



# STUDY INTO RECURRING COSTS AND UTILIZATION OF DATA, VOICE AND/OR BANDWIDTH REQUIRED FOR COMMUNICATION EQUIPMENT PROVIDED UNDER MAJOR EQUIPMENT FOR OPERATIONAL PURPOSES

Secretariat Issue Paper # 10

Issue Paper Theme: **Major Equipment**

## BACKGROUND

For the 2020 Contingent-Owned Equipment (COE) Working Group deliberations, two issue papers from Member States (Bangladesh issue paper 1 and Morocco issue paper 3) highlighted that, for items of major communications equipment (for example, satellite equipment and cell phones) to be functional and utilized for operational purposes, they required data, voice functionality and/or bandwidth; however, there was no provision in the current COE Manual for reimbursement of such recurring costs.

The 2020 Contingent-Owned Equipment (COE) Working Group recommended that the Secretariat carry out a study of the recurring costs and utilization of data, voice and/or bandwidth required for communication equipment provided under major equipment for operational purposes. The detailed proposal on how these costs may be covered is to be put forward for the 2023 COE Working Group.

In conducting the study, all the categories of communications equipment under Major Equipment were reviewed to determine which is expected to incur recurring operational charges and which should not. The review also revealed that some of the listed communications equipment were now obsolete. These were either recommended to be replaced with current equipment fit for the purpose or removed completely since their functions could be performed by other existing equipment. The deletion or replacement of communications equipment will be the subject of Secretariat Issue Paper #33.

It should be noted that reimbursement for voice, data or bandwidth costs does not currently fit neatly under Major Equipment wet lease, nor Self-sustainment reimbursement architecture. The COE Working Group should consider how this cost is best reimbursed and recommend as such.

## PROPOSAL

To determine suitable and applicable reimbursement rates for operational expenses such as bandwidth and data for Communications Equipment, Peacekeeping missions were engaged regarding operational usage and recurring costs. However, only limited data was made available, impacting the effectiveness of data driven cost estimates. This may be due to there being no reimbursement for data, voice and bandwidth usage. Recurring



cost data of UNOE that are distributed to contingents for strategic communications based on the standard distributed ratio were also used, where applicable and appropriate. Additionally, online research was also conducted.

Recurring cost for voice, data and bandwidth are not applicable to most of the Communications Equipment listed under Major Equipment. However, satellite-based equipment such as satellite phones and terminals will incur recurrent charges for bandwidth, data usage, and subscription fees (for satellite phones and terminals). Likewise, mobile phones will incur subscription and data usage, if data enabled.

*One of the options for consideration by the COE WG is reimbursement for recurring costs for communications equipment could be captured are part of the maintenance costs associated with major equipment under a wet lease arrangement.*

*Alternatively, recurring costs could also be managed via a 'special case' submission by the T/PCC.*

Categories of Communications Equipment listed in Chapter 8, Annex A of the 2020 COE Manual (A/75/121)

#### *VHF/UHF Equipment*

- This is typically a free-to-air service and incurs no recurring charges for reimbursement

#### *HF Equipment*

- This is typically a free-to-air service and incurs no recurring charges for reimbursement

#### *Satellite Equipment*

- **Inmarsat type A, portable earth station:** this equipment reached End of Life (EOL) over 10 years ago and should be removed from Major Equipment.
- **Inmarsat type C, portable earth station:** service is still operational. Reimbursement should be for subscription plus average use based on the operational requirements. Since this is no longer a highly used service and the UN Secretariat has not used in Peacekeeping missions for more than a decade, it was difficult to obtain adequate data to recommend a suitable reimbursement rate. One contingent in UNISFA provided data reflecting an average recurring cost of \$888 USD/unit/annum (\$74/unit/month). One usage rate located online ([https://geoborders.com/en/plan/inmarsat\\_MINI\\_C](https://geoborders.com/en/plan/inmarsat_MINI_C)) for one-year contracted Post-paid service with cost of USD\$350.00 one-off activation fee, USD\$135.00 Annual Fee, and USD\$0.26/256 bits. Another commercial provider (<https://www.electrotech.net.au/wp-content/uploads/2020/05/RatesC-2020.pdf>) indicated equivalent USD\$83.28 one-time activation fee, USD\$34.70 monthly access fee, USD\$0.28/256 bits for mobile-to-fixed. Other rates and fee may apply as per the two related links (URL) provided. Noting the absence of extensive data available on recurring utilization costs, it is proposed a utilization reimbursement rate of \$74.00 (USD) per unit/month is considered by the 2023 COE Working Group for approved. It is further recommended that Peacekeeping missions should monitor the operational usage and appropriateness to enable further review in the 2026 Contingent-Owned Equipment (COE) Working Group review.
- **Inmarsat type M, portable earth station:** This equipment reached End of Life (EOL) and the service was terminated by Inmarsat. It should be removed from Major Equipment. Replacement equipment is discussed in Secretariat Issue Paper #33.
- **Satellite phone (voice):** Should be utilized mainly for standby/backup purposes to the main VHF/UHF and HF radio systems. Reimbursement should be for subscription and minimal usage including testing



to ensure readiness. Currently, there is no Secretariat wide systems contract for satellite phone and terminals usage plans to serve as a benchmark. The subscription charges vary in the different peacekeeping missions due to contractual rates and different base subscriptions. Using sample subscription rates, this resulted in a range of subscription costs from \$20/month to \$100/month for voice services. Using sample monthly rates of \$25, \$30, \$42.00, \$62.50, \$70, and \$100 per month resulted in an average of \$54.90/month. Other rates retrieved from a recent non-Peacekeeping commercial contract are \$40/month, \$51.85/month, and \$69.80/month giving an average of \$53.88/month. The overall average of the preceding UN and Commercial rates is \$54.40. Accordingly, the COE Working Group should consider recommending a reimbursement rate of \$54.40/month/unit.

### **Telephone Equipment**

- For the equipment listed, there should be no recurring operational cost for bandwidth/data since gateways to external communication is provided by other technologies such as satellite, microwave radio, Internet Service providers (ISP), and fiber optic cable.

### **Airfield Support Equipment**

- **Control tower:** the system may include direct to service providers components and any recurring operational charges for data/bandwidth and other services including those related to air traffic control may be discussed on a case-by-case basis.
- **Navigation systems:** the system may include direct to service providers components and any recurring operational charges for data/bandwidth and other services including those related to air traffic control may be discussed on a case-by-case basis.
- All other items under this category do not attract reimbursement for bandwidth and data usage.

## **PROPOSED MANUAL TEXT**

If the COE Working Group agrees that recurring changes should be added to the Maintenance Rate, then the following changes would be inserted into Annex A of Chapter 8 under *Communications Equipment*:

*Inmarsat Type C, portable earth station the Maintenance Rate of 25 to be replaced by 99 and the Monthly Wet Lease Rate of 197 to be replaced by 271.*

Satellite Phone, the Maintenance Rate of 15 to be replaced by 69 and the *Monthly Wet Lease rate of 31 to be replaced by 85.*

Insert Footnote on page Chapter 8, Annex A, page 176 against the above maintenance rates figures: *“includes recurring utilization costs.”*

Alternatively, if recurring costs are subject to *Special Case* management, then the TCC would submit an invoice on the costs incurred and would be reimbursed accordingly. The COE Manual would be amended under each item as follows:

Inmarsat Type C, portable earth station recurring costs: *Special Case*

Satellite Phone recurring costs: *Special case*



## FINANCIAL IMPLICATIONS

The financial cost of this proposal if the Maintenance Rate is increased to account for recurring costs would be as follows:

**Inmarsat Type C, portable earth station:** There are currently 32 units deployed across UN missions, therefore, an increase in the wet lease rate would incur an additional cost of \$28,416 (USD) per annum.

**Satellite Phone:** There are currently 86 units deployed across UN mission, therefore, an increase of the wet lease rate would incur an additional cost of \$56,140.80 (USD) per annum.

## PREVIOUS HISTORY

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