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SPECIAL STUDY GROUP G – TEMPORARY DOCUMENT 1**Source:** Chairman, Special Study Group G**Title:** Background information on the Global Telecommunication Organization and establishment of Working Parties for this Special Study Group**ABSTRACT**

Creation of the Global Telecommunication Organization (GTO) to replace ITU raises issues regarding GTO structure, working methods and funding. This meeting of Special SG G is requested to study and provide recommendations in these areas by 1 February 2011.

1. Introduction

The ITU traces its origins back to 1865, and throughout the years as the telecommunication environment has evolved and the needs of its members have changed, the organization has undergone corresponding changes to remain relevant and responsive. As a specialized agency of the United Nations, this situation was recently the subject of in-depth discussion and analysis at the United Nations High Commission on Structure (UNHCS) which has authority over all aspects of structure and function of the United Nations and its constituent organizations. The UNHCS has concluded that significant changes are necessary and has mandated their implementation by 1 July 2011.

2. Background

Among the changes in the telecommunication arena over the recent decades, the following have had some of the greatest impact.

The character of the International Telecommunication Union (ITU) has changed from consideration of issues of interfaces between developed countries, i.e., “inter-national”, to consideration of issues of concern to all countries, i.e., “global”. Whereas the current membership is over 190 Member States (MS), more and more of its work is developed and presented on behalf of regional telecommunication organizations. The inter-MS relations, while still important in some cases, have to a large part been overtaken by inter-regional relations which involve a small number of organizations operating on a global level.

It has also been observed, and confirmed by studies at the UNHCS, that there has been a demographic shift in membership, participation and work programme from a Euro-centric organization to an Asia-Pacific-centric organization. This is reflected not only in MS activities but in the shift in membership and participation by Sector Members (SM) and Associates.

The United Nations has decided that the Global Telecommunication Organization (GTO) shall replace the ITU and, as a global entity, its administrative headquarters may remain in

Geneva while its operation should reflect the needs and character of its membership. The UN has established this special Study Group G (Global) to consider and make recommendations in three areas regarding location, working methods and funding.

3. Issue 1 - Location

To better accommodate and reflect the composition of the GTO, the UNHCS has decided that the GTO operational locations should be decentralized to better meet the needs of its membership.

The administrative headquarters of the GTO may remain in Geneva, primarily to maintain its close proximity to the headquarter locations of other UN agencies. However, since the great majority of the membership is located outside the Geneva area, the operational aspects of the GTO should reflect that situation.

Discussions at UNHCS identified benefits of this decentralization, however some comments are noted that raised concerns with this decision.

3.1 Issue 1 Request

The SG G is requested to make a recommendation to the UNHCS by 1 February 2011 on implementation of this proposal.

The report of the UNHCS notes the following options and considerations:

- Meetings could be held in one new GTO operational location, located in a developing country. Having one permanent location would be efficient and convenient;
- Meetings could be held in multiple GTO operational locations, located in developing and developed countries. These locations can be permanent, or they can be provided on a rotating basis, such as on a 4-year Plenipotentiary cycle;
- GTO could partner with regional telecommunication organizations such as APT (Asia Pacific), ATU (Africa) and CITELE (Americas) to support decentralized operations.
- GTO already has regional and area offices distributed throughout the world;
- Locations in the regions would enable more participation by developing countries, and those locations will have lower costs than Geneva

It was also noted that new locations must have the following characteristics:

- Easy to get direct airline connections;
- Reliable infrastructure for power, water, health, safety, transportation and telecom, and be attractive for GTO staff and families;
- Sufficient hotel rooms for hundreds or thousands of experts attending meetings;
- Access to a well educated local labor pool;
- Close to universities and other centers of education and research.

4. Issue 2 - Working methods

To reduce the carbon footprint of the GTO, save money and take advantage of modern technology, all meetings of the GTO will be electronic, virtual meetings.

Options to implement this decision could include some or all of the following:

- All meetings are virtual, non-physical meetings;
- Real-time electronic meetings can be held by e-mail, phone and collaborative software;

- Global e-meetings raise questions on how the time-zone problem can be addressed. For example, the burden can be shared, but someone is always working through the night:
 - ▶ starting times can be decided by the chairman or by consensus of the group,
 - ▶ starting time of the e-meetings can be at 0900 local time which moves one time zone each month, so all share the burden equally over the course of a 24-month cycle;
 - ▶ starting time can be based on the time zone of the majority of the participants;
- Virtual meetings can be held over the course of several days or weeks with the group's management team summarizing e-mail contributions each day and proposing interim agreements to progress the work, and then amending their proposals based on the next day's comments;

However, some comments questioned the ability or wisdom to hold all meetings electronically.

- If there are one or more new regional operational locations, they could have meeting rooms and modern infrastructure to offer low-cost operation;
- For some MSs, having sufficient high-speed electronic communication facilities to participate in effective, global electronic meetings will actually increase costs;
- Members could host physical meetings at no additional cost to GTO
- A combination of physical and electronic meetings would be most efficient.

4.1 Decision-making in e-meetings

A more significant policy issue is raised by e-meetings. How will decision-making be done with remote participation? How does the meeting know who is present? Will remote voting be required for all decisions even though currently decisions are made by consensus? Normally in decision-making meetings delegates have the opportunity to speak off-line with other delegates to resolve issues; however this is not possible in a virtual meeting. How does the chairman judge the 'mood of the room' when they cannot see everyone? Can all remote participant views be considered before a chairman declares the decision has been made? Will the need to make a verbal statement of agreement or opposition by e-mail or phone call inhibit decision-making? Will the principle of "silence is agreement" that works so well in a physical meeting also work with remote participation?

4.2 Issue 2 Request

The SG G is requested to consider further the proposal that GTO hold only electronic meetings, in particular the time-zone and decision-making aspects noted above, and make a recommendation to the UNHCS by 1 February 2011 on its implementation.

5. Issue 3 - Funding

Given decentralization and electronic working methods, the current annual budget of 150M CHF will be reduced to 100 M CHF. What new funding mechanism is recommended that recognizes the new structure, demographics and focus of the GTO?

The current funding mechanism depends on a voluntary choice for the level of monetary contribution, or dues, by each MS. SMs also have a voluntary choice on the level of their contributions subject to a minimum level for each Sector.

With a new global focus and operating model, Special Study Group G has been requested to consider this issue and make recommendations regarding the collection of dues. What funding mechanism should be adopted, taking into consideration that:

- All Members do not participate in equal amounts;
- Members enjoy different levels of economic development;
- Approximately 30% of the budget is derived from other sources such as sale of publications, development grants and SM dues, with a MS balance of 70 Million CHF;
- Outputs and services of GTO are available equally to all Members;

Discussions at the UNHCS did not reach any conclusion on this matter, but some of the possibilities that were considered include:

- In consideration of national sovereignty and equal rights of all MSs, all MSs should share equally in support of the estimated 70 Million CHF budget;
- The fairest system is that those who send the most participants should pay a proportionally larger share of the budget, however, others point out that such a system penalizes those who do the most work for the GTO;
- Some other basis for proportional funding instead of number of participants;
- Since telecommunications is being or has been privatized around the world, private sector companies engaged in international telecommunications, regardless of their membership in GTO, should pay a tax which supports the GTO;
- Retain the current voluntary choice system to determine each MS's dues;
- GTO controls allocation of certain international public resources which have been managed for the common, global good, such as spectrum, orbital arc and numbering. Consider charging fees for existing and future allocations.

5.1 Issue 3 Request

The SG G is requested to recommend by 1 February 2011 a funding mechanism to support the budget of GTO which takes into account the interests of all members, including developing countries, and including the possibility of non-traditional revenue sources.

6. Proposal

It is proposed that in order to address this wide range of issues, Study Group G establish Working Parties to study each issue and provide draft proposals to the Plenary meeting of SG G for final decision on recommendations to be made to UNHCS by the 1 February 2011 deadline.
