



Note by the Secretary-General

SATELLITE NETWORK FILING (SNF) COST METHODOLOGY

Purpose

This is the information presented during the information session on satellite network filing (SNF) Draft Methodology on 24 April 2026.

Action required by the Council

This document is transmitted to the Council **for information**.

References

[Council Document C26/19](#)

SNF Cost Methodology C26/19

SNF info session — 24 April 2026



ITUCOUNCIL
GENEVA2026

Purpose



Respond to CWG-FHR
feedback



Improve
clarity & transparency



Introduce
Activity-Based Costing (ABC)



Focus on
cost identification

CWG-FHR feedback

True-up considered but removed

Too complex and unpredictable

Periodic review preferred

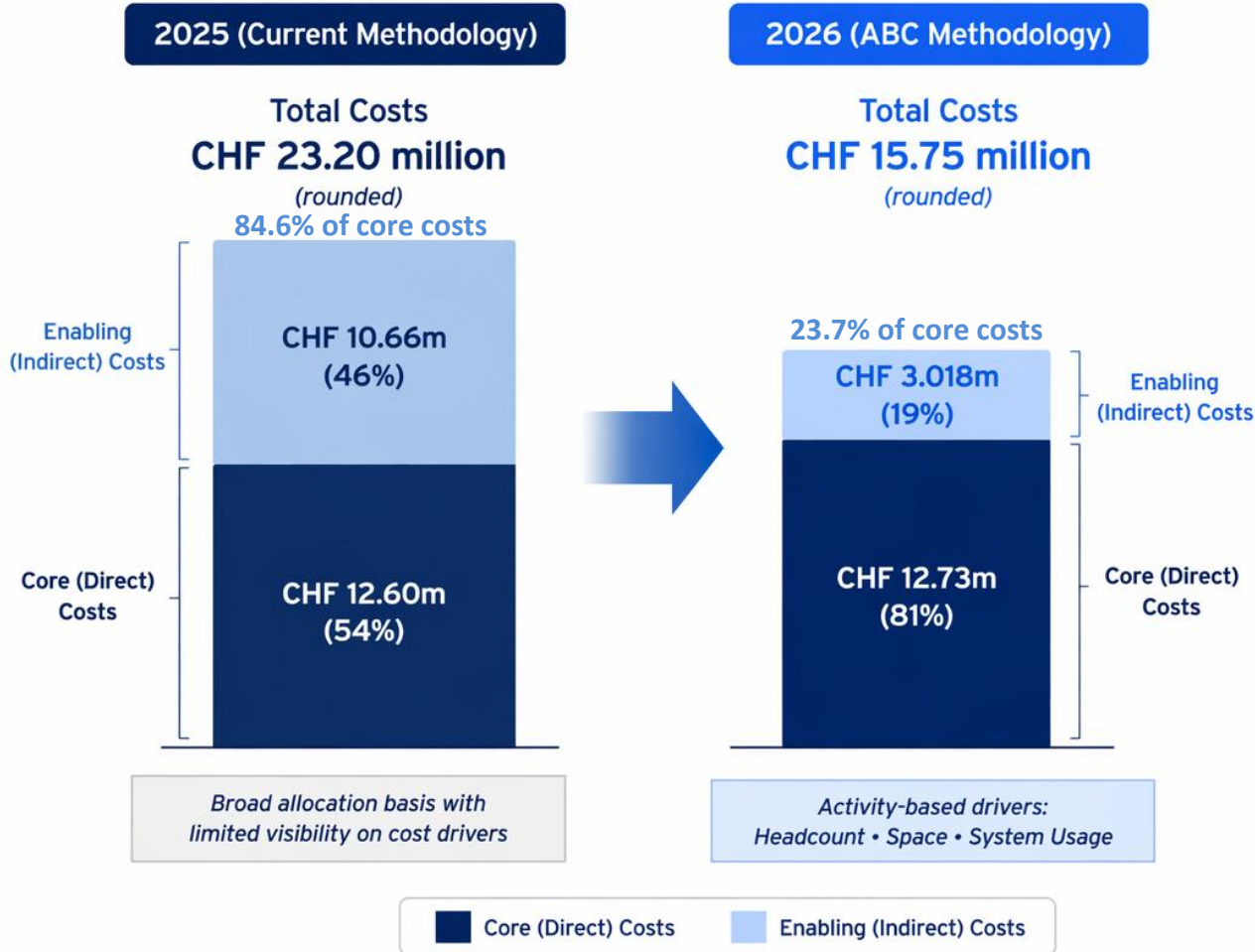
Simpler and more stable

Free entitlement – potential options

Element	Option 1: Least-cost filing	Option 2: Targeted entitlement
Approach	Apply free entitlement to the least expensive filing in the year	Limit entitlement to LDCs, SIDS, LLDCs and economies in transition
Change vs current	Removes Member State choice of filing	Narrows eligibility to defined country groups
Revenue impact (2024)	+ CHF 0.99 million	+ CHF 0.77 million
Effect on system	Improves cost efficiency of entitlement use	Focuses support on priority groups
Distributional impact	Neutral across Member States	Targeted redistribution of benefit

Refinement of SNF Cost Structure

Activity-based costing delivers more precise attribution of enabling costs



Core vs Enabling (indirect) Costs

Core

- Processing
- Systems
- Direct support

Enabling

- HR, IT, Finance
- Facilities
- Governance
- Other costs

 Both required to deliver SNF

Cost drivers to SNF allocation

Enabling function	Cost driver used	Total base	SNF share	SNF allocated cost
Facilities management	Square metres occupied	Total office space	2,506 sqm / 8.45%	CHF 0.627m
HRMD	SNF FTE vs total ITU staff	750 staff	62.6 FTE / 8.35%	CHF 0.512m
Legal	SNF FTE vs total ITU staff	750 staff	62.6 FTE / 8.35%	CHF 0.086m
Oversight	SNF FTE vs total ITU staff	750 staff	62.6 FTE / 8.35%	CHF 0.128m
ISD	SNF users vs total ITU users	1,100 users	62.6 users / 5.69%	CHF 1.579m

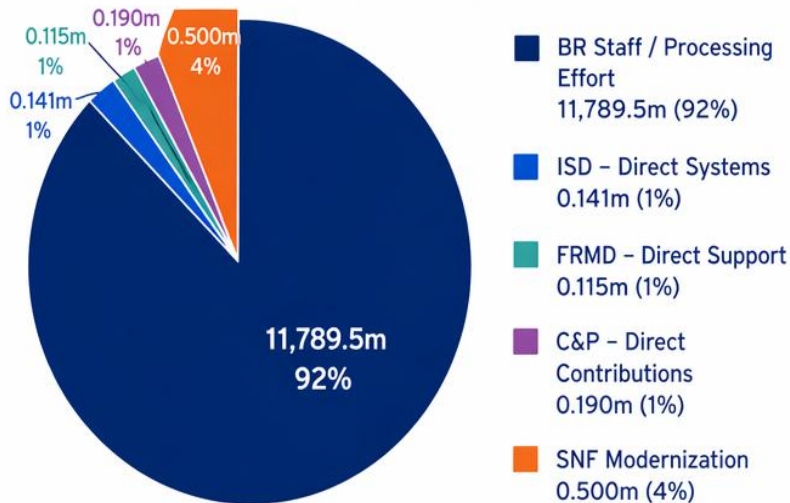
SNF Cost Structure – Detailed Breakdown

Activity-based costing delivers transparency on the composition of direct and enabling costs

DIRECT (CORE) SNF COSTS

CHF 12.736 million (81% of total SNF costs)

Breakdown by cost component

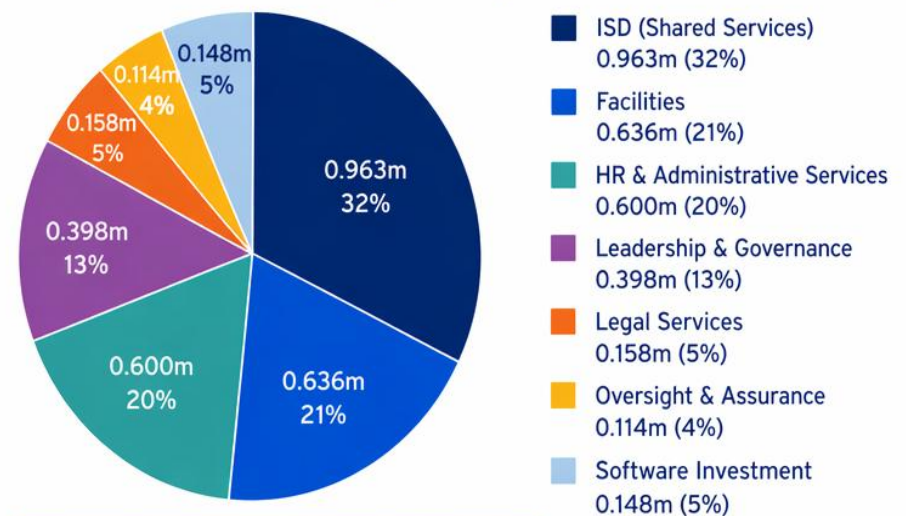


Core costs are driven primarily by BR staff effort involved in the processing of filings.

ENABLING (INDIRECT) SNF COSTS

CHF 3.018 million (19% of total SNF costs)

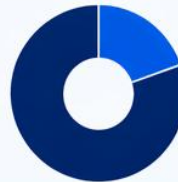
Breakdown by cost component



Enabling costs reflect the support functions that are essential to deliver SNF services.



TOTAL SNF COSTS (2026 ABC METHODOLOGY)
CHF 15.754 million



Direct (Core) Costs
CHF 12.736m
81%

Primarily driven by processing effort within BR

Enabling (Indirect) Costs
CHF 3.018m
19%

Driven by identifiable support functions across the organization

i Note: Figures may not sum exactly due to rounding.

Review Framework

- Review every 2 years (methodology and cost Base)
- Strategic alignment with WRC cycle (4 years)
- Adapts to cost and demand changes
- Supports continuous improvement

Proposed Timeline

- 2026–27: interim phase
- 2027: Council decision on fees
- 2029: Review

