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|  | **Document CWG-FHR-20/23** |
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| **English only** |
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| Contribution by Asia Satellite Telecommunications Co. Ltd. (AsiaSat) | |
| PROCESSING OF NOTICES FOR SATELLITE NETWORKS AND SYSTEMS | |
| **Purpose**  The purpose of this document is to provide a basis for discussion on some of the elements associated with the processing and publications of notices for satellite networks and systems, how to recover the cost associated with this work and the consequential fees to administrations for individual satellite filings.  **Action required**  The Council Working Group on financial and human resources (CWG-FHR) is invited to **take note** of the discussion in this document and **consider** the proposals for inclusion in its report to Council 25. | |

Introduction

Resolution 91(Rev. Guadalajara, 2010) of the Plenipotentiary Conference (PP) outlines that cost recovery charges should be applied to services and products of the Union. So far, to the best of knowledge of AsiaSat, cost recovery charges have only been introduced in respect of filings for satellite networks and systems (ITU Council Decision 482).

This contribution discusses and makes proposals with respect to three issues related to the cost recovery charges applied to filings for satellite networks and systems;

– What should be recovered through satellite filing charges?

– What is to be recovered and what is a reasonable percentage to be attributed to indirect costs?

– Financing and requirements for free filings.

# 1 What should be recovered through satellite filing charges?

According to PP Resolution 91 (Rev. Guadalajara, 2010), cost recovery charges shall be applied:

i) when a product or service is provided for the benefit of a limited number of Member States or Sector Members;

ii) when a product or service is requested to a significantly greater extent by a small number of users;

iii) when products or services are requested on a discretionary basis.

More than 25 years ago, at PP-98, when Resolution 91 was first established and the Council subsequently crafted Decision 482, satellite communications were very different compared to today, where, at that time, only a few countries had the technology and resources to enter into satellite communications.

However, as of today, satellite technology has become commonly available and much more affordable. As a result, more and more countries are seen entering into the field of satellite operation of geostationary satellites and/or non-geostationary satellites for a wide range of applications. In the last few years, one has seen a large growth of both geostationary satellite networks and non-geostationary satellite systems being introduced.

Doing a survey in the ITU databases, AsiaSat sees that as of today, about 60 percent of all ITU Member States have made submissions for a satellite network/system examined and published by the Bureau and the number is growing as new satellite networks and systems are increasingly launched.

This means that several of the costs associated with handling satellite filings cannot be seen as being provided to a limited number of Member States or Sector Members, but rather to be provided for all Members of the Union. While AsiaSat is of the view that the actual workload of processing individual filings should be attributed to the cost recovery fee for that filing, costs that are to the benefit of all Members of the Union should not be added to the cost recovery fees for individual filings. Examples of such cost elements include:

– software development and maintenance;

– implementation of WRC decisions;

– study group and WRC support costs;

– building costs;

– support of the General Secretariat not related to processing of individual filings.

Proposal

The CWG-FHR, noting that the majority of ITU Member States have had satellite filings examined and published by the Bureau, is invited to concur that costs that are available for the benefit of all of the Member States of the Union should not be added to the fees for individual satellite filings. Examples of such costs are shown above, but the group may also identify other cost elements that would fall into this category.

# 2 What is to be recovered and what is a reasonable percentage to be attributed to indirect costs?

At the ITU’s presentation on 15 January 2025 on contributory unit – financial sustainability for 2028-2031, AsiaSat notes that it is stated that ITU has a budgetary deficit of CHF 21.2M and in order to recover this, it is proposed to increase the fees for satellite filings to minimize the required increase of the membership contributory unit. In PP Resolution 91 (Rev. Guadalajara, 2010), it is recognized that “cost-recovery charges for products and services are segregated to the specific product or service, covering direct and indirect costs of providing the product or service to which they relate, and should not be considered as generating profit from members”. With this in mind, an increase in cost recovery fees for satellite filings cannot be justified by a need to close a general budgetary deficit of the Union but needs to be limited to the cost of processing and publication of satellite filings.

AsiaSat furthermore notes that PP Resolution 91 (Rev. Guadalajara, 2010) stipulates that cost recovery should be implemented in a way that “provides for an upper limit on the level of indirect costs to be allocated to a product or service, in terms of a globally defined maximum percentage of the fixed costs not to be exceeded”.

The question is what would be a reasonable maximum percentage of the fixed costs to be added for indirect costs?

AsiaSat notes that in Council Decision 535, the cost allocation process is outlined. In the figure in this Decision, it can be seen that some of the expenditures of the General Secretariat are charged to the bureaux while others are not. In Document [CWG-FHR-19/8](https://www.itu.int/md/S24-CWGFHR19-C-0008/en), a cost overview was shown, indicating that around 47 percent of the costs associated with the processing of a satellite filing are due to the indirect costs of the General Secretariat and the centralized services. In addition to this, it is to be noted that in the costs of the Radiocommunications Bureau, there are also indirect costs included.

This would mean that much more than half of the costs claimed recovered are due to indirect costs. AsiaSat finds it hard to understand that such an overhead can be deemed reasonable and notes that commonly, much smaller percentages are assumed for overhead.

Proposals

– The CWG-FHR is invited to concur that satellite cost recovery charges are to recover the actual cost of processing satellite filings irrespective of the overall budgetary situation of the Union.

– The CWG-FHR is invited to consider what would be an appropriate defined maximum percentage to be allocated for indirect costs for processing and publishing of satellite filings.

# 3 Financing of free filings

In response to *resolves* 4vii) of PP Resolution 91 (Rev. Guadalajara, 2010), the current Decision 482 (C01, last amended C24) enables all administrations to make one satellite network filing per year, free of charge. Just like for processing and publication of other satellite network filings, it is clear that there is a cost for the Bureau and ITU associated with processing and publication of the “free filings”.

The question then is how should these free allowances be financed:

– through the regular financing of the Union?, or

– by adding these costs to charges for the satellite network filings not subject to free allowance?

AsiaSat understands and sympathises with the motivation behind free satellite filings to support administrations entering into the satellite business. This is a courtesy offered by the Union to all Member States. Consequently, AsiaSat understands that consequently, the cost for such a courtesy would also be borne by the general financing of the Union.

To place the cost of this courtesy offered by the Union on other satellite networks/systems filed by other administrations, in AsiaSat’s view, would be unfair and place an unreasonable and unjustified burden on these administrations, which would then be charged for costs generated by other administrations on behalf of other satellite operators. Also, it is to be noted that these costs are not associated with the processing of the satellite networks/systems being subject to filing fees and are not associated with the service being sought.

In recent years, it has also been observed that:

– Satellite operators file for large global satellite networks through what may be perceived as a “country of convenience”, countries where they have no significant presence or operation. The country may even be outside the coverage of the filed satellite network. Still, every year, such filings may enjoy a free entitlement.

– By submitting a free filing every year, administrations can, over time, build up a large number of networks/systems in MIFR while still enjoying a free filing for new filings.

– Filings for very large and complex non-geostationary satellite systems, encompassing thousands of satellites in multiple orbits are filed and are claimed as free filings. Processing of such satellite systems lays claim on significant resources of the Bureau.

One might question if this is in compliance with the motivation and intent of the free filings.

To limit the costs of the Union by offering free filings, the question then is if the free filing allowances should:

– continue as of today with no limitations or requirements?

– filings for large non-GSO systems (“large” needs to be defined in quantifiable terms) are excluded from being claimed as free filing?

– limited to national service/coverage area?

– limited to administrations having no networks/systems already in MIFR?

– be abandoned altogether?

In this respect, AsiaSat understands the motivation for the free filings to be to support administrations having no satellite network/system to establish their own network/system. While sympathizing with this motivation, it might be pertinent to question if this free allowance should apply to just any kind of filing or if there should be some limitations as to what filings should be entitled to a free allowance.

Resolution 91 (Rev. Guadalajara, 2010) of the Plenipotentiary Conference stipulates that cost recovery, not limited to satellite networks/systems, should be implemented in a way that “allows all Member States an adequate level of the product or service free of charge, where appropriate”. PP Resolution 91 (Rev. Guadalajara, 2010), however, does not provide any further guidance as to what practical measures this includes with respect to the processing of satellite networks/systems or other services that should be subject to cost recovery charges.

It is, therefore, up to the Council to decide how this is to be implemented with respect to satellite networks/systems and if there should be satellite networks/systems that are exempt from cost recovery charges, which ones, and with what requirements and limitations.

Proposals

– The CWG-FHR is invited to concur that free filings are a courtesy offered to administrations by the Union and not a service to be paid by other administrations making filings for satellite networks/systems. and that for this reason, the cost associated with the processing and publication of the free filings are to be covered through the regular funding of the Union and not by adding to the charges for other satellite networks/systems.

– To limit the costs of the Union, the CWG-FHR is invited to, if the concept of free filings is decided to be retained, concur that there should be requirements and limitations for filings to enjoy this privilege. E.g. it could be identified for administrations intending to launch their first satellite network/system. In this respect, it may also be pertinent to consider an upper limit on the size and complexity of filings that can enjoy a free entitlement.

– Below is an example of possible revisions to *decides* 4 of Decision 482 (C01, last amended C24) in this respect. However, also other solutions to bring the provisions related to the free filings in line with the motivation behind it could be considered.

"4 that each Member State having no satellite network or system in MIFR shall be entitled to the publication of Special Sections or parts of the BR IFIC (Space Services) for one satellite network filing [with national service area]/[having its national territory included in the service area] each year without the charges referred to above[[1]](#footnote-1). Each Member State in its role as the notifying administration may determine which network shall benefit from the free entitlement[[2]](#footnote-2)".

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1. Non-GSO satellite system filings meeting at least one of the three following criteria: non-GSO satellite systems with more than 25 000 units, non-GSO satellite systems containing two or more mutually exclusive configurations or non-GSO satellite systems subject to epfd limits of Article **22** of the Radio Regulations are not eligible to be claimed for a free entitlement. [↑](#footnote-ref-1)
2. A submission of filings under Article 4 of Appendix **30** and Appendix **30A** in the Regions 1 and 3 Plans, referring to a single orbital position with the same satellite name and received on the same date shall be considered as one “satellite network” filing for the purpose of free entitlement. [↑](#footnote-ref-2)