7**](https://www.itu.int/md/S18-EGD482-C-0007/en) **from the Chairman - Draft structure for a report containing recommendations about the possible revision of Decision 482 with regard to complex non-GSO satellite filings**

The document provides in its annex a draft structure for a reportcontaining recommendations about the possible revision of Decision 482 with regard to complex non-GSO satellite filings and invites the Council Expert Group to review it and provide comments in order to be able to develop the report requested by Council. The meeting reviewed the document and agreed on a revised version of the draft structure as contained in Annex 1 to this Report. The meeting further agreed to request the BR to provide certain information as contained in Annex 2 to this Report. During the discussions the BR was also requested to provide a flowchart describing the different procedures as well as information on statistics/data on the implementation of Procedure A.

Contributions were also invited to develop the report requested by Council.

**6 Information on exceptionally complex GSO satellite filings**

**Document** [**EG-D482-1/6**](https://www.itu.int/md/S18-EGD482-C-0006/en) **from** **the Secretariat - Information about exceptionally complex GSO satellite filings**

The document aims at providing information to the Council Expert Group on the need to take action with regard to exceptionally complex GSO satellite filings, with the understanding that detailed consideration whether the approach of Procedure B should also be applicable to the cases of exceptionally complex GSO satellite filings could only start once studies of complex non-GSO satellite filings have been completed.

Following the presentation, it was mentioned that:

* For exceptionally complex GSO filings, the consultation with the notifying administration that the RRB instructed the BR to perform should be done during a 30-day period similar (or in some cases identical) to the period given to notifying administrations to reply about questions concerning correctness of information at the receivability stage.
* The matter has to be also reported to CPM19-2 and WRC-19 through the BR Director’s Report.

**7 Date(s) of next meeting(s)**

The meeting agreed that the second meeting of the Council Expert Group on Council Decision 482 will take place on 28 February and 1 March 2019 starting immediately after CPM19-2 and a possible third meeting before Council 2019.

**8 Any other business**

In closing, the Chairman thanked all the ITU Member States and Sector Members who made contributions and participated in the meeting of the Expert Group (including those who participated remotely), the BR Director and the Secretariat for their efficient assistance during the meeting.

The Group thanked the Chairman and Secretariat for their effective organization and management of the Group. The Group also thanked the remote moderator.

**Chairman: Mr. Nikolay Varlamov**

**Annexes: 2**

**Annex 1**

Preliminary Draft structure for a progress report containing recommendations about the possible revision of Decision 482
with regard to complex/large non-GSO satellite filings

**1 Introduction**

[This section will briefly describe the topic and present the terms of reference of the group.]

**2 Background**

**3 Description of complex/large non-GSO satellite filings**

**4 Categories and types of complex/large non-GSO filings**

Note: Technical details will be provided in an annex.

**5 Procedures on how to review Decision 482 with regard to processing complex/large non-GSO satellite filings**

**5.1 Procedure A**

Note: Not to be pursued as per Council Decision.

**5.2 Procedure B**

5.2.1 Review/Examination of Procedure B relating to the cases of complex/large non-GSO satellite filings

Note: include statistics taking into account impact of Procedure A in dealing with Procedure B (see request # 1 to the BR in Annex 2 to Doc. EG-D482-1/8).

5.2.2 Impact of complex/large non-GSO filings on the activities of the BR relating to processing of these filings

Note: Validation, technical/regulatory examination, publication, etc.

5.2.3 Review of Cost Recovery fees for complex/large non-GSO satellite filings according to Procedure B

**5.3 Procedure C**

5.3.1 Review/Examination of Procedure C

5.3.2 Major costs elements/factors in checking compliance with epfd limits

5.3.3 Non-recurring and recurring costs associated with checking compliance with epfd limits

**6 Other considerations**

**6.1 Possible modification to certain RR provisions and associated RoP**

Note: E.g. RR No. 4.1, RoP relating to receivability, etc.

Note: During the discussion on the review of Cost Recovery methodologies it was indicated that certain information is to be sought from/provided by the BR (see Annex 2 to Doc. EG-D482-1/8).

**7 Recommended course of actions to the 2019 session of ITU Council**

**7.1 Possible revision of Decision 482 with regard to complex/large non-GSO satellite filings**

**7.2 To consider the need to further review Decision 482 based on WRC-19 decisions on associated technical/regulatory issues, if available**

Note: The concept of § 7.2 may be included in the Chairman’s Report to Council 2019.

**Annex 2**

Requests to the Radiocommunication Bureau

Some of the items below could be included in the Report from the Expert Group on Decision 482 to Council 2019.

1 To provide to the next meeting of the Expert Groupon Decision 482, to the extent possible, estimation of time spent by various categories of staff (G, P, D) in processing those top 5% complex/large non-GSO satellite filings. It was noted that in order to fully take into account the information provided it would be beneficial to receive this input at least four weeks before the next meeting.

2 To report to the next meetings of the RRB on the progress achieved and consideration given by the Expert Groupon Decision 482 on the course of action to be taken by the RRB and the BR regarding amendments to certain RoP, such as receivability, and RR No. 11.31 for the reduction and facilitation of the tasks performed by the BR.

3 To enhance its software towards further automation of certain tasks currently manually performed with a view to reduce the time spent on processing of the above mentioned non-GSO satellite filings.

4 To provide to CPM19-2 and WRC-19 consolidated documents relating to modifications to RR Appendix 4 as suggested by ITU-R and any additional information related to RR Appendix 4 data elements which facilitate the processing of complex/large non-GSO satellite filings.

5 To review relevant provisions of the RR other than those mentioned in item 4 with a view to identify those provisions which could facilitate and reduce tasks and workload of the BR in processing complex/large non-GSO satellite filings.

Note: The membership of the Expert Groupon Decision 482 is invited to consider the items above with a view to contribute on those actions which may also facilitate the review of the Cost Recovery methodologies.