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BUSAN, KOREA

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ROOM B

NINTH MEETING OF COMMITTEE 6

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>> CHAIRMAN: Good afternoon, everyone. If you could take your seats, we're about to start the Ninth Meeting of Committee 6.

Now, if we could start by considering our agenda, that's ADM/56. There will be one change, which is that current Agenda Item 6, support and assistance to the Republic of Iraq to rebuild its Telecommunications Sector will be postponed until Monday.

So with that change, is the agenda approved? I think so. So our first item is proposed Revision to Resolution 48. This was where Canada was working with the Russian Federation and Venezuela to merge the proposal.

So I would ask Dr. Gracie if he could introduce this Document which is DT/44. Dr. Gracie.

>> CANADA: Yes, thank you very much, Madam Chairman and good afternoon, everyone. Chairman, as you've mentioned, there were proposals from Canada, from Venezuela, and from the Russian Federation. The various proposals were merged into a consensus text which appears now in DT/44. Madam Chairman, I won't go through all of the changes. Some of them are simply editorial in nature. I will make reference to the most important references in the Document, which represent the changes to the Plenipotentiary Conference of 2010, Resolution 48.

You'll see reference to, in the "noting," to the various UN General Assembly Resolutions that pertain to the need for gender balance throughout the UN system. Resolution 25, which you addressed in this Committee, concerns the strengthening of the regional presence and the importance of the role played by the regional offices in disseminating information on ITU activities to the membership.

There is also a reference to the UN system‑wide Action Plan on gender equality and the empowerment of women, which is a very important initiative and now is referenced in this Resolution.

Some the other changes, as I mentioned, are editorial in nature for the most part, to improve the wording. There's references to the regional offices, and of course, it's very important that the regional offices in their hiring practices reflect the various conditions and provisions that pertain to the hiring of women as outlined here in Resolution 48.

You'll note in the "instructs the Secretary‑General," we need to take into account the matters outlined in Annex I, and I'll come to that in a moment. And the general provisions again in the "instructs" are basically to clarify the text and to make it clear exactly what is being proposed. So I'll go to Annex I, Madam Chairman. This proposal was mainly reflecting the proposals for the Russian Federation. Some of these various provisions were simply moved from one area to another, but there are new provisions which you'll find in this Annex I.

So you'll see a number of elements that are associated with the Annex and are together are those provisions which are to be reported to the Council on staff issues, including staff in regional and area offices, and recruitment issues.

You'll note a final provision in Annex I, which makes reference to the new Annex II, which outlines measures related to the facilitation of the recruitment of women which is now a new Annex II.

You'll see in Annex II that the provisions that have been added relate to the importance of facilitating the recruitment of women, and you'll note that the references to "qualified and competent women" to various posts in the ITU, including the regional offices. So I don't think it's worthwhile to read all these provisions, Madam Chairman, simply to reiterate that this represents a consensus text based on the input proposals from Canada, from Venezuela, and from the Russian Federation.

So I'd like to present this DT/44 to Committee 6 for its further consideration. Thank you.

>> CHAIRMAN: Thank you very much, Dr. Gracie. So I'll open the floor for any comments. Lithuania, please.

>> LITHUANIA: Sorry, it was a mistake. Sorry very much.

>> CHAIRMAN: Thank you, Lithuania. United States, please.

>> UNITED STATES OF AMERICA: Thank you very much, Madam Chairperson, just to say that the United States fully supports this Resolution, and to let the meeting know that in the Working Group of the Plenary, we're addressing creation and management of Council Working Groups and modifications to Decision 11, and one of the things that we've introduced into that meeting is a change to "decides" 3, which deals with the leadership of Council Working Groups, where we've introduced a clause to have them selected with an aim of providing geographical and gender balance, so this would be fully consistent in terms of the creation and management of Council Working Groups with what you're trying to do here with respect to staff. Thank you, Chairman.

>> CHAIRMAN: Thank you, U.S., and thank you very much for sharing that information with us.

Angola, please.

Saudi Arabia, I'm sorry.

>> SAUDI ARABIA: Thank you, Madam Chairman. I would like to thank Dr. Gracie and all of those who participated in the drafting of this Draft Resolution. My question is on the section of "instructs the Council," instructs the Council to guarantee the presence of the necessary Human Resources, to develop Human Resources at the ITU, while at the same time respecting the available budget. And my question is as follows, Madam Chairman: It could be a decision to, an urgent decision to make, a decision that we did not take into consideration when we were preparing the budget.

Shouldn't we give certain flexibility to Council to take into consideration this request, because certain points would need to be revised in the Financial Plan. Thank you, Madam Chairman.

>> CHAIRMAN: Thank you, Saudi Arabia. Mali, please.

>> MALI: Thank you, Madam Chairman. We thank those countries who participated in the drafting of this Draft Resolution that we're now considering, and we fully support.

When I look at Annex I of the Resolution, there are certain items that have been deleted. Others have plus and others are not exactly described. I don't know why.

The first one has been deleted, geographical representation, I have not found in Annex II where it's been incorporated into Annex II. Whereas if we look at another of these items, harmonization of the function and et cetera, this has been taken up in the second Annex. I simply want to know why certain items have been deleted have been retaken, and others have in the same Annex I. Thank you, Madam Chairman.

>> CHAIRMAN: Thank you, Mali. I'll now ask Mr. Ba to respond to the question from Saudi Arabia. Mr. Ba, please.

>> SECRETARY OF THE SESSION: Thank you, Madam Chairman. I thank the Honorable delegate from Saudi Arabia. With regard to the Financial Plan, the Financial Plan is a general framework that is adopted every four years, but it's that the Council will approve the budget so the fact of mentioning within the limited financial resources available, the Council reviews the draft projects that are submitted at each session, so it will be the Council who will see the feasibility of the implementation of this Resolution, Resolution 48, within the budgetary limits.

But with regards to the PP Conference, we adopt the Financial Plan in general, but this has no limitations on Council for the decisions made with regards to the adoption of the budget. Thank you.

>> CHAIRMAN: Thank you very much, Mr. Ba. And, Mr. Gracie I wonder if you could respond to the question by Mali to the inclusion or not of some of those elements.

>> CANADA: Yes, thank you Madam Chairman, we like to thank Mali for the question. In response, I would simply note that many of the provisions were simply reshuffled if you like, in the Annex I. They are retained, they are not deleted. They are simply moved to different parts of Annex I.

So for example, geographic representation is moved to another area. Now, it would appear to some, perhaps, that these items have been deleted, given that they are crossed out, but of course this is only tracked changes, and of course, tracked changes would mean that they appear to be suppressed, but in this case, they are simply moved to a different area.

So that was part of the proposal from the Russian Federation to rearrange some of these elements to have them appear in different areas so that they're more consistent with one another in terms of the various provisions that are being put forward.

So I'd like to assure the Delegation from Mali that many of these important points have been retained. They are simply indicated in different areas of Annex I. Thank you.

>> CHAIRMAN: Thank you, Dr. Gracie. Are there any further comments? I think there are none, so in that case, we will send Resolution 48 to Committee 4. So thank you very much, Dr. Gracie and the group, for that work.

We now move on to the next item on the agenda so we again I think call upon Dr. Gracie to introduce the Document on Resolution 152. Dr. Gracie, please.

>> CANADA: Yes, thank you, Madam Chairman. As you know, Resolution 152 deals with the improvement of management and follow‑up of the defrayal of ITU expenses by Sector Members and associates. There were two input documents, aside from the Document 89, which was endorsed by the Council, and reviewed at its final session just before the Plenipotentiary Conference.

So, Chairman, there are a number of changes to the "considerings," just to bring matters up to date and improve the references, which also applies to the "considering further."

The important point, however, is the addition of "recognizing further that a better collection rate and a significant reduction in debts of Sector Members and Associates have resulted from flexibility granted by the Council to the Secretary‑General with regard to the application of" this Resolution, in the recovery of arrears, of negotiating the payment conditions, and the special terms and conditions for acquisitions. So that is added in "recognizing further," and there are a number of provisions there that have been deleted because they are no longer relevant.

Now, in the part of the Resolution, the operative part, in the "resolves," there is a new "resolves" 7, which states "that with a view to retaining members and recovering past debts owed, the Secretary‑General may have flexibility in implementing the repayment plans with Sector Members and Associates.

And in the "instructs the Secretary‑General," he or she is instructed, "in consultation with the Directors of the Bureaux, to continue to report to the Council on the implementation of the Resolution, highlighting any difficulty that may be encountered and proposing further improvements as appropriate."

Madam Chairman, in general, it was the consensus of the Council that this initiative by the Secretary‑General should continue, and hence we see a Revision to the Resolution as presented in DT/45.

So with that, Madam Chairman, I present this Document for your further consideration. Thank you.

>> CHAIRMAN: Thank you again, Dr. Gracie. So with that, I open the floor for any comments.

I see none, so we will endorse this Draft Resolution and send it to Com 4. And thank you again, Dr. Gracie. And I think Dr. Gracie is the next item on our agenda, as well, dealing with financial issues for consideration by the Council, Resolution 158, which is Document Canada/133/1. Dr. Gracie, please.

>> CANADA: Yes, thank you, Madam Chairman. This Revision also appeared in Document 89 to this Conference, which represented the third, or the second of a series of modified Resolutions that were endorsed by the Council at its final session just before this Conference.

So the various amendments for example to the "consideration," we have removed the references to income and expenditure, and inserted revenue and expenses to be IPSAS compliant.

We have made other editorial changes, and again we've eliminated references to Resolutions that are no longer relevant.

Now, the operative point is the "instructs the Secretary‑General" to study possible new measures to generate additional revenue for ITU, "and" to report the outcomes of this study and recommend measures to Council through the Council Working Group on Financial and Human Resources."

In the "resolves to instruct the Council," again, the Council is instructed to review the outcomes of the Council Working Group on finance and Human Resources regarding possible new approaches to raising new revenues and implement measures where appropriate, on a temporary basis, subject to review by the following Plenipotentiary Conference. Secondly, to study the possibility of establishing mechanisms to afford greater financial stability for the Union, and make recommendations in that regard.

And, third, there's a reference to the review of the current methodologies for participation of Sector Members, associates and academia in the activities of ITU, and essentially, this reference is a cross‑reference to the new Draft New Resolution that is being considered by Committee 5 on this important subject. And I do believe it has reached the point where it has been approved in principle, and that this in new Resolution will be eventually submitted to the Plenary for adoption. So it is important that Resolution 158 retain this cross‑reference to this ongoing activity.

So the other parts of the revised Resolution is simply "to report to the next Plenipotentiary Conference with recommendations regarding actions that can be implemented on a longer‑term basis, including any modifications to the relevant articles of the Constitution and Convention that may be necessary."

So I do believe, with that, Madam Chairman, I can now present this Document for your further consideration and approval. Thank you.

>> CHAIRMAN: Thank you, Dr. Gracie. So with that, I now open the floor for any comments.

Saudi Arabia, please.

>> SAUDI ARABIA: Thank you, Madam Chairman. Madam Chairman, we would like to thank once again Dr. Gracie for his work. When we're in "resolves to instruct the Council," first paragraph, we talk about "to review the outcomes of the Council Working Group on Finance and Human Resources regarding possible new approaches to raising new revenues and implement measures where appropriate, on a temporary basis, subject to review by the following Plenipotentiary Conference."

This review will take place during the PP. Is it envisaged that it will adopt the measures implemented by the Council? Or will they review the results of the Council's Working Group? Does the PP Conference, should they adopt the Conference of these studies carried out? Thank you, Madam Chairman.

>> CHAIRMAN: Thank you, Saudi Arabia. Dr. Gracie, would you be able to clarify? Thank you.

>> CANADA: Yes. Thank you, Madam Chairman, and thank you to Saudi Arabia for that question. Perhaps there is a slight ambiguity with the reference to the Council Working Group. Of course, it is the outcome of the work of the Council that is reviewed by the Plenipotentiary Conference, and not the review ‑‑ the Plenipotentiary Conference does not review the outcome of any of the Council Working Groups, per se.

So the intent here is to simply highlight that the focal point for studies of this nature will be the Council Working Group on Financial and Human Resources, which will report its findings to the Council, which in turn will report to the Plenipotentiary Conference for any appropriate action, so I hope that clarifies the matter, Madam Chairman. Thank you.

>> CHAIRMAN: Thank you, Dr. Gracie. I see no further requests for the floor, so we will endorse this Document and send it through to Com 4. And, Dr. Gracie, just to call upon you once again ‑‑ this is the Dr. Gracie show this afternoon ‑‑ if you could introduce Document Canada/133/2 on Revision to Resolution 170. Dr. Gracie, please.

>> CANADA: Yes, thank you, Madam Chairman. This Resolution was included in a package of Resolutions in Document, or amended Resolutions in Document 89, which again was reviewed by the final session of the Council held just before this Conference. It deals with the admission of Sector Members from developing countries to participate in the work of the ITU‑R and ITU‑T.

Madam Chairman, aside, again, from the usual editorial amendments, the key "resolves" is, "to continue to allow Sector Members from the category of developing countries" to participate in the work of ITU‑R and ITU‑T in accordance with the provisions of the Resolution.

It is simply to ensure that this possibility continues, and that again, the next Conference and Council itself will be in a position to review the actual implementation and suggest any further amendments to the next Plenipotentiary Conference, and in the interim period, to suggest any possible changes that would be necessary to the Council when it meets in its annual sessions.

So again, Madam Chairman, this modification is very simple in nature. It's simply to continue this initiative, and to, of course, make the necessary editorial changes to the Resolution itself. Thank you very much.

>> CHAIRMAN: Thank you, Dr. Gracie. And with that, I open the floor for any comment or questions to Dr. Gracie.

I see none, so we will endorse this Resolution and send it through to Com 4. And once again, Dr. Gracie, thank you so much for all of your efforts.

Now, we no longer have number 6 on our agenda, and given the amount of interest there was in the issue of INRs, the Secretariat has produced another Document for our consideration, which is Document number DL/35, which they'll be able to make a presentation on at our meeting this afternoon so I'd ask the Secretariat please if they could introduce the Document.

>> ITU: Thank you, Madam Chair, and good afternoon. On behalf of the Secretary‑General, it's my pleasure to introduce Document DL/34‑E, considerations of the options of collecting annual fees for certain International Numbering Resources. Madam Chair, this note by the secretariat is based on the discussions held so far in the Council Session on the 18th of October, as well as the discussions in the last Committee 6 meeting and consultations with some Member States.

There seems to be a preference for the option on an annual fee for certain International Numbering Resources. Most of these are assigned directly by ITU. And the fee structure would distinguish between members and non‑members of the Union.

In the first Section, there is an introduction on the numbers that we are considering for a fee. These are five numbers out of the 20 types of International Numbering Resources, specifically the UIFN Universal International Freephone Number, SANC, the Signaling Area Network Code, and the ISPC, International Signaling Point Code, the MCC and MNC, Mobile Country Code and Mobile Network Code, ICC, ITU Carrier Code, and finally, the Issuer Identifier Number, IIN. And there is an Appendix in this Document describing these five numbers and giving reference to the ITU‑T recommendation governing their assignment.

The Section 2 describes the Universal International Freephone Number. There is a volume of about 37,000 numbers and about 1,000 are assigned annually to about 110 companies that apply, and 60% of these companies are not currently members of ITU.

The first table in the Document gives a distribution of the regions in terms of the assignment of UIFNs, and this table shows that both Africa, the Arab States, and CIS have either no assignments or very little assignments. The majority is in Europe, the Americas and Asia Pacific.

Then we have in the next Table a more detailed view of the companies that have been assigned the UIFNs, and the number of UIFNs assigned to each company, and whether they are Sector Members or associate members or not.

And we note that in Table 2, the fee for UIFN was set at 200 Swiss francs in 1996, and that fee structure has not been revised since then, and last year, UIFNs brought an income of 200,000 Swiss francs for ITU based on the 200 francs per number.

Then we propose scenarios in Table 3 for a per‑fee ‑‑ per‑number fee, per year. The total number of assigned numbers is 37,000, 28,000 of which are assigned to members, and 8,500 are assigned to non‑members, and we propose scenarios of an annual fee per number, for members at 20 francs per number, and for non‑members, with the three scenarios, 20 francs, 40 francs, and 50 francs per number. And this could bring the Union revenues, additional revenues, ranging between 700,000 to about a million Swiss francs per year.

Then in Section 3, we look at the SANCs and the International Signaling Point Codes. TSB assigns the SANCs to the Administration. About 20 are allocated per year, so the volume is smaller, and the total numbers assigned is about 1,000 SANCs overall. Then we have a ‑‑ and currently there is no one‑time fee for the assignment of these SANCs.

In the next Table, Table 4, we show the total number of assigned ISPCs which is about 6,000 numbers, 900 of which are assigned to members of the ITU, and 5,000 are assigned to non‑members, and then we have scenarios in terms of the fee structure for members and non‑members ranging between 50 francs ‑‑ 0 francs for members up to 1,000 francs for non‑members, and this could bring additional revenues ranging between 600,000 annually to 5 million annually, depending on the fee structure chosen.

In Section 4 we look at the Mobile Country Code and the Mobile Network Code, the MCC and MNC. TSB assigns a geographic MCC, Mobile Country Code, 235, to an Administration, and then the Administration assigns the Mobile Network Code to its operator. Out of these numbers, there is about 1,700 MCC plus MNC assigned. 288 are assigned to ITU members, and about 85% are assigned to non‑members of the ITU.

Then in the next Table 5 we provide scenarios on a per number fee ranging from zero to non‑members to 1,000 Swiss francs for non‑members, 0 to members to 1,000 to non‑members, and this could bring additional revenues ranging from about 170,000 Swiss francs per year to 1.4 million per year, depending on the choice.

Then in Section 5 on the Issuer Identifier Number, this is on calling cards, only 91 companies are ITU members out of the 700 that have been allocated these numbers. The ITU charges 80 Swiss francs today to register the number for Telecom companies, and ANSI charges 1,000 per number for non‑telecom companies. The scenarios around Table 6 were out of the 700 numbers assigned, the 632 for non‑members and with a fee structure ranging from 0 for members to 1,000 for non‑members we could have additional revenue ranging between 7,000 to 632,000 annually.

The next code is the ICC or the ITU Carrier Code. There are about 1,000 ICCs assigned today, 107 of which are for members which is only 10% of the total numbers assigned. The Table 7 provides scenarios for fee structures for members and non‑members that could bring us between 100,000 additional revenues per year to a million Swiss francs per year depending on the fee assigned per number.

Finally, Madam Chair, in Section 7, we have an estimated total income for the least lowest cost possible for the ITU members in the previous sections per category of numbers, and the total revenue is up to 640,000 Swiss francs assuming the minimal fee structure.

Then in Table 9, we provide the full range from the minimal fee structure to the highest proposed scenario. That could bring the Union up to 8 million Swiss francs of additional revenues per year.

And then finally, Madam Chair, Annex 1 provides a brief description of the relevant International Numbering Resources and the relevant recommendation governing it. Thank you.

>> CHAIRMAN: Thank you very much, Mr. Jamoussi. I'll now open the floor for any comments or questions. United States, please.

>> UNITED STATES OF AMERICA: Thank you, Chair and good afternoon, friends. Happy Halloween. Somewhat appropriate. We thank the TSB for his further thinking on this issue and the work that was done to provide the additional information contained in DL/34‑E. It was suggested that there was a preference for certain aspects of the proposal in previously presented Document 91. But it's far from clear how that preference was assessed given the interventions that were made during the discussions in our meetings.

Certainly the information in DL/34 if it had been available to the experts group would have enriched those conversations. This information is useful in clarifying some of the impacts that I mentioned in my previous intervention, in particular some of the entities that will be most affected. But like the previous material we have received, there are questions that remain. It appears indirectly assigned INRs are still being considered for inclusion in this proposal. As discussed earlier, attempting to apply fees to Numbering Resources managed by National administrations will raise a host of issues, practical and legal, that must be fully explored and may be impossible to resolve. This DL provides a helpful regional break down for some of the INRs, but not others.

For example, MCCs and MNCs, that information would be helpful for any impact analysis. Aside from the additional analysis required, one thing is very evident from a review of these numbers. Some of the Union's most fiscally responsible Sector Members, members who pay not only their membership fees but frequently provide additional voluntary contributions and significant support at events like ITU Telecom will now be asked to shoulder additional burdens.

As I said, if they decide to do so, and I'm confident that they will find innovative ways to use technology to provide their services in ways to avoid these charges, those costs will be passed on to consumers. That will mean higher prices, lower demand, reduced investment incentives and stunted development deployment. We should also not be surprised if such members reconsider their memberships and convert to the minimum membership required or leave the Union altogether.

These are the impacts that must be carefully understood and considered before deciding to proceed with this scheme. We would all better use the time we have remaining here by focusing on the contributions we have received to strengthen the ITU budget. Thank you.

>> CHAIRMAN: Thank you, U.S. Australia, please.

>> AUSTRALIA: Thank you, Chair. We would also like to thank the Secretariat for the provision of these additional information which is quite helpful. However, we would also like to echo the comments made by the U.S. that we do still have a number of questions outstanding in relation to this issue that would make it difficult to come to a decision today. Thank you.

>> CHAIRMAN: Thank you, Australia. Russian Federation, please.

>> RUSSIAN FEDERATION: Thank you very much, Madam Chair. We thank the Secretariat for this Document that they've prepared, and we fully support this Document. We are a bit surprised by the position of the opponents of this Document. It's a difficult situation for the Union when a tangible decision must be made to balance the budget and at the same time people are taking the floor against such an idea. So we would like to take the floor to endorse this, to support it and we'd like to include those possible resources into the budget. Thank you very much.

>> CHAIRMAN: Thank you, Russian Federation. Mali, please.

>> MALI: Thank you very much, Madam Chair. Mali would also like to thank the Secretariat for having produced this Document which gives very useful information for the decision that we will have to make in future. We'd like to speak to Document 91. We are like‑minded with the Russian Federation.

There's a new team who in just a few months, on the 1st of January 2015, will take over the head of the ITU, and so we need to support that team by generating new income. As we all know, we've been speaking about financial crises in many countries and many administrations, and so if Member States cannot increase their contributions, then it would really be good for us to at least be able to support the new management of the ITU and find new sources of financing. This is an excellent example of such.

Now, with regard to the practical implementation, as you know, ITU in situations such as this needs to have agreement so that it can be applied in three different periods. For example, we could try to apply this up to the next Plenipotentiary, and then give the mandate to the new team to create a plan how things should be implemented, and to analyze various aspects in greater detail.

And then we would be able to, or how should I say, at least now we should have some sort of agreement whereby the Council would have the new team implement that we've decided here. But I don't think it would be a good signal to send to the new team of the ITU if we weren't to do so. Thank you.

>> CHAIRMAN: Thank you, Mali. Tunisia, please.

>> TUNISIA: I thank you very much, Madam. Tunisia defends a principle here, which is the following principle: There is a service provided by the ITU, and this service merits financial compensation from those using the service. In this regard, I would like to thank the Secretariat of the ITU for having provided us with this Document. This Document gives us a very clear idea of the category of users, those who are mostly using the service for commercial ends.

It is, therefore, fully normal that those that are utilizing a service provided by the ITU pay for that. Moreover, given the financial situation of the ITU of which we are all aware, and because of which all of the members of the ITU have appealed to the group to find new financial ‑‑ sources of financing. So this is a very logical idea, and it goes fully in line with the financial situation of the ITU which dictates the fact that this service should be for pay.

Also, the geographical distribution of the information in this Document shows that those members that are contributing to the ITU are, their contributions are coming from developed countries, and part of those contributions are to be given to the assistance of developing countries. That's why this service should be a for‑pay service. I thank you very much, Madam Chair.

>> CHAIRMAN: Thank you, Tunisia. Brazil, please.

>> BRAZIL: Thank you, Chair. And I would like to thank the secretariat for this Document. It does bring light to a few questions we had, but I have to agree with previous speakers, we still have a few questions on it. Our main concern still remains on the possibility of charging for those resources that are assigned by Member States, and I'm sorry, but I believe Brazil still has to insist that it makes no sense for us at least to be charging these kinds of resources. We could be continuing this discussion but I don't believe we are mature enough to take a decision if we are to charge this or not. I believe we'll probably still waste a lot of time on this discussion, and I really don't believe we'll reach a conclusion on this.

I have to agree with a previous speaker that said we should try to focus on different proposals trying to cut costs, instead of specifically on this proposal on trying to raise the income. Thank you.

>> CHAIRMAN: Thank you, Brazil. Rwanda, please.

>> RWANDA: Thank you very much, Madam Chair. We thank the secretariat for its new Document, and this should be studied in greater depth and implemented, particularly because it provides the possibility for new income. There's a principle, as well, here, which we must maintain. If we are providing a service, the costs related to that service need to be recuperated, must be obtained, so since our level of income is low, this is a way in which we could increase our income, and particularly given the level of cost associated with this, I don't really think that we're asking for such a high price. It seems fair.

The consequences which certain members fear need to be studied. We need to model them. We need to come up with a way in which we could implement this in a temporary fashion to understand the initial impacts, consequences. Thank you.

>> CHAIRMAN: Thank you, Rwanda. And Saudi Arabia, please.

>> SAUDI ARABIA: Thank you very much, Madam Chair. I would like to thank the Secretariat for this Document which has been submitted for our consideration, and which clarifies a number of points that were raised earlier. Some countries have requested us to use these INRs, and it has been proposed that these INRs be used as an additional means of financing for the Union. The basic principle here is that we're trying to cover our costs. This is an existing, already agreed principle in the ITU. So why can this principle not be applied in this particular case? I don't think this is an exceptional case. I don't believe that this is an exception to the very rule of covering one's costs.

Moreover, the ITU is facing a difficult financial circumstances. At the previous Com 6 meeting, we spoke about perhaps using the reserve accounts, and we were warned against the consequences of perhaps using ‑‑ dipping into those reserve accounts. That is why we are proposing to utilize these INRs to have additional income.

In doing that, we're also being warned about the consequences of that decision. It doesn't seem practical for us to go through the entire Financial Plan point by point now to cross things out, cut costs, particularly those programmes that are benefiting developing countries. I don't think that that makes sense for the ITU. For that reason, I would appeal to previous speakers, support what they've said, that we use these INRs to generate a new source of income for the ITU, basing ourselves on the principle which is currently being utilized at the ITU, that is, the principle of cover one's own costs. Thank you very much, Madam.

>> CHAIRMAN: Thank you, Saudi Arabia. Nigeria, please.

>> NIGERIA: Thank you, Madam Chair. I also want to thank the Secretariat for coming up with this Document but I just need a clarification. All these numbers directly assigned by the ITU, or amongst them are there those that are under the control of the administrations? Thank you, Madam Chair.

>> CHAIRMAN: Thank you, Nigeria. Spain, please.

>> SPAIN: Thank you, Madam Chairman. First of all, we'd like to thank the Secretariat for this new Document which facilitates the debate and the consideration of this issue, and the proposals once we've seen how they are discussed. We're going to closely analyze this Document to see what possibilities there are, whether they're acceptable for the other Member States to recover certain costs for services rendered directly by the ITU, and in particular, those entities that are not members of the Sector. Thank you.

>> CHAIRMAN: Thank you, Spain. United Arab Emirates, please.

>> UNITED ARAB EMIRATES: Thank you very much, Madam Chair. We for our part would like to express the fact that we show the views of previous speakers who have focused on the importance of INRs. We thank the Secretariat for this Document. We believe that it is important to implement the possible measures for non‑members, that is to say, charge, and as is mentioned in the Document which has been submitted by the Secretariat, even other entities could also be possibly charged.

We want these measures to be implemented to have the ITU benefit from INRs. Moreover Madam Chair I need clarification from the Secretariat on one point. The representative of Brazil did say that these measures would be applied to Member States. I didn't think that they were to be applied to Member States, though. I thought we were talking about those assignments made by the ITU to companies and operators. That means that there would not be a direct impact on Member States. I just want to clarify that. Is that true? These INRs would not be charged for Member States, is that true? Thank you.

>> CHAIRMAN: Thank you, UAE. Uganda, please.

>> UGANDA: Thank you very much, Madam Chairman. Madam Chairman, we also thank the Secretariat for this very useful information which can go a long way in helping us to take a decision on how we could address the budget deficit. Madam Chair, we therefore propose that the ad hoc Committee, the Ad Hoc Group on Financial Plan reviews the Document in detail so as to enable us to take the decision on implementation of charging of the INRs in order to balance the budget. We thank you, Madam.

>> CHAIRMAN: Thank you, Uganda. Czech Republic, please.

>> CZECH REPUBLIC: Thank you, Madam Chairperson. We also thank for this Document provided by the Secretariat. It clears a bit of the issue. But still we are not sure that it's the whole picture of this matter, and we share concerns of several states, especially in the sense that we are not sure if this will have no impact to the consumers. We think it will have.

And we are not sure that this measure will not also influence the situation in the developing countries, because it seems that not, but we are not sure about this.

We also have concerns of not intended consequences, many, many of them, so that's our status, and we do not support the idea. Thank you.

>> CHAIRMAN: Thank you, Czech Republic. Sweden, please.

>> SWEDEN: Thank you, Madam Chair. First we would like to thank the Secretariat for the Document clarifying some issues. But it still seems to, as far as we understand it, mix up directly and indirectly assigned numbers, and with indirect, I mean numbers assigned by the Administration to the operators.

And I have to be very clear, there is no way that we can accept charging Member States once again for numbers, and there's no way that Member States can act as some sort of entity for collecting fees from operators and forward that to ITU.

Then if we look at the direct assigned numbers, the numbers that ITU directly assign to operators, we have listened to the debate and heard several administrations saying that we need to cover the costs of ITU. What we understand is that that means cost recovery and in ITU there are a set of provisions for cost recovery.

I'm not sure that the fees that we so proposed to this Document is cost recovery. I guess it's revenue‑generating in many cases. So that's something we need to get a clarification on: What is the cost that we are going to cover by the fees? What will be the cost recovery fee to be applied? And what would be the administrative part of a fee that is introduced? Is the administration to take half of the fee if we have an annual fee? Then we could question if it's very ‑‑ if it's efficient or not.

We also see that there may be, as stated by previous speakers, unintended consequences of this decision, and it may also impact the ITU.

Finally, we do not think it's appropriate to generate revenue when you have a monopoly situation in an intergovernmental organization. If there are cases where we have a monopoly in ITU, we shouldn't use that to generate revenue from the operators. It's a different case if it's a commercial company, but now we're talking about an organization paid by taxpayers in the different countries that pay the membership fee to ITU.

So I think there's a number of issues we need to look into more in detail before we can agree on any proposal to charge the numbers that are assigned directly by ITU to operators.

As I said from the beginning, the numbers assigned by ITU to administrations is already covered by the membership fee, and we are not prepared to act as a collecting Agency for money to ITU once again. Thank you.

>> CHAIRMAN: Thank you, Sweden. Jordan, please.

>> JORDAN: Thank you, Madam Chairman. First of all, I would like to thank the secretariat for this ocument. We thank them for the information, the detailed information, they have provided. We have a Strategic Plan for the next four years, and on the basis of this Strategic Plan, the ITU has financial expenses, and therefore, we will not be able to implement their activities if we don't find new sources of revenue.

So this is a problem that we need to identify new sources of revenue. So we must reduce expenses and increase the revenue of the Union, and that is the reason why we support this Document. Thank you, Madam Chairman.

>> CHAIRMAN: Thank you, Jordan. Senegal, please.

>> SENEGAL: Thank you, Madam Chairman. Madam Chairman, we would also like to thank the Secretariat for this Document that tends to find a solution to increasing the revenues of the ITU. We would like to congratulate the Secretariat, in fact, for having found this solution, the solution which would allow us to resolve the financial problems to continue the activities of the ITU.

Just as Mali, Tunisia, and other Member States have stated, we support this proposal, and we suggest that we should look in‑depth into the solution so that we can find a consensus, and we can implement this consensus for the benefit of the ITU, an organization which is helping all administrations. Thank you, Madam Chairman.

>> CHAIRMAN: Thank you, Senegal. Iraq, please.

>> IRAQ: Yes, we would also like to thank the Secretariat of the ITU for preparing this Document. We fully agree with our colleagues who have supported this Document, because the ITU is offering services, and therefore, we would be able to recover the cost of these services, and this would allow us to support the budget of the ITU. Therefore, we fully agree with this Document, and we would like everyone to adopt it. Thank you.

>> CHAIRMAN: Thank you, Iraq. Germany, please.

>> GERMANY: Thank you very much, Madam Chair. My thanks go also to the Secretariat for providing this very detailed and comprehensive Document. We think that it provides more clarification of the objective of the idea, the objective of the project, so again, unfortunately, Madam Chair, we have retained our concerns we previously mentioned here in the Committee and the argumentation is more or less the same, because before we look to revenue generation and have completed studies on that, we should think also on the option to save money within the ITU on different places.

So I would like to share the views previously mentioned by Sweden and Czech Republic in order to get the right approach. Thank you very much.

>> CHAIRMAN: Thank you, Germany. Poland, please.

>> POLAND: Thank you very much. I would like to also thank the Secretariat for a much more clear Document DL/34. It provides some clear information about a number of resources we already have. I would also like to maintain may previous opinion that I presented already in a previous Com 6 that we think that this is not a way to increase income to an organization. That's not ‑‑ I think that we must work on our efficiency of the organization, not to impose new charges for operators and to customers.

We should focus on develop the market and the need for customers, so therefore we think that this solution is not acceptable, and should be not discussed. Thank you.

>> CHAIRMAN: Thank you, Poland. U.K., please.

>> UNITED STATES OF AMERICA: Thank you, Madam Chair. The U.K. share a number of issues that were raised by the United States, particularly issues about the practicality and legal basis for taking a decision that would lead to charging for numbers.

We would like to repeat the point we made previously when this was discussed that in most parts of the world, where charging for numbers has been introduced it's been with the intention of prolonging the use of the resource, because whenever charges are incurred, then the result is that numbers are returned.

We also share the views that were expressed about the impact on some parties who directly have to bear these fees. To the degree that we feel it could reflect on their contributions to the ITU, particularly some of the companies that are listed here where suddenly people will return home and have to inform their companies that due to the success of them using ITU resources that membership fees are going to severely increase, and in some cases even double.

There is certainly an impact, and the it's been mentioned the law of unintended consequences several times. We do not believe you could introduce a scheme such as this and it has no impact on developing countries. A number of these resources are used by companies who provide services and connectivity to remote parts of the globe.

Some of the issues that haven't been addressed here could impact them. For instance, how is this money going to be collected? And what is the result if the companies who already have this resource do not comply with any request to pay fees? Does it mean that those services will be withdrawn? And what is the likely impact on telecommunication services for some developing countries if that is the case?

There are many issues here which need to be explored and considered very carefully before any decision is taken on something as important as this that can have such a severe impact.

>> CHAIRMAN: Thank you, U.K. Japan, please.

>> JAPAN: Thank you, Madam Chair. And good afternoon, everyone. So I'd like to express our sincere appreciation to ITU Secretariat for all the effort to prepare the documents for this meeting.

However, so we don't fully understand what effect would be brought to Telecom operators and to circumstance including framework, regulatory framework in Japan, so we need to carefully discuss about this before decision‑making. Thank you very much.

>> CHAIRMAN: Thank you, Japan. And I'll ask the Secretariat if they could respond to the questions that have been raised. Secretariat, please.

>> ITU: Thank you, Madam Chair, and thanks to the Member States for their comments and feedback. I believe the main question was what numbers are assigned directly versus indirectly. Among the numbers directly assigned by ITU are the UIFN, for which we currently charge a 200 Swiss franc. That was set by the Council in 1996, almost 30 years ago. The SANC, plus the signaling Point Code, the ISPC, and the MCC are assigned directly by the ITU. There are also numbers that are not assigned by ITU but registered and maintained in the database of the ITU, such as the Issuer Identifier Number, for which we charge 80 francs today for the registration into the database. So hopefully, Madam Chair, those clarify the issue of which are directly or indirectly assigned, as well as the distinction between assignment and registration, for which we currently charge an 80‑franc fee for the IINs.

Some of the impact would probably be around 400 francs per year for operators with a significant profit margin so in terms of the financial impact, some of these numbers are quite insignificant for the overall revenues. Thank you.

>> CHAIRMAN: Thank you, Mr. Jamoussi. I'll call a coffee break now, and we'll undertake some consultations, because obviously, this is an issue on which there is a variance in views.

So coffee break, and back at 10 past 4:00.

[ Coffee break ]

>> CHAIRMAN: Good afternoon, everyone, and thank you for your patience. Because there were a lot of questions to the Secretariat about the detail of the INR proposal, what we're going to suggest is that we now move to an information session that will be held in Room D with interpretation, which will be the opportunity to ask the Secretariat questions in detail about the proposal.

Mr. Charles Semapondo will Chair that, although it's not an Ad Hoc Group, it's just an information session, and that will run until 5:30 in Room D, so those that are interested who would move in there and be able to get further clarification from the Secretariat, and otherwise, our next session of Committee 6 begins on Monday morning.

Mali, please.

>> MALI: Thank you, Madam Chairman. We thank you for that proposal. This will allow us to get all the information that we need.

What we would really ask for after listening to this information, that the information can be put into a Document, can summarize into a Document and made available to us. It's much better to be able to analyze it than just listening to the information. It would be important to summarize it in a Document.

And it should be submitted to the final session of the Council, and a Document that summarizes all the interventions during the Council meeting, and we would like the same approach to be taken here, when we go to Room D to get this detailed information, that it be summarized into a Document. Thank you.

>> CHAIRMAN: Thank you, Mali. Sweden, please.

>> SWEDEN: Thank you, Madam Chair, taking into account that I guess it's Friday, isn't it possible to start the information session immediately to at least allow those ‑‑

>> CHAIRMAN: Sorry, Sweden, it is immediately.

>> SWEDEN: I thought you said 5:30.

>> CHAIRMAN: Ends at 5:30. Sorry, Sweden. And thank you, Mali, we will do that. Now, in the meantime over the weekend, the Secretariat will be making consultations, and we will come back on Monday morning with a proposal for Com 6. So see you on Monday, those I don't see before.

[ End of Session ]

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