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|  | **Document CWG-FHR-20/29** |
| **14 February 2025** |
| **English only** |
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| Report by the Secretary-General | |
| ANALYSIS OF THE OUTCOME OF THE THIRD MEETING OF THE EXPERT GROUP ON DECISION 482 | |
| **Purpose**  Following the third meeting of the Expert Group on Decision 482 that was held on 10 and 11 February 2025, the secretariat analysed the financial impact of the decisions of the group and is sharing the results of this analysis with the Council Working Group on financial and human resources.  **Action required**  The Council Working Group on financial and human resources is invited to **consider** the information provided in this document and to **recommend to Council** an appropriate way forward to achieve full cost recovery of the satellite network filing processing.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **References**  [*CWG-FHR website*](https://www.itu.int/en/council/cwg-fhr/Pages/default.aspx) | |

**1. Introduction**

The third meeting of the Council Expert Group on Decision 482 took place on 10th and 11th February 2025. Discussions remained challenging, with limited progress made toward conclusive recommendations.

The group reviewed all ten items of the Terms of Reference (see [Decision 632](https://www.itu.int/md/S23-CL-C-0126/en) of Council) for possible modifications to Council Decision 482 (C-24). However, agreement leading to increases in cost recovery was reached on only four items (b, e, h, i of the Terms of Reference). Several key items related to non-geostationary systems (items f and g of the Terms of Reference) remained unresolved, raising concerns over the lack of a comprehensive approach to cost recovery. The group also concluded that no change should be made to Decision 482 in reply to two items (a and j of the Terms of Reference) and that no change can be proposed at this stage in reply to item c.

The financial impact of the agreed modifications was assessed using 2023 data, yielding an additional estimated revenue of CHF 794 171, which remains insufficient to address the ITU’s current financial gap in cost recovery for satellite network filings.

A fourth and final meeting of the Expert Group, dedicated to the completion of the report to the 2025 session of Council, is scheduled on 10 and 11 April 2025.

**2. Analysis of the outcome of the 3rd meeting of the Expert Group on Decision 482**

The possible modifications to Decision 482 (C24) agreed during the third meeting of the Expert Group primarily affect geostationary (GSO) satellite filings, leading to minor increases in revenue. The inability to conclude on items f and g (non-GSO systems) means that significant cost recovery gaps remain unresolved.

Simulating the financial impact of the decisions on the invoices issued in 2023, the estimated additional revenue from agreed changes is CHF 794 171, which is significantly lower than the actual financial shortfall.

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|  | **2023 (CHF)** |
| Differential impact of item b) (limits on free filings) | 13 530 |
| Differential impact of item e) (Post-notification activities) | 527 461 |
| Differential impact of item h) (epfd examination costs) | 201 600 |
| Differential impact of item i) (additional examination in the Space Plans) | 51 580 |
| **Total differential impact** | **794 171** |
| **Invoiced amount** | **11 215 321** |
| **Full cost recovery** | **22 810 000 CHF** |
| Required fee increase to achieve full cost recovery (not taking into account the outcome of the Expert Group) | 11 594 679(103% increase required) |
| Required fee increase to achieve full cost recovery (taking into account the outcome of the Expert Group) | 10 800 508 (96% increase required) |

Without a broader adjustment to fees, ITU will continue to operate at a loss in processing satellite network filings. ITU needs move toward full cost recovery, as required under Resolution 91 (Rev. Guadalajara, 2010), to ensure financial sustainability.

The current fee structure is too low and requires a substantial adjustment to reflect actual costs in a changing environment which affects ITU’s capacity to deliver its mandate.

**3. Recommendations to the Council Working Group on financial and human resources**

In light of the Expert Group’s inability to reach substantive recommendations, CWG-FHR must consider a structured increase in SNF fees to align with Resolution 91 and ensure full cost recovery.

Two proposed options could be considered for the fee adjustment in Decision 482:

* Option 1: Implement a constant increase on each fee currently contained in Decision 482 (based on 2023 figures, the increase should be at least 77% but the Secretariat would be able to prepare a more complete analysis over the past 3 to 5 years in time for Council so that the increase rate can be based on an average over several years).
* Option 2: Implement the proposals agreed by the Expert Group and then adjust each fee of the revised Decision 482 to reach full cost recovery (the Secretariat would be able to prepare a more complete analysis over the past 3 to 5 years, also taking results of the planned Expert Group meeting on 10 and 11 April, in time for Council so that the adjustment can be based on an average over several years).

The Secretariat recommends adopting Option 2 only if Expert Group concludes on all items of its Terms of Reference in its April meeting. Otherwise, the Secretariat recommends adopting Option 1.

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