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>> CHAIR: Good afternoon, everyone. Welcome to the second meeting of the ADM Committee. I hope everyone had an opportunity to enjoy the beautiful sunshine. We are back inside, and we are ready to get started.

We left off yesterday with -- by the way, our agenda is a rolling agenda. As I promised at the close of our meeting, I would go back and take a look at the agenda and reformat the Agenda and move those items that were critical to the budget discussion. They will get moved up to today. The agenda is in revision 3, C17-DT/3. That's the agenda we will be working with today. We have items 3, 4, and 5 that we have to get through this afternoon so we can complete our parking lot DL.

With that are there any questions regarding the agenda?

Thank you. I see no one asking to take the floor. So let's start with item 3. It's Document C17/43, Mr. Jamoussi.

>> BILEL JAMOUSSI: Thank you, Madam Chair. Good afternoon, dear Councillors. On behalf of the Secretary General I'm pleased to introduce Document C17/43 the issue of revenue generation from International Numbering Resources has been discussed in the Council meetings, PP-14, the Council Working Group on financial resources since 2014. An Expert Group under ITU, Study Group 2 was set up follow the instructions and presented its report to the TSB Director. Formal consultation was carried out and the result was reported to Council 2014. Discussion on revenue generation from INRs included in Council 17. The financial implications of the INR proposals discussed in 2016 taking into account the different views raised by Councillors. WTSA-16 approved the Resolution 85, strengthening and diversifying the resources of the ITU telecommunications standardisation sector, which results to instruct the Director of the Telecommunications Standardisation Bureau to participate in the study of possible new measures to generate additional revenue for ITU, including revenues that may be obtained from INR and conformance and interoperability testing.

Since 2014, various options for collecting fees from INRs were proposed and discussed, including increasing the one-time fee for UIFN and IIN. Collecting annual fee, SANC/ISPC, CNC and the ICC.

Requiring all the assignees of international numbers resources, including E164 numbers and INCs, et cetera, to be members of ITU.

As to the annual fees, one option is not to differentiate between members and nonmembers. The other is only to collect annual fees from nonmembers.

This report, Madam Chair, summarizes the financial impact of two proposals to increase revenues from INRs. Proposal number one is to collect an annual fee for the UIFN, the Universal International Free Phone Numbers and the INNs from the nonmembers.

Assuming that the annual fee is 20 Swiss francs per UIFN and 100 per IIN, the total for UIFNs and IINs will be annual revenue of 164,000 Swiss francs per year including membership fees from those companies for whom it would be cheaper to join as an associate.

There are today four companies which together have more than 5,600 assigned UIFNs and IINs. And proposal number 2 is to increase the one-time registration fee, assuming that the one-time registration fee is increased from today's 200 Swiss francs to 300 Swiss francs per UIFN and for the IIN to increase from today's 80 Swiss francs to 150 Swiss francs per number based on the current assignments of 150 UIFNs and 20 IINs, the total annual would be 228 Swiss francs per year. 76,400 Swiss francs per year is the differential. In adding up the two proposals the total annual income from INRs would be 240 Swiss francs per year.

The total annual income would then be 392,560 Swiss francs.

So the actual cost calculated in this report is based on the cost allocation methodology discussed in decision, based on decision 535 of Council, modified by the Council 2014 session. And which is entered in force on the first of January, 2016.

The cost of the general Secretariat shown in column support costs allocation of the table are distributed to the TSB through the cost allocation driver which is the number of posts and the cost of the TSB are allocated to the outputs based on time survey documentation costs shown in column documentation, represents the work of the translation and typing.

The cost for ITU to allocate IUFN and IIN can be estimated at 400 Swiss francs per year. In summary by implementing the two proposals, annual fee of 20 Swiss francs for UIFN, 100 Swiss francs for the IIN and increasing the one-time registration to 300 Swiss francs for IUFN and 150 for IIN, the 392,560 would be the total which would cover the cost of the ITU to allocate both UIFN and IIN.

The Council is invited to consider the proposals in this report. Thank you, Madam Chair.

>> CHAIR: Thank you, Mr. Jamoussi. With respect to our method of work, I will have everyone who has a contribution on this issue introduce their contribution. Then we will have the discussion.

But before I give the floor to the United States, I have a phone. It is a Wawei phone. It has a burgundy cover. If you are missing your phone, it's here on the dais.

United States, you have the floor, please.

>> UNITED STATES: Thank you very much, Chair. Good afternoon, friends. Thank you for the opportunity to present the United States contribution on the issues associated with the proposed scheme to generate revenues from fees for ITU assignment of INRs. First, the United States appreciates the efforts made by ITU management to identify ways to improve the financial stability of the Union. However, the first proposal in Annex 2 of Document 67 is the suggestion that a market analysis be completed on possibly charging market-based rates for the assignment by the ITU of certain International Numbering Resources as well as potential annual maintenance fees for such numbers. With no market analysis, much less its completion, Document 43 presents a proposal to increase revenues through new fees on two INRs, International Numbering Resources, UIFNs and IINs. There has never been consensus to pursue this scheme and there is no justification offered for the proposal in Document 43.

New or increased fees on the assignment of certain international numbers resources by the ITU is not a viable source of additional revenue. As the Expert Group found in its report to the Secretary General. There's no consensus that any such proposal, including the one in Document 43, should be further considered. As has been suggested in the past, those countries which do support using International Numbering Resources assignments to generate revenue may consider a voluntary trial if they are of the view that this might demonstrate some value for the ITU. And Chair, if I could have one more minute I would just like to ask my Head of Delegation if we are able during this Council to finally agree that there is no consensus and that we should not discuss International Numbering Resources any further, may I be excused from further participation in Council meetings?

(Laughter.)

>> UNITED STATES: I of course have to ask all of my colleagues in recognition of WTISD, please help me. Thank you.

>> CHAIR: Well ...

(Laughter.)

>> CHAIR: Thank you, United States.

I now give the floor to Saudi Arabia to introduce their document. Thank you.

>> SAUDI ARABIA: Thank you, Madam Chair. Good afternoon to you all. I have the pleasure of presenting to you Document 106, Edition 1. Madam Chair, there is a certain number of outstanding facts which are fairly obvious for all participants, both at this session and the previous session. By contrast, only yesterday we referred to the fact that certain resolutions of the ITU could not be implemented because of budgetary shortfalls. So we ask ourselves how are we going to be in a position to implement a resolution of the WTDC resolution that was supposed to be put in place before the end of this year?

We have discussed in various issues and financial difficulties for the ITU to acquit itself of its commitments, Madam Chair. We are all aware of these budgetary difficulties, particularly when it comes to the standardisation sector and the development sector because many Developing Countries are unable to use grants for their Delegates to come and take part in the meetings. What about the digital gap or standardisation gap? If we are unable to support the participation of Developing Countries, standardisation is a very important issue for Developing Countries. Last year Saudi Arabia presented a contribution comprising several options in terms of generating additional revenue from the use of international numbering resources.

We also reminded the Delegates of the Council to ask the Secretariat to conduct a study by the end of 27 in terms of generating additional resources, including International Numbering Resources, within the framework of Document 106 which we are presenting today.

Saudi Arabia demonstrates various eventualities linked to these options for generating additional resources from International Numbering Resources. We have identified six such resources. We show that in a table in Document 106.

I will not go into details of different modes and sources of income, but I would like to point out to the three possible options, Madam Chair. We could collect a single fee when issuing a number and, secondly, we could have an annual tax. Or we could ask the beneficiary of the number to become an ITU member. In the light of the financial analysis, the Kingdom of Saudi Arabia has conducted, these different options we present in our document would make it possible to gain 50 million Swiss francs if these measures are approved at this session of the Council. We believe, Madam Chair, that in terms of implementing and following up these recommendations by Saudi Arabia would enable the ITU to fully meet its commitments particularly as we are all striving for the attainment of STGs. Here we have envisaged a number of avenues to pursue. This is our contribution 106 and we will remain at your disposal for any possible questions. Thank you.

>> CHAIR: Thank you, Saudi Arabia. So I'm opening the floor for discussion on the INRs. You are welcome to take the floor. I have UAE.

>> UNITED ARAB EMIRATES: I thank you, Madam Chair. We would also like to extend our welcome to all the participants.

Madam Chair, with regard to the question of International Numbering Resources, what is involved here is a fee, a topic which we have been discussing tirelessly for the past six years. It would seem to us that the proposals by the general Secretariat of the ITU as well as from our brothers in Saudi Arabia are relevant proposals which we support. Those are in line with strengthening the ITU budget.

Madam Chair, during this 2017 session, we hope to be able to conduct a deeper study. We have been deferring this decision again and again because we are saying that we needed in depth analysis. It has been now started by the standardisation sector, by the general Secretariat. An in depth study has been conducted. We look forward to this 2017 session to finally take a decision on this. Thank you.

>> CHAIR: Thank you, UAE. Just to confirm because the interpretation may have said something different. You do not want a deeper study, correct? You want resolution? Thank you.

Australia, you have the floor, please.

>> AUSTRALIA: Thank you, Chair. Australia would like to thank the Secretariat, the U.S. and Saudi Arabia for their contributions and proposals. We have a number of comments and observations on the document. To begin with the proposal from the Secretariat, to us it seems that the registration assignment and annual fees proposed appear to be excessive when we compare it to E164 numbers, for example, that are allocated by the Australian regulator, the ACMA. As an example there, a provider can obtain 1 million mobile numbers for 35 Australian dollars compared to 1,640 Australian dollars for a UIFN which is an eight-fold increase.

The proposed charges appear to us to be excessive in terms of the cost being recovered for ITU's management of a small number of INRs, around 550,000 Australian dollars per annum. We believe that any proposed fees should be set according to where the costs fall. That is, the ITU has assigned around 37,000 UIFNs but only 10,000 other INRs and cost recovery, and it should be cost recovery rather than market-based costs, should be weighted towards UIFNs. It is not clear to us whether this proposal may lead to charge cross subsidization, that is providers paying the ITU to recover the costs of assigning these INRs may end up paying for other ITU functions. And a basic principle of cost recovery is those who use the service should pay for that service and not for other services that they haven't used.

As mote noted in the contribution by the U.S. there is no explanation as to how the proposed amounts were determined or any analysis to justify the amounts that were selected. However, we do not think that any voluntary contribution scheme would be effective as this is likely to lead to zero or low contribution.

We would note that providers already are paying what is effectively an ITU levy, 300,000 Australian dollars per annum, via collection of the annual carrier charge in Australia. Therefore, providers in Australia may argue that they already sufficiently are funding the ITU.

In regard to the Saudi proposal, the Australian example, our regulator assigns less than ten ISPCs and MNCs per annum. If adopted this proposal would impose additional collection costs on our regulator, which would need to be recovered. That is, our regulator would need to collect an allocation charge for its own time and an ITU cost which would then need to be remitted separately to the ITU or paid directly to the ITU, which would involve further checking that monies had been paid for a number could be assigned. That's an important consideration, I think, is the amount of work that these proposals are likely to put on our own regulators.

In summary and from our own example where our regulator was able to put in place measures that have drastically reduced the costs for our operators in gaining access to numbers, we believe that the ITU could consider more efficient mechanisms for the assignment of INRs, including potential out-sourcing of functions, automation if that is not already in place or combined fees to reduce the administration costs of levying multiple fees. Finally, to conclude, Chair, we also support the observation by the U.S. about the lack of consensus with this proposal over a number of discussions. For that reason we support the U.S. proposal and we feel that this particular issue, I think, should be put to bed. Thank you, Chair.

>> CHAIR: Thank you, Australia. India, you have the floor.

>> INDIA: Thank you, Madam Chair. Good afternoon to all of you. Madam Chair, I agree with the previous speakers that we have been discussing the issue at several meetings and delaying the day where we need to really take care of a decision on this subject. ITU, if ITU objectives could drive the decision making, we have to consider the position that we need not do market business but to bridge the digital divide.

Additional resources, what we are going to get by enhancing the number of resource revenues is not used for any other programme but specifically to recover the costs, as has been mentioned previously by the DSP. The rationale to use market analysis to cover the cost, though it is good, the overhead costs may vary from organisation to organisation. The market is needs driven.

A lot of analysis has been done already. Now we all should agree about what should be the mechanism to recover the costs, what is being spent on the subject. Perhaps we may discuss more about options than putting the issue to bed. And perhaps we should take the issue about what in this Council meeting itself rather than delaying it again and again. Thank you.

>> CHAIR: Thank you very much, India.

Brazil, you have the floor, please.

>> BRAZIL: Thank you, Madam Chair. Good afternoon, all. Our colleagues, we support efforts to increase revenues as presented in Document 43, but we are not in favor of any scheme for paying for resources which allocation is the responsibility of the administration. Such as IMNC, for example, or the numbering on E164.

However, the document of Saudi Arabia provides some valuable thoughts that shall be further discussed here in this Council. If the intention is again to keep the numbers assigned to ITU only, and with the possibility of having these assignees incorporated as associate members. We should also further assess the impacts that is a new form of charging which impacts the market. Otherwise, the measures we are proposing bring more harm than benefits for ITU. Thank you, Madam Chair.

>> CHAIR: Thank you, Brazil.

Russia, you have the floor.

>> RUSSIAN FEDERATION: Thank you, Madam Chair. We would like to support the colleagues from UAE and associate ourselves with the Saudi Arabia contribution. This issue has indeed been discussed many times at Council, and the Council Working Group on financial and human resources. The consensus was that INR should be provided for a charge. We would note that about 70 percent of operators are not ITU sector members. So we support the approach whereby sector members will not be obliged to pay any additional fees. Thank you.

>> CHAIR: Thank you, Russia.

Tunisia, you have the floor.

>> TUNISIA: Thank you, Madam Chair. As expressed by our colleagues, this topic has been discussed lengthily during the past years. And I believe as we have seen, the ITU is in need of additional resources so as to carry out its priorities, amongst which are achieving financial balance. Therefore, the proposal made by Saudi Arabia with regard to generating the INRs or the revenues from the INRs is one of the solutions and could contribute seriously in solving the problem of the budget.

Therefore, we do support the resolution project with the aim of strengthening the ITU. Thank you.

>> CHAIR: Thank you, Tunisia. I want to remind Delegates, if you want to take the floor, push the button once. If you push it again it takes you out of the queue. Right now my next speaker is Japan. Thank you.

>> JAPAN: Thank you, Madam Chair. So to improve the financial stability, I would appreciate the effort of the Secretariat. However, we have a concern about the new or increased fees on the assignment of INRs. It causes not only extra expense for the Secretariat but pressure on the final users.

It if it would be cost recovery, we believe it should be applied in the case where both pay ors and pay 83s can get merit, not only until their own interests.

Concerning about the cost recovery for filings, I recognize it is a solution for the contributor of the work. They are made for both payors and pay 83s. The cost recovery system is functioning well. But in this case, there is no merit for pays. Now, the various contact means to customers, I am afraid this may become a contrary effect. If so, it would be a bad solution for stable revenues in the future. Thank you, Madam Chair.

>> CHAIR: Thank you, Japan. Algeria, you have the floor. Thank you.

>> ALGERIA: Thank you, Madam Chair. We agree with all those Delegations that support the legitimate proposal proposed by Saudi Arabia, since it has interesting solutions on the one hand and on the other hand all the positive consequences that may result for every developing country. Thank you.

>> CHAIR: Thank you, Algeria. Kuwait, you have the floor -- sorry, USA and then Kuwait. Thank you. USA, you have the floor.

>> UNITED STATES: Thank you very much, Chair. With respect to Document 106, the proposal in that contribution is a step backwards. It includes proposed fees for INRs not assigned by the ITU. Although no consensus has been achieved to pursue any INR revenue generation scheme, it is clear that only INRs directly assigned by the ITU may be considered.

Further, there is no cost justification for any of the fees being proposed, nor is there any market analysis as to the impact on customers or operators for imposing the proposed fees.

I would just recall for all colleagues, while there has been no consensus when we have been discussing this issue, there was something approaching consensus when the ITU conducted its consultation and 80 percent of the Member States that responded to that consultation noted that they would require changes in their regulations or their laws in order to impose these fees on their operators.

None of the analysis that has been provided to this Council has taken that into consideration. Thank you, Chair.

>> CHAIR: Thank you, United States. So I have on my list Kuwait, Canada, Germany, Egypt, Morocco, Rwanda, Uganda, Portugal, Sweden, Lithuania, Belarus. I'm closing the list. My last speaker on this subject is Belarus.

Sorry. Belarus is the last speaker. Czech Republic will get the floor after Belarus.

The list is closed. Kuwait, you have the floor, please. Thank you.

>> KUWAIT: Thank you, Madam Chair. In short, we add our voice to those countries that supported Saudi Arabia. Thank you, Madam.

>> CHAIR: Thank you. You have the floor, please, Canada.

>> CANADA: Madam Chair, this is deja vu all over again. We have addressed this issue more than three times at Council and at the Council Working Group on finance and human resources. For the reasons that we have advanced at these previous meetings, we are not in favor of revenue generation through INRs. What we need to do is to consider any further messages, any further measures to be implemented that could facilitate the analysis of having either additional revenue by reallocating the budget or by analyzing, for example, items in the budget along the lines of the costs which we incur with travel and missions internationally.

Madam Chair, as highlighted by several of our colleagues, we have discussed this issue at length and every time we have discussed this issue, we have reached the same conclusion. There is no consensus. Thank you, Madam Chair.

>> CHAIR: Thank you, Canada. Germany, you have the floor, please.

>> GERMANY: Thank you, Madam Chair. Good afternoon. Well, in principle Germany is against using INR resources in order to create revenue. Nevertheless, we thank the Secretariat for Document 43 and Saudi Arabia for Document 106. We see a number of problems here which go quite far. The first thing is, of course, the numbering resources are only administered if you wish so by the ITU. You don't get it somewhere else. This is a monopolistic approach. And if fees are introduced, it should be strictly cost recovery only and not market price fee. If you want market price financing of the ITU, it is a good approach but please, then refrain from assessed membership or member contributions. Finance your organisation through market prices of your service. It goes very far if you want to introduce this methodology in order to create revenue.

The second thing is, and this is one of our red lines, so to say. We are of the opinion that this service to give certain numbers to Member States and sector members are covered by the membership contribution. There should be in no case any fee for ITU members. That means, in other words, if at all fees can only be thought about for numbers directly assigned by the ITU to the operators.

With regard to the Document 106, and taking into account the intervention of Australia, we have the impression that we talk about excessive costs that may generate 50 million per year, as far as I understood. Unless the translation was not correct. This leads to my first conclusion, whether we go from an assessed contribution financed organisation to an organisation that is financing itself through its services. So we believe that the scheme and also the amounts for the different allocations in that document are not justified. We also agree with the United States who said that there was no real analysis done with regard to what costs need to be recovered.

Finally, Chairman, why we are against charging members, because this would cause a legal problem at home. We have to avoid double taxations of our operators. So far this is our firm position that members cannot be charged for the assignment of these resources. Thank you very much, Madam Chair.

>> CHAIR: Thank you, Germany. Egypt, you have the floor, please.

>> EGYPT: Thank you, Madam Chair. The question of the INRs and the related fees is a topic that we have discussed in length. Very briefly, Madam, there are certain important facts that we have to take into consideration when we discuss this topic. There are costs for the standardisation sector and sometimes we see a lack of funds in the budget of the standardisation sector. There are costs that have to do with INRs, which are not covered by the revenues that are generated currently. This is something that we have to take into consideration. What is being studied in order to impose fees is something that we see in most other international organisations that have fees with regard to numbering resources.

Very briefly, Madam, we support what has been stated in the document of Saudi Arabia, taking into consideration the fact that the ITU has to generate revenues directly so that there won't be any fees that are imposed on the regulators. However, the Council has to take a decision. We have discussed this matter in length and in detail. I'm quite surprised that we are starting to talk about new studies, whereas we have been studying the topic for the past six years. I think that every aspect of this topic has been studied.

My proposal, Madam, is that the Council take a decision on this topic. Thank you.

>> CHAIR: Thank you, Egypt. I now give the floor to Morocco.

>> MOROCCO: We thank Saudi Arabia for proposing a very good Draft Resolution on INRs. We suggest, Madam Chair, that this Draft Resolution be examined and considered at this Council session. Thank you.

>> CHAIR: Thank you, Morocco. Rwanda, you have the floor, please.

>> RWANDA: Thank you, Madam Chair. We thank ITU Secretariat for the document presented. We find in the proposal made by Saudi Arabia some good solutions. And we support the contribution made by Saudi Arabia. This will not be the only organisation to implement fees on resources they manage. Like we have WIPO. We have ICANN. I don't see any contradiction when applying, getting resources from the, or getting fees from resources we manage. Thank you.

>> CHAIR: Thank you, Rwanda. Uganda, you have the floor, please.

>> UGANDA: Thank you. I thank the Secretariat for the presentation they made and Saudi Arabia, we support that approach. I want to seek clarification from you, Madam Chair, what is the difference between the cost recovery of satellites. We heard early this morning the INR recovery being proposed. Otherwise we are in support of additional resources for the Secretariat.

>> CHAIR: Uganda, I've taken note of your question and do you want an answer now or can we continue with the list and come back? Okay, thank you.

Lithuania, you have the floor, please.

>> LITHUANIA: Thank you, Madam Chair. We thank the Secretary General for their report and ITU members for their valuable inputs, with clear recommendations and possibilities on the way forward on the subject of INRs. We believe that levying payment for INRs by ITU can be more burdensome or can have adverse effects, like keeping up of management system for INRs, double taxation. Also issues related to dispute resolution of competence between ITU and ITU Member States.

For the reasons stated, we support the proposal of the United States of America and interventions made by Australia, Canada, Germany, and others. We are of the opinion that since there is a lack of consensus since past years between ITU members and taking into account that we look forward to a balanced ITU budget this year, we believe that there is no longer necessary to continue deliberations on this issue. We strongly believe that we need to focus on efficient spending of the ITU budget. Thank you, Madam Chair.

>> CHAIR: Thank you, Lithuania. Belarus, you have the floor, please.

>> BELARUS: Thank you, Madam Chair. In light of the budget deficit which exists and in sufficient financial resources to fulfill already adopted resolutions and decisions and the need for sufficient security and safety in the prevailing terrorist threat situation, and also the building of the new headquarters building, Belarus supports the work of the Secretariat in seeking out additional sources of financing and ensuring the financial stability of the organisation. Therefore, we call upon Council to begin substantive consideration of the Draft Resolution presented in the contribution of Saudi Arabia.

>> CHAIR: Portugal, you have the floor, please.

>> PORTUGAL: Thank you. Good afternoon to all of you. Madam Chair, this is the first time we are addressing this Committee and we would like to congratulate you as the Chair of this important Committee.

Portugal would like to thank the Secretariat, USA, Saudi Arabia for their contributions and proposals. To be brief, given an array of legal and cost related issues that were mentioned by the Distinguished Councillors of the United States, Canada, Germany, Australia, Lithuania and others, we are not in support of the proposal in Document 106 from Saudi Arabia.

Madam Chair, we have been discussing the issue for a long, long time. That also has cost implications. We are not getting any result from these discussions. So we would support to put this issue of the INRs to bed, as someone said before. Thank you.

>> CHAIR: Thank you, Portugal. Sweden, you have the floor.

>> SWEDEN: Thank you, Madam Chair. Sweden shares the concern expressed by the United States, Australia, Canada, Germany, Lithuania, Portugal and other speakers regarding the proposals for additional fees for INRs. First, we are of the view that any fees for INRs should only be used to cover the cost of providing the numbers. Fees for INRs should not be at market price to generate additional revenue for ITU. That is against the principal cost recovery. As stated, it is a monopolistic situation. We need to take into account that some of the organisations mentioned in the debate are not intergovernmental organisations and different principles may applies.

The costs applied to Member States are already included in the membership fees. Adding fees for this service will result in paying twice. The fees can only be applied to INRs directly assigned by the ITU without applying to Member States. Numbers assigned about by Member States or when Member States are part of in assignment process should not be considered for new fees. Any need for additional resources for one or another sector has to be solved by reallocation of the resources within the existing financial plan. Thank you very much.

>> CHAIR: Thank you, Sweden. Czech Republic, you have the floor.

>> CZECH REPUBLIC: Thank you, Madam Chairman. And thanks for the comments presented. We share the ideas and concerns of our Distinguished Colleagues from the U.S., Australia, Japan, Canada, Germany, Lithuania, Sweden, Portugal. If I forgot others, forgive me.

We would like also to ask or to stress that there is no study envisaged in the document of the Secretariat. So we would really like to know on what basis these conclusions were made. And we also are surprised that our reply in the survey about this issue that was held, I think, two or three years ago already was not taken into account. It really is something we would avoid within ITU. So we do not support the conclusions that are made in the document of the Secretariat and Saudi Arabia. Thank you.

>> CHAIR: Thank you, Czech Republic. So I have three additional speakers that are wishing to take the floor. But I had already closed the list. But before -- I will give the floor to those three additional speakers after I seek clarification on a question requested by Uganda. Can I ask Mr. Henri from the BR, is he in the room?

So I will ask Mr. Ba to answer the question for Uganda.

>> ALASSANE BA: Thank you, Madam Chair. If I correctly understood, this is a question from Uganda who wished to know what is the difference between the cost recovery of such network filings and INRs. If I've understood correctly, that was the question. For the satellite network filings, I stand to be corrected by my BR colleagues if necessary, these are publications submitted to the sector. The sector has to analyze them. After analysis it issues invoices for these satellite network filings.

For INRs, I think Mr. Jamoussi maybe could answer how the situation is with INRs. Thank you.

>> CHAIR: Thank you, Mr. Ba. Mr. Jamoussi? You have the floor.

>> Thank you, Madam Chair. I believe there were a number of questions related to the proposal from the Secretariat. Allow me to address them. And perhaps, Madam Chair, I will start by providing perhaps an explanation to the two numbers proposed in the Document 43. There are two, these two codes or numbers, international numbering revenues, the UIFN, the Universal International Free Phone Number is the number that the TSB assigns directly to the operator. The regulator is not involved, it is assigned to the number and the operator would have that number to use internationally. It is a universal free number. So the operator would take that 800 number and then provide that to a company that might have a call center or the need for customers to reach that company globally. And, of course, these numbers, individual numbers would generate significant revenues to the operators. We don't have visibility to the exact numbers, but you can estimate from the fact that it is an international free phone number provided for customers from operators, it would have a different revenues than an E164 number assigned to an individual.

So in response to the request for clarification from Australia, as the cost comparison from numbers assigned to individuals from the Australian regulator to the operators, we are not comparing the sale numbers. The UIFN is a very unique number that is provided universally for reaching customers on a global basis. The IIN is for international calling cards or international telecommunications cards. It has a different service that would generate different revenues from an individual phone number that we assign to an individual.

Again, the UIFN and the IIN are assigned directly from the ITU to the operator. So there is no intervention of the regulator. In addition, the Council of ITU has taken decisions in '93 to levy a fee of 80 Swiss francs for the IIN and a decision in '96 to levy 200 Swiss francs against the UIFN. There are other Council decisions dating back to 2001 for other International Numbering Resources.

In most cases, these were for cost recovery basis, which is precisely the proposal that the Secretariat is making today. We are estimating that the cost for UIFN and IIN is about 400,000 Swiss francs that will cost ITU to administer. And the revenues proposed by these two numbers, for the annual maintenance fee and the increase in the assignment fee would result in about 400,000 Swiss francs of revenues.

So our proposal, Madam Chair, is precisely for cost recovery.

Another point was raised about the ITU needing to provide efficiencies. Of course, we have taken this on board actually since 2010. Through automation, uses of databases, and various other means we have been able to reduce the cost of the INR assignments down by 370,000 Swiss francs. So we have exhausted the venue of automation and efficiencies. We have actually reduced the cost it takes the Secretariat to administer these fees by already 370,000 Swiss francs.

So in summary, Madam Chair, the proposal that we have in the document today is only to the UIFN and IIN that are administered directly by TSB to the operators. That the Council has already made decisions in the past to levy these fees. We don't believe these would require any additional legislation because the other numbers that were in the survey that we conducted included five international numbers resources, three of which are partially allocated from the ITU to the regulator and then from the regulator to the operator. Those three numbers, because of the survey results that said this would require changes in the legislation and might be a burden on the regulators, we have not considered in our proposal today. We have taken into account all the Councillors' discussions and proposals in the past three or four years that we have been discussing this topic.

So hopefully, Madam Chair, this addresses the various points raised and the clarifications requested by the various Councillors. Thank you, Madam Chair.

>> CHAIR: Thank you, Mr. Jamoussi. In listening to this debate I can tell you there seems to be consensus on there is no consensus.

(Laughter.)

>> CHAIR: There is consensus that we have been discussing this for a very long time, six years in fact. There is no support for INR, additional revenue related to INR. And that we need to take a decision at this Council. There is also support that if we were going to have cost recovery for INR, it had to be for those numbers that the ITU are responsible for. But again, when I look at the record and the debate here today it is very difficult to come to a decision. There is no winners here. So what I would like to do, I will give the floor to Saudi Arabia and China, but I am considering sending this to a Drafting Group to see if we can reach a conclusion at this Council.

Saudi Arabia, you have the floor.

>> SAUDI ARABIA: Thank you, Madam Chair. We have listened closely to the discussions that have taken place for awhile. And we requested to take the floor in order to clarify certain matters.

The first matter, we heard about the double taxation. We also heard that fees have to be taken from direct distribution, but it seems to us that there is no concentration on the available solutions. Saudi Arabia proposed three solutions. The first solution is to impose fees once when you designate a number. This does not require any double taxation and does not have to lead to any changes in local or national legislations. Secondly, or the second proposal are the annual fees. Here we might ask whether these have to be imposed on members or others.

The third solution is the question of membership. So when we impose membership on those to whom numbers are designated, how can there be any double taxation? I believe, Madam Chair, that we have to concentrate in our discussion and to identify solutions which require more discussions and clearer solutions. We think there are clear solutions and the Council can take a decision based on them without having to, or without these solutions being in contradiction with local or national legislation. We want to clarify this matter, Madam, and we are looking forward to more discussions by the specialized group involved in this matter. Thank you.

>> CHAIR: Thank you, Saudi Arabia for those clarifications. China, you have the floor, please.

>> CHINA: Thank you, Madam Chair. We would like to thank the Secretariat, the proposals of Saudi Arabia, US, and UAE.

Actually, it has been a long time we have been discussing about this and the reason for such charge is that management by the Secretariat has not realized cost recovery, which means cost for managing INR exceeds those that were paid for such management. We think we should face this problem directly. And seek for a solution as early as possible. Otherwise, it will be a negative impact on our stability of financial status.

As for specific charging schemes, in our opinion proposals made by the Secretariat will not have any impact on current procedures and is based on cost recovery. Therefore, it is quite operable and practical. That is why we would propose that we use the Secretariat's proposal as a base for further discussion in order to strike a consensus to the largest extent as possible, so that we can have an agreed scheme for both UIFN and IIN. Thank you.

>> CHAIR: Thank you, China. Now, it's the United States?

>> UNITED STATES: Thank you, Madam Chair. We are always willing to sit down with colleagues to discuss an issue, even one that we have been discussing for six years. I'm afraid, however, though, if we set up a small group that the terms of reference are unclear to us. Because we haven't any consensus on the basic question about whether or not INRs should be a source of additional revenue. So if we set up a group in our view that would have to be the basic question. It couldn't have terms of reference to begin with a drafting session on a resolution that presumes the answer to that question is yes. So I think this is a very delicate matter, Madam Chair. I'm not sure that a Drafting Group can solve it. Thank you.

>> CHAIR: Thank you, United States. Deputy Secretary General Malcolm would like to take the floor.

>> MALCOLM JOHNSON: Thank you, Madam Chair. Listening to the discussion and Mr. Jamoussi's statement that we have two Council decisions on INRs, perhaps if we can look at those two decisions with a view to revising them, that might be an easier way forward. Just a suggestion. Thank you, Madam Chair.

>> CHAIR: No matter what decision I make here today, no one will be happy. But I did hear some -- I would like if the ITU-T could make available the resolutions from '93 and '96 so that we can take a look at those. If we could put those in the, as information documents. Once those are placed on the website for information documents for everyone to see, for members to see, for the Councillors to see, if there is merit in looking at the numbers that the ITU assigns, UIFN and IIN, given that the Council has made decisions previously and the ITU-T will make those decisions available for our inspection and review.

That is my proposal as a path forward. Any objection? I have Saudi Arabia, UAE, Uganda, Rwanda -- are you taking the floor to object to my proposal? Or taking the floor for additional debate? You are objecting to my proposal.

So can we clear -- everyone clear their board, please.

We have been discussing this for an hour and 15 minutes. And we have also been discussing this for six years. There is no consensus on a path forward. But I do hear consensus around the numbers that the ITU currently administers. Based on that, there is precedent that we have decisions from '93 and '96 that we can inspect as Councillors. So I will ask my question again. Are you objecting to the path forward? Ghana. You have the floor.

>> GHANA: Thank you, Madam Chair. You are in a very difficult situation, I understand. But your proposal was not very clear to me. I understood that you want references to former Council decisions on INRs to be published as information documents. But then it is not concise what we do with that information if it is on the website. Is it that we meet on it? Is it that we discuss it further at a later scheduled meetings? This is not clear to me. Please let it be clear to us what the decision going forward is. Thank you.

>> CHAIR: Thank you, Ghana. That is wise counsel. Saudi Arabia, you are asking for the floor? Saudi Arabia.

>> SAUDI ARABIA: Thank you, Madam Chair. Very briefly, concerning the revenues obtained by the numbering resources, in fact you are right. We discussed this for six years. But we will have to benefit from the meetings held in 2016. On the basis of principles, we have to look into assignments of numbers. This is a fact we cannot question. The Committee last year has recommended that the Secretariat should be asked to achieve a study to refine all sources of revenue for the ITU, not only the resources coming from the numbering resources. We are here today, Madam, to discuss the possibility of achieving new resources on the basis of past instructions from the Council. We are looking forward to more discussions so that we can take into account the various focused debates that we had on the proposals that have been presented so far in the Saudi document. Thank you, Madam.

>> CHAIR: Thank you, Saudi Arabia. I agree that we have had discussions since 2016 and there have been numerous proposals submitted to Council and to the Council Working Group on FHR. In each instance there has not been any consensus. None. And what I'm hearing today is that we need to come to conclusion on this discussion. Conclusion on whether we can increase revenues from INRs. That is what I'm aiming to have a conclusion on, not how to have additional revenue for the Union, but the International Numbering Resources issue. My request is that we make available the decisions from '93 and '96 on the numbers that the ITU assigned, the UIFN and IIN. Once Councillors have had the opportunity to review those decisions, we come back to this meeting and there may be a need for further debate on if that is a path forward, but to be honest, that is the only path that I see at this point, to go back historically to look at what we have done in the past and what we agreed to, and move forward from there.

Otherwise we will have a stalemate again and I will put this in my report that there is no consensus and we send this to Plenary. However, I don't think that is an outcome -- while that may be an acceptable outcome for the admin Committee, it still has to be resolved in Plenary. So I'm asking for Councillors to work with me here. Mr. Jamoussi will make available the '93 and '96 decisions. We will look at those decisions because historically that's what Council has done. And see if we can revise those decisions, and this is also coming from the Deputy Secretary General, as a path forward. All other proposals on the table we can not reach consensus. There is no consensus. None whatsoever. So I don't see, if we debate this again that we are going to come to a different conclusion. That is my proposal.

Thank you. I have four speakers requesting the floor. Are these four speakers objecting to my summation and objecting to my path forward?

If you agree with my proposal, please remove my name. If you requested the floor and you agree with my proposal, please remove your name.

So I have five speakers who object to the path forward. Here is what I'm going to do. There is no consensus on this issue. I will put it in my report because I have given the floor to these five additional speakers is not going to change the outcome. It is not. We have been debating this for an hour and 20 minutes. So my proposal is that I will put all views that have been expressed here today in a report, in my report to the Plenary that we could not reach a decision on INR. The parking lot document, we will move this as a possible revenue source at it is undecided and unconcluded. That is my decision.

So I have a point of order from Saudi Arabia and UAE. Sorry, Saudi Arabia, you have the floor, please.

>> SAUDI ARABIA: Thank you, Madam Chair. We were wishing to give a chance to debate on the discussions at this meeting. And we wanted to explain that what could make us advance are the resolutions and the outputs and also the session of the Council in 2016. This Committee recommended to the Secretariat to present a report concerning the financial consequences related to the International Numbering Resources discussed in 2016. Among the proposals there is also the membership. We have presented a contribution, Madam, in which there are multiple alternatives. One of them concerning membership. It is in conformity with the recommendations of the Council in 2016.

Madam Chair, we have been trying and doing our best to take into account that there is no consensus, but discussions were not given a chance. Let's discuss it first.

We are in the beginning of this meeting of the Council. We would like, Madam Chair, to continue this debate in conformity of the outputs of 2016 and in conformity with the documents presented in this meeting.

I think that the idea, your proposal of creating a group discusses this topic. This could be possible. This could be acceptable. And we would like to continue this debate in this meeting. Thank you, Madam.

>> CHAIR: Can I ask everyone to clear their list, please? Yes.

Can you please clear your flags?

Thank you very much. So I have a point of order that Saudi Arabia would like to continue the debate. I will try to make another proposal. Is there support in the room for me concluding and placing in my report that there is no consensus on the INRs?

Is there support for me placing reporting back to Plenary that there is no consensus? We've debated this for an hour and 25 minutes now.

I am not of the view that if we continue to debate this that we will reach consensus. So my proposal, I am asking that Councillors agree with this, that there is no consensus. I report this in my report to Plenary. And we close the debate on this issue.

(Pause.)

>> CHAIR: I have several countries wanting to take the floor, several Councillors. I am going to call a coffee break. At the coffee break I will consult because clearly we want to continue discussing this issue. So before I call the coffee break, I have two Councillors wishing to take the floor. Canada. No, Philippines, sorry. Philippines.

>> PHILIPPINES: First intervention since Monday, so, Madam Chair, good afternoon to all. This I suppose would cool off the heated non-consensus debate. Let me give our peace before the coffee break. This is from the Philippines.

Aware of the crucial rule that ICT plays in empowering communities in narrowing knowledge and development divides, the Philippines has made ICT the enabler as an integral part of its development plan. Among other initiatives, for example, the Philippines has adopted a national programme that will make the Internet readily accessible to the public, particularly in various sectors that share both need and immense potential for realizing the benefits of ICT.

ICT is indeed a game changer. It has created a dynamic society powered by innovation which in turn is driven by knowledge. ICT is an indispensable tool in helping bridge knowledge and development gaps. Aware of its transformative power, the Philippines embraced and has made ICT a key advocacy in all of our national, regional and multilateral agreements.

This is certainly true to our region. The Philippines is privileged to Chair the education of Southeast Asian Nations or ASEAN 2017 at an auspicious time this year when the regional group celebrates the 50th anniversary of its founding. From a group of nations bound by common goals, ASEAN has grown to em pass countries diverse in many ways, but united by a common purpose of enhancing the lives of our people in the political, economic, and social, cultural spheres. The Philippines will continue to intensify our work in the region on ICT, guided by the ASEAN master plan of 2015 and 2020, and with ITU as an important partner. ASEAN is a region diverse, and host whose diversities perfect us as individual nations and as a united and strong region which share dreams for the future of its people bound by blood and historic ties of the pasts. As a gesture of my country's gratitude for the invaluable partnership we have cultivated with our Union, the ITU, and its individual sovereign states, the Philippines is pleased to host this afternoon's coffee break. There are fill penis souvenirs available, token but with love and gratitude. Rest assured of our continued commitment to working closely with ITU and all of you as we take full advantage of the opportunities offered by ICT in line with ITU's and ASEAN sustainable development goals. To all of you, let's have our coffee break and forget the non-consensus debate for now and hopefully we will arrive at a solution amicable and acceptable to all by passing and whiling away our time for the time being. Thank you, Madame President.

(Applause.)

>> CHAIR: Thank you. I call a coffee break. Let's return at 5:00 o'clock. Thank you.

(A break was taken.)

>> CHAIR: Thank you. Welcome back. I would like to thank the Delegation of the Philippines for the lovely coffee break and the lovely souvenir. Thank you very much.

Before we get started with our work this afternoon I would like to recognize Ambassador McCarney from Canada. She is the Permanent Representative from the Canadian Mission. Thank you. Ambassador, you have the floor.

>> AMBASSADOR ROSEMARY McCARNEY: You very much, Madam Chair. Excellencies and colleagues I'm honored to join you even for a few minutes this afternoon. I understand you are running a bit late in your agenda. Let me briefly address this 2017 session of the ITU Council with what we think is some very positive news. That is to announce Canada's sponsorship of Ms. Chantal Beaumier for a seat on the Radio Regulations Board of the ITU. As many of you know, Canada has been a long time supporter of the ITU. We have been a member of the Union since 1932. And of the ITU Council since its very inception in 1947. We place a very high importance to the activities of the Union. We believe that strong leadership and the expertise of elected officials are of utmost importance to successfully deliver on the Union's mandate and to promote and enhance a culture of collaboration among all Member States. It is in this context that Canada puts forward with pride the candidacy of Ms. Chantal Beaumier, who is with us today for the Radio Regulations Board. Many of you who cover the R Sector know her and will have opportunities to see her at work. She is a Senior Director of Innovation, Science and Economic Development in Canada, with more than eight years in experience in inspector management and regulatory activities including the development and implementation of strategies, policies and technical regulations governing spectrum, orbital resources, allocation and utilization. Chantal Beaumier has served as Canada's Head of Delegation and principal spokesperson at many and numerous international conferences and meetings, including the WRC and meetings of the International Telecommunications Commission. Her long-time engagement in policy and regulatory matters, her vast knowledge of wireless technologies, and most importantly of ITU regulations and procedures makes her an ideal candidate to become a member of the RRB.

We look forward to the support of all Member States at the Plenipotentiary conference in 2018. Ms. Beaumier will be here at Council for the upcoming days. Please don't hesitate to come and meet her. Take the opportunity to assess for yourself what all of us in Canada already know, about how important it is to have such strong representation added to the RRB.

I thank you for your attention and for permitting Canada this moment in your very busy agenda. I will try to leave quietly, if not gracefully, on my crutches. Thank you.

(Laughter and applause.)

>> CHAIR: Thank you very much, Ambassador McCarney. That's okay, you can walk out grace fully.

(Pause.)

>> CHAIR: Thank you for your patience. So we had kind of a dramatic conclusion at the right before the coffee break. So after consultations with numerous Councillors, here is my decision. Here is my proposal. I have asked Brazil, the Councillor, Mr. Jefferson, to Chair a group to consider Council decisions from 1992, the document number 72-74, and Council decision from 1996, it is 464, on UIFN and IIN.

In this group he will take into account discussions that have taken place today on documents 43, 92, and 106 and bring back a consensus that can be placed into my report to Plenary.

That is my proposal.

Mr. Ba will find a time that this group can meet. My hope with this group is that we will all come together and have a fruitful discussion and bring back a consensus document that the Council, the ADM Committee can agree to. Thank you very much.

The next document is Agenda Item 4, C17-63. Deputy Secretary, Mr. Duke? Mr. Duke Donovan is going to take the floor. Thank you very much.

Before you take the floor, India, you're requesting to take the floor? You have the floor.

>> INDIA: Thank you, Madam Chair. Before you announced this, I asked for the floor. Thank you for giving me the opportunity. I will take only a few seconds to share our concern as well as anguish. If currently you recall in the last Council meeting we made this pertinent, perhaps in the name of discussions we are postponing decisions. And after insisting, so many times in the last Council meeting we were able to clearly make two decisions on two important subjects. My only request rather than postponing and making continuous discussions, I request all the Member States and your wisdom in order to make decisions in this particular subject which we have been discussing as Members told for the last six years. We request that the cost of the costs of the Member States expenses incoming here.

>> CHAIR: Thank you, India. Mr. Duke, you have the floor.

>> DUKE DONOVAN: Good afternoon, Madam Chair, distinguished counselors, ladies and gentlemen. On behalf of the Secretary General, I am pleased to present Document C17/63 on security. It is recalled that during the C16, the administration informed the Member States that it was considering what else needed to be done to improve the level of security for staff, Delegates, visitors, and the buildings at the ITU headquarters and in the regions in response to the higher level of threat and recognizing that the U.N. has been identified as a target.

The Secretariat indicated at that time that there is likely to be an additional security cost element in the draft budget, taking into account terrorist preference for soft targets as demonstrated in recent attacks in Europe and ITU proximity to the Palais des Nations. Currently the ITU has no visibility security, no uniformed or armed guards or access to security controls to the premises unlike neighboring organisations such as WIPO and other U.N. agencies close to us, or within the Palais des Nations.

Our tower and buildings do not have anti-shatter resistant film on the windows nor do we have a perimeter fence around our compound in order to meet U.N. minimum operating security standard requirements. These above mentioned mitigation measures would no doubt raise the security profile of the ITU to align with our neighboring U.N. agencies. Other proposed risk strategies are developed organisational resiliency management system for business continuity and disaster recovery as well as continue the facility safety and security audits at the remaining regional and area offices. The Council is requested to take note of ITU's current security posture and to endorse the funding in order to raise the security profile to an acceptable level that is in line with a minimum operating security standards mandated by the United Nations security management system.

The Council are to consider the following actions in the document: Endorse the initiation of discussions with the host country on an anti-pedestrian perimeter fence an incorporating these mitigation measures in plans for the construction of the new Varembe HQ building. Note that installation of anti-shatter resistent film will be funded from savings in the 2016 budget. Approve raising the security profile posture to align with neighboring U.N. agencies. Approve development of an organizational resilience management system, plans for business continuity and disaster recovery for HQ, regional and area offices and note the continuation of facility safety an security audits at our regional and area offices.

Thank you, Madam Chair. Thank you, Councillors.

>> CHAIR: Thank you. Thank you, Mr. Donovan. I apologize for mispronouncing your name. The floor is open for discussion. Are there any questions regarding the recommendations that have been outlined in Document 63 on page 4? Germany, you have the floor.

>> GERMANY: Thank you, Madam Chair. Well, first we would like to thank the Secretariat for this comprehensive document on a topic which becomes more and more important to all of us, to the employees of the ITU as well as to the Delegates that gather here from time to time in a meeting-driven organisation.

We note that the installation of the anti-shatter resistance film will be funded from the savings in the 2016 budget. We have shortly discussed this yesterday. Of course, I would remark that savings can only be used for one purpose, not twice or three times.

With regard to the security profile we have a question, Madam Chair. There are three options indicated in this document. The first option says services provided by UN DSS and SSS and following the U.N. standards. It is the most expensive option. A second option says providing similar services by ITU staff. Now my question here is, what means similar? Are we following the U.N. standard or not? And what is the exact meaning of similar here?

The third option is deploying hybrid model using a combination of ITU staff and private security personnel. I understand that this will provide a similar level of security. Again, a relative expression and the question is again whether or not this complies with the U.N. standards that would be available under option number one.

The perimeter fence, we have discussed this I guess last year even in Council. At the moment it would be very nice to have, but as we are likely to have a major construction work on our campus, it is probably not the time unfortunately to establish this fence, but certainly we have taken note that is foreseen for the new campus once the Varembe 2 building is built and ready for use.

With regard to the regional offices, we have the question of the status of implementation of measures and the associated costs for those offices where the audit has already been done, and whether there is -- and first when there will be the audit of the remaining regional or area office. And is there any estimate of implementation costs, Madam Chair?

Finally, Madam Chair, and I would like -- maybe I can help you then when you write your report -- that this is put into your report. In 3.8 of this document, it says the Council is informed that the security modernization project is delayed due to the international public procurement bidding process. This sentence, Madam Chair, makes me feel that as if an international public procurement bidding process is something painful or cumbersome. This is, however, not the case. This is a requirement. It is a requirement on the best practices for spending public money. It is all the requirement under ITU's own procurement rules because we learned from Document 72, last year's Council, that the amount in question is 1.2 million Swiss francs. As you know, tenders with planned expenses over 100,000 Swiss francs, has to be dealt with as a public international tender. Everybody in the ITU knew this. There is a service order which is published on ITU's intranet. And for further consultation, there is a procurement practitioners handbook also published on ITU's intranet. I would kindly ask Madam Chair this statement to be in your records. End of the statement.

Beyond this statement, I think it is not a good idea that I made my capital feel as if ITU doesn't, or has the impression here with this sentence that they do not like to apply best practices in international and public procurement. Thank you very much, Madam Chair.

>> CHAIR: Thank you, Germany. Of course, I will work with you on your statement for my report.

United States, you have the floor, please.

>> UNITED STATES: Thank you, Madam Chair. The U.S. notes and is sensitive to the fact that in July 2016 the United Nations department of safety and security in New York endorsed the security risk assessment for Switzerland, established by the U.N. division of regional operations which recommended raising the security risk level of the country from 1, which is minimal; to 2 which is low on a scale of 1 to 6 with immediate effect.

We also note that the ITU security profile is not comparable to that of neighboring U.N. agencies, and that is a concern.

In advance of endorsing or approving the proposed course of action, we request through you that the Secretariat identify the one-time and recurring costs for each of the security enhancements. And the projections associated with the savings from 2016 to 2018 so that we can take a better informed decision.

In contemplating major improvements such as installing blast windows to the Varembe building, due consideration should be paid to the length of time the building will remain standing. Thank you, Madam Chair.

>> CHAIR: Thank you, United States. I see no more requests for the floor. Mr. Donovan, would you please address the questions? Thank you.

>> DUKE DONOVAN: The question from Germany in regards to German Councillor in regards to the three options and the use of similar in regards to the U.N. standards. So the response is yes, what we are referring to is things like training, having a similar deterrent in terms of experienced uniform security personnel coming in. That would be done obviously with the United Nations DSS, SSS security personnel. The idea also in the option 2 would be to do the same thing, recruiting our own staff with those experiences, education, and training to meet the U.N. standards. And also we can do the same thing with the third option, which is to have a hybrid model, having our own security staff but also looking at having an out-sourced security personnel coming in with those standards that we would receive had we looked at -- excuse me, had we had the option of the U.N. SSS security officer coming in. Those are the U.N. standards that we indicate would be similar. And all three options would raise the security level at that point.

In regards to the question concerning the perimeter fence, indeed the idea is to work with the Swiss FIPOI and looking at all of those requirements already in the design facet of the new building that would be built. At that point in time when the new building comes around to put that perimeter fence in place. Thank you.

>> CHAIR: I give the floor to Mr. Ba to continue to address the questions asked by the U.S. and Germany.

>> ALASSANE BA: Thank you, Madam Chair. To add to the answers from my colleague who is head of the security service of ITU as regards financing, as we were requested yesterday to provide a document which would be made available to Councillors as regards security, we are now waiting to see which option will be selected because we have these three options which my colleague has presented in this Document Number 63.

The management started from the premise that the least costly options which correspond to the minimum standards were not minimizing the security by choosing the least costly option, but management decided to allocate 1,330,000 Swiss francs from savings in 2016. These funds will make it possible to have the film barrier and also to begin to implement option 3 which would cost about 1 million. This would be recurrent expenses. Every year we would have to spend at the level of 1 million for the moment through the savings of 2016 and possibly savings in 2017 we would be able to cover the period 2017 to 202018, 2019. With respect to the 2016-2019 financial plan. However, as to the financial plan which will be presented to you at the next Plenipotentiary conference for the period 2020-2023, we would include these requirements identified in terms of security. But until that period 2019, the Secretariat will endeavor to make cost savings in order to cover the period 2017, '18, and '19. We have already been able to set aside over 1,300,000 to begin to implement these new security standards on the basis of the fact that Council will authorize the ITU management to select option 1, to choose the option which will cost 1 million swiss francs, thank you.

>> CHAIR: Now I give the floor to the Deputy Secretary General, Malcolm Johnson.

>> MALCOLM JOHNSON: Thank you, Madam Chair. I wanted to come back to one comment that was made by Councillor for Germany. That was regarding paragraph 3.8. Looking at the wording, it is misleading as it stands. So what was meant was that there has been a delay due to the necessity for a second international public procurement bidding process. Not because we had to do it. Obviously we had to do it, but there was a need to do it a second time. That was the reason for the delay. We can correct that text.

Thank you, Madam Chair.

>> CHAIR: Thank you. With that, Councillors, the Secretariat is recommending option 3 from Document 63. So I put that to the group. Any objection to implementing option 3 for the security?

All right. I see no objection. Approved. This will go into our document, the 1 million Swiss francs.

The final document we have to cover today to release the parking lot with regard to unfunded mandates is Document 5, C17/67. I hand that to Mr. Ba to address. Thank you.

>> ALASSANE BA: Thank you, Madam Chair, ladies and gentlemen, Distinguished Delegates. On behalf of the Secretary General it is my pleasure to present to you Document C17/67 on improving the stability and predictability of the financial base of the Union.

In the report on the ITU, established in 2016, President Joint Inspection Unit noted as follows in recommendation number 5, and I quote: That the Secretary General should develop a comprehensive plan to improve the stability and the predictability of the financial base of the Union, integrating options for increasing revenues and cost saving proposals and presented to Council for endorsement at its 2007 session.

The JIU makes several related suggestions including calling upon the Secretariat to strengthen reporting as well as noting that ITU would benefit from a corporate resource mobilization strategy. To this end, the Secretariat is reviewing current reporting methodologies and will enhance them where necessary to ensure that members have easily accessible comprehensive information about the status of all financial contributions. This document is an initial response to JIU Recommendation 5. The outline plan provided in the document will be further developed, updated and enhanced in light of experience from Members.

It is also based on the financial and human resources Council Working Group proposals. It will be further developed, updated and enhanced in light of experience and feedback from Member States. It currently, sponsorship guidelines, revenue and diversifying financial support. In order to make progress in defining a strategy for resource mobilization for the organisation, the Council is invited to consider the principles in Annex 1 of this document. Because of reduction of resources in the regular budget, ITU is endeavoring to mobilize fund for activities linked to events through sponsorship. Sponsorship enables ITU to obtain resources, but this is not without risk. So Council is invited to consider the guidelines and make comments on this subject. The Secretary General, as you know, was instructed in resolution 158 Revised Busan 2014 to study and recommend to Council through the Council Working Group on financial and human resources options which will make it possible to obtain revenue. The ITU management created an internal group Chaired by the Deputy Secretary General which is to study this issue and make proposals.

These proposals can be found in Annex 2 of this document. The group also highlighted cost savings which could be made in light of the elements listed in Annex 2 of decision 5 of the Plenipotentiary conference 2014. Thanks to these efforts, the 2016-2017 budget, which was submitted to you in 2015, was a balanced budget. Another document, a separate document which was presented to the January/February session of the Council Working Group on financial and human resources lists several cost savings measures taken by ITU management, including inter alia the possibility of centralizing administrative tasks, that is to say finances, human resources, recording and to have parallel events and also papers, working environment in the ITU and continuing reduction in the numbers of posts.

On the basis of discussions in Council at its 2017 session, the plan described in this document will be improved and further developed in order to serve as a basis for the improvement of the stability and predictability of the financial base of the Union, and will include options which will make it possible to increase revenue and reduce expenses. Council is invited to consider and endorse the plan as the basis for improving the stability and the predictability of the financial base of the Union, integrating options for increasing revenues and cost saving proposals. Thank you.

>> CHAIR: So I put this document to you for discussion. The Secretariat is asking the ADM Committee and Council to agree toe principles of resource mobilization. Any comments?

Any comments on Annex 1? So I'm putting forth this document for approval, the proposal principles for resource mobilization, on page 4 of Document 67. Any objection to approving these principles?

I see no one asking to take the floor. Annex 1 is approved as written.

Any objection to Annex 2, potential areas for revenue generation? I have Germany. You have the floor.

>> GERMANY: Thank you, Madam Chair. I am not going to intervene very long. I made my position, our position clear with regard to market price for certain services of the ITU during the previous discussion. This stays with regard to this document. Thank you.

>> CHAIR: Thank you, Germany. U.S.?

>> UNITED STATES: Thank you, Madam Chair. I too will be brief. On the issue of numbering resources you have set up an ad hoc group to consider that. I suggest we postpone dealing with Annex 2. Thank you, Madam Chair.

>> CHAIR: Thank you, United States. Kuwait?

>> KUWAIT: Thank you, Madam Chair. In annex number 1 I have one remark to make. In number 7, protecting the reputation of the ITU. Why don't we say preserve, safeguard the reputation of ITU? In Arabic it doesn't seem like the word is chosen properly. Let's say safeguard the reputation of the ITU in paragraph 7 of Annex 2. Thank you.

>> CHAIR: Thank you, Kuwait. Yes, I believe that is a more positive term. I don't see any problem with taking that on.

Bulgaria, you have the floor.

>> BULGARIA: Thank you very much, Madam Chair. Madam Chair, in Annex 2 I would like for you to ask this august gathering and whether it is appropriate to add another line and define it, in the past we used to have an extra budgetary resource mobilization activities. This was predominantly into the hands of elected officials. Now it appears that we forget about that source of revenue.

So I am not making a direct proposal how to change the text of it, but please consider that possibility. Perhaps revenue generation, and in addition to that we have extra budgetary resource mobilization. Thank you.

>> CHAIR: Thank you, Bulgaria. I have added that text. But in light of the discussions that we are continuing to have on INRs and there is no consensus on market price, I would like to defer approval of Annex 2 to a later time. I see no one asking for the floor. We will defer approval of Annex 2 and I will confer offline with the Secretariat and bring this document back but we will approve the resources for resource mobilization in Annex 1 .

We have reviewed all of the documents necessary for the Secretariat to place the limited distribution document on the parking lot. So that will get posted right after this meeting for everyone's review. We will bring it back for discussion tomorrow.

With that, we have 15 minutes left. I would like to see if we can get through some more of our Agenda Items. One second.

(Pause.)

>> CHAIR: we have 15 minutes left. I would like to get through the agenda. I propose that we undertake looking at Agenda Item 6 and Agenda Item eight. With that efficiency measures, C17/45. Mr. Labrador, you have the floor to introduce this document. Thank you.

>> VIRGIL LABRADOR: Thank you, Madam Chair. Ladies and gentlemen, Distinguished Delegates, on behalf of the Secretary General, it is my pleasure to introduce Document C17/45, efficiency measures. The purpose of this document is to provide objective information on the implementation of the efficiency measures as outlined in Annex 2 to decision 5 of the Plenipotentiary conference. This document shows the savings under each item in Annex 2 and also a list of the additional measures to be taken in the biennium 2018-2019. The request for operative solutions especially through the use of new technologies will continue in the context of the preparation of the financial plan for 2020 to 2023. Management, the intersectional coordination task force as well as the Working Group on Annex 2 of decision 5 under the Chairman ship of the Deputy Secretary General is working tirelessly in identifying savings to be made by each Bureau.

Council is requested to take note of this document.

>> CHAIR: Thank you, Mr. Labrador. May I have China introduce Document 89, please?

>> CHINA: Thank you, Madam Chair. Now I would like to give you a very brief introduction to our proposal. Document 89. The proposals on the optimization of the high level events of a global nature. ITU has a specialized agency of the U.N. responsible for ICTs will hold annual events, many high level events annually. These events can help us to enhance the exchanges between Member States, discuss the hot topics concerning ICT and share best practices.

They are also an important platform for the ITU to fulfill its mandates and improve its visibility. Now the ITU is committed to improving efficiency. We think that there are still room for further improvement of those events. Generally speaking, each year ITU will hold numerous events and the date and venues are scheduled. However, due to various constraints, high level representatives from Member States are not able to attend those events very frequently. This is not advantageous for the effect and impact of these events.

Also those topics of the high level events are correlate the. If we can hold those events back to back it can help us to improve efficiency and help Member States to increase exchanges and expand its impact. Based upon the above considerations, we would like to propose that the general Secretariat to seek out the high level events and put forward the optimization of proposals to be considered for the next Council meeting. Thank you.

>> CHAIR: Germany, you have the floor.

>> GERMANY: Thank you, Madam Chair. We thank the Secretariat for the comprehensive document on the efficiency measures and savings, Document 43. Of course, we also thank the people's Republic of China for Document 89.

My comments and questions are related to Document 43. I would like to draw the attention of the Council to position number 5 which is staff reduction and the savings expected for the next biennial budget, 11.3 million approximately, which is almost 85 percent of the overall savings in this particular period.

I draw your attention to position number 9, the cost of documentation. The savings planned are around 1.765 million, which is 13.3 percent of the overall savings in that period.

So these two position together sum up to 98.2 percent of the savings. All the other savings are not relevant, although of course important. The story of all this is that basically if you want here to have substantial savings, it is reduction of staff. In this context I have a question to the Secretariat. Can you give me the figure of the average cost per staff per ITU staff per year? So that I can calculate myself if we have missing amounts in millions, how many staff members need to be deployed then?

Okay. Then I have a number of questions. The first question is to position number one. The central savings finance and administrative tasks. Is there any further progress? What are the plans? Are there plans, for example, to centralize the controller functions further than they are centralized at the moment?

I have a question to position number 6, which talks about the International Consultancy Agreements that are under consideration. It would be probably useful for the Council to know what this really means, the ICA. How much consideration you have already given to this topic. You can explain the specifics. Don't you believe or does the Secretariat not believe that through this kind of arrangement there will be a lot of knowledge in ITU, a lot of expertise?

I have a question to position speaking about alternative translation. What are the experience in the past in regard particularly to the quality of translation done through this mechanisms? And finally, position number 21. There is the request that new activities requested by membership should be undertaken within existing and approved resources. I mean, this is the answer. But what the issue is and the question, there should be a value-added assessment. I wonder whether for all the additional expenses or actions in your list this assessment has been undertaken.

Thank you very much, Madam Chair.

>> CHAIR: Thank you, Germany. Russia, you have the floor.

>> RUSSIAN FEDERATION: Thank you, Madam Chair. On Document 45, we would like to propose in the future that material like this should be given in tabular form. Also, please could you show what cost savings are achieved through taking into account recommendations of all types of audits?

As to Document 89, we would like to express our full support to the initiative of China to optimize ITU events at a global level. Thank you.

>> CHAIR: Thank you, Russia. Brazil, you have the floor.

>> BRAZIL: Thank you, Madam Chair. Our questions are similar to Germany's questions. Thank you, Germany, for highlighting the great gains with the staff and documentation issues, but there is another very big potential of gains which comes from measure 13 on the alternative translation procedures. As the UAE has highlighted when they presented Document 108, it is a potential of maybe saving 5 percent of the total ITU budget, which is a huge amount. But, of course, we need to take care of the quality of translations as Germany has highlighted.

We would like more information on the pilot project on out-sourcing as highlighted here. We have seen the results of some of the out-sourced translations that are mentioned here. Have we read those documents? I am not sure, because we haven't seen a drop in the quality of translations. But anyway, can you provide us more information on this pilot project? And if we have been evaluating this type of translation. Thank you.

>> CHAIR: Thank you, Brazil. Korea, you have the floor.

>> REPUBLIC OF KOREA: Thank you, Madam Chair. The Republic of Korea appreciates the contribution by the People's Republic of China, mentioning the possibility of merging high level events for ITU. We should consider measures to make various events also more unique and attractive and invite more high level representatives to the events. We hope the Secretariat will explore and suggest the most optimized schedule of events to the next Council.

>> CHAIR: Thank you, Korea. And Saudi Arabia, you have the floor.

Thank you, Madam Chair. We would like to express our support for this document presented by China. We do believe in making efforts to improve the preparation for outside events organised by the ITU. This is an agreement with the decision number 5, referring to the outputs of the Plenipotentiary in Busan. In Annex 2, paragraph 2, we are invited to cooperate in order to reduce costs, especially when we organise events related to the ITU. Thanks very much, Madam.

>> CHAIR: Can thank you, Saudi Arabia. So sum up, I will give the floor to Mr. Ba to answer questions.

Oh, Mr. Labrador, please, you have the floor.

>> VIRGIL LABRADOR: Thank you, Madam Chair. I will start with addressing certain questions by Germany. Then I would give the floor to some of my colleagues to give answers in other areas. So for 5, staff costs. We could give you an average pay by grade. We will give that to Germany.

With regard to the administrative tasks with regard to current studies, nothing has been undertaken so far, but we are taking into account the existing initiatives. On the question of translation as well as on other issues I will give the floor to my colleagues. The question on translation was asked by Brazil and I believe my colleague can provide additional clarifications.

I think that's probably all the questions that have been asked. Thank you.

>> CHAIR: Thank you. Mr. Ba, you have the floor.

>> ALASSANE BA: Thank you, Madam Chair. I will address the replies given by Mr. Labrador. Regarding contracts, we are now engaged in negotiations regarding a new contract for the practice of an agency in Copenhagen. The discussions are still underway. Nothing has been signed just yesterday. We will continue to study to see if it is possible to put in place this new contractual regime, international contractual regime which makes it possible to reduce costs for pensions and sickness insurance. For the time being it hasn't yet been put in place, but we are getting there.

With regard to the centralization of certain administrative functions, we have embarked on that work with the General Secretariat. All of the auditors at the Secretary General's office have been seconds to the financial resources service of the Union. We can already see what kind of effect it will have at the level of the general Secretariat to see if that would apply to the census. We have only started so far with the General Secretariat and we have also taken notes of the observations paid by the Russian Federation that optimizing audit work. We have undertaken a study to see what could transpire here. The same as what Korea was saying about optimizing the holding of international events and demonstrations, as well as what was proposed by China with regard to translation. I'm going to give the floor to my colleague, Mr. Elsherbini, who will be more in a position to give you the details as we have promised to Germany. We will provide you with average costs per member evidence staff. And if there are others interested in that document, perhaps we could start first with the working offline with Germany by providing them that figure. An average staff cost in the Union.

So Madam Chair, if you don't mind I'm going to give the floor to Mr. Elsherbini who will address the points raised with respect to translation.

>> CHAIR: Yes. Can I ask the interpreters for six minutes?

>> INTERPRETER: Yes, Madam Chair.

>> CHAIR: Mr. Elsherbini, you have the floor.

>> AHMED ELSHERBINI: Thank you, Madam Chairman. Thank you to the Distinguished Delegates from Brazil and Germany raising the issue of the alternative translation. Actually, just to respond first to the Distinguished Councillor from Germany, yes, we studied the past experiences. We are not following the alternative measures that could lead to negative quality of translation. Cheap translation companies, we stopped doing that. It was a pilot that was tried only in 2015, but it didn't continue.

What we are pursuing, all these were given from the Secretariat in the report to the Council Working Group of languages in the 2016 session and the 2017 session. There are definite alternative procedures that have been experienced, mostly regarding the out-sourcing. Out-sourcing is not a new technique, but we are now balancing in sourcing and out-sourcing. It is mostly right sourcing, trying to balance documents to be translated in house and the documents we send either to freelancers certified by the U.N. as high quality translators or companies that we contract with using the international procurement procedures. And we thank the Delegates from Brazil indicating that the quality has not degraded. So we preserve quality of translation. Not only quality, but the timeliness of delivery because the way we do business in ITU there is high demand on timely translation. We balance quality, money, and timely delivery of documents to our meetings and Assemblies. We have been doing that for the past three or four years. It is an ongoing business, trying to improve the methodology for translation. Perceiving that maintaining the quality and the timeliness of delivery. That successfully resulted in savings in 2015 and in the biennium of 2016 and hopefully we will continue that. The average savings per year is about a million francs from the translation budget. We will continue to look into this.

After the decision of Council of creating the internal group under the chairmanship of the Deputy Secretary General we will be responding back to Council in 2018. I hope that satisfies the questions. Thank you, Madam Chair.

>> CHAIR: Thank you very much. My Vice Chair, Mr. Toure? Okay.

Mr. Dahlen is here. He can answer the question regarding number 6 of the efficiencies, Document 45. Thank you.

>> ERIC DAHLEN: Thank you, Madam Chair. On the contractual commitments, managed by the Secretary General, these are expect contract forms studied by ITU which are issued by certain organisations. So that work is in charge of the under Secretary General and the form allows for Facilitators contractual arrangements while improving the quality of services compared to what we apply today. So a special contracts, external consultants, or short-term contracts are very specific types of contracts which are used by the U.N. and organisations that have signed agreements with the U.N. in order to subcontract the management of contracts on behalf of this or that organisation. Thank you.

>> CHAIR: Thank you, Mr. Dahlen. We did not address -- we will come to the close of our meeting. I would like to pick this up tomorrow, but I think it is going to be a short discussion. We need to address Russia's question regarding putting the document in tabular form. We will pick this up tomorrow in the afternoon. Thank you very much. Have a good night.

(The meeting adjourned at 11:09 a.m. CDT.)

(CART provider signing off.)

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