INTERNATIONAL TELECOMMUNICATION UNION

CCITT D.40 (rev. 1)

THE INTERNATIONAL
TELEGRAPH AND TELEPHONE
CONSULTATIVE COMMITTEE

GENERAL TARIFF PRINCIPLES

CHARGING AND ACCOUNTING IN INTERNATIONAL TELECOMMUNICATIONS SERVICES

GENERAL TARIFF PRINCIPLES APPLICABLE TO TELEGRAMS EXCHANGED IN THE INTERNATIONAL PUBLIC TELEGRAM SERVICE

Recommendation D.40 (rev. 1)

Geneva, 1992

FOREWORD

The CCITT (the International Telegraph and Telephone Consultative Committee) is a permanent organ of the International Telecommunication Union (ITU). CCITT is responsible for studying technical, operating and tariff questions and issuing Recommendations on them with a view to standardizing telecommunications on a worldwide basis.

The Plenary Assembly of CCITT which meets every four years, establishes the topics for study and approves Recommendations prepared by its Study Groups. The approval of Recommendations by the members of CCITT between Plenary Assemblies is covered by the procedure laid down in CCITT Resolution No. 2 (Melbourne, 1988).

Recommendation D.40 was prepared by Study Group III and was approved under the Resolution No. 2 procedure on the 16th of June 1992.

CCITT NOTE

In this Recommendation, the expression "Administration" is used for conciseness to indicate both a telecommunication Administration and a recognized private operating agency.

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Recommendation D.40

GENERAL TARIFF PRINCIPLES APPLICABLE TO TELEGRAMS EXCHANGED IN THE INTERNATIONAL PUBLIC TELEGRAM SERVICE

(Geneva, 1980, amended at Melbourne, 1988, revised 1992)

1 Introduction

1.1 *Basic features of the per word and binary tariff systems*

Every telegram gives rise, at acceptance and on delivery, to fixed costs which are practically the same for all telegrams, except for the telegrams bearing the service indication "urgent", and, at transmission, to costs which vary with the number of words. The per word tariff system, under which each telegram is charged for exclusively according to the number of words, makes no clear distinction between these two types of cost. On the other hand, both tariff components are taken into account in the binary telegraph tariff system which consists of:

a) a rate per telegram, and

b) a rate per word,

as indicated in § A.24 of Recommendation D.000.

This Recommendation describes the two tariff systems, leaving to Administrations the choice of the system they wish to apply.

1.2 *Other tariff systems for telegrams*

This Recommendation does not apply to telegrams for which accounting rates and/or collection charges are established on a basis other than that described in § 1.1 above, and for which the appropriate provisions are being drawn up separately.

2 Explanation of some of the terms and expressions used in this Recommendation

An explanation of some of the terms or of some of the expressions used in this Recommendation is given in Recommendation D.000.

3 Accounting rates[1) 2)]

3.1 *Determination by mutual agreement*

3.1.1 Accounting rates may be determined:

– by the per word tariff system, or

– by applying a binary tariff system.

3.1.2 If the terminal Administrations cannot reach an agreement on the tariff system to be used, the system currently in force shall continue to apply.

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1) Canada, People's Republic of China and the United States of America retain the right to maintain an additional rate for terminal traffic routed beyond the international centre.

2) In relations with countries maintaining an additional rate for terminal traffic routed beyond the international centre, the Federal Republic of Germany reserves the right to maintain an additional rate for delivery of telegrams by special messenger.

3.1.3 Accounting rates are exclusive of any tax or fiscal levy.

3.2 *Special characteristics of the per word tariff system*

In the per word tariff system, accounting rates are determined per word purely and simply. A minimum rate is applied to each telegram as follows:

– 7 words for ordinary or urgent telegrams;

– 22 words for letter telegrams.

3.3 *Special characteristics of the binary tariff system*

In the binary tariff system, accounting rates are composed of a rate per telegram and of a rate per word.

Application of a binary tariff system should normally entail, in the relation concerned:

– discontinuance of a minimum rate for a certain number of words per telegram;

– discontinuance of letter telegrams, subject to the provisions in § 5, d) below;

– discontinuance of reduced charges for all telegrams except those concerning persons protected in time of war by the Geneva Conventions of 12 August 1949 (RCT).

3.4 *Terminal share*

The terminal share fixed by an Administration for a particular relation with another country shall be the same irrespective of the route used (except in the case of determination of the terminal share in accordance with § 3.6.2 below).

3.4.1 *Terminal shares determined by the per word tariff system*

The Administrations or, at the discretion of the Administrations, the recognized private operating agencies, shall fix their terminal shares taking into account the actual cost.

3.4.2 *Terminal shares determined by the binary tariff system*

3.4.2.1 The terminal share has two components as defined in § A.24 of Recommendation D.000.

3.4.2.2 In establishing the two terminal share components, the average numbers of words per telegram should be taken into account and the actual costs.

3.4.2.3 Since the fixed costs involved in the acceptance and delivery of telegrams represent the largest proportion of total costs, a fairly high rate per telegram is recommended, whereas the rate per word might be set at a lower level.

3.4.2.4 The rate per telegram should be the same for all classes of telegram, except for telegrams bearing the service indication “Urgent” [see § 5, b) below], whereas the rate per word might vary according to the telegraph relation and class of telegram.

3.5 *Transit shares*

3.5.1 In both the per word and binary tariff systems, the transit shares are determined on the basis of the per word rate only.

3.5.2 The Administrations or, at the discretion of the Administrations concerned, the recognized private operating agencies, whose territory, installations or circuits are used for the transmission of telegrams between two terminal countries, shall fix their transit shares taking into account the actual cost.

3.5.3 In determining transit shares, it is recommended that a distinction should be made between different types of transit facility, such as:

- direct transit[3)] ;
- manual transit;
- automatic transit (via the Gentex network or an automatic retransmission centre).

3.5.4 In relations where transit facilities are made available to Administrations of terminal countries in accordance with a flat-rate price procedure, the transit Administration is no longer credited with a transit share.

3.6 *Accounting rate*

3.6.1 The accounting rate is the sum of the terminal shares of the Administrations of the countries of origin and of destination and, where applicable, the transit shares of intermediate Administrations.

3.6.2 Administrations may, by agreement, fix the accounting rate applicable in a given relation and may divide that rate into terminal shares payable to the Administrations of the terminal countries and, where appropriate, into transit shares payable to the transit Administrations. The same accounting rate should apply in both directions of a given relation.

3.7 *Notification to the ITU General Secretariat*

3.7.1 Administrations shall notify their terminal and transit shares to the General Secretariat of the ITU.

3.7.2 Each Administration should fix and publish at least one (minimum) terminal rate expressed in special drawing rights or gold francs. Footnotes to the effect that the terminal rate of one country corresponds to that fixed by the other country for a certain traffic relation, if the terminal rate of the latter country is higher than that of the former one, should be permissible.

3.8 *Interval before application of new accounting rates*

No new rate and no modification, either general or of detail, relative to the accounting rates shall be effective for countries other than those that establish the new rate or rate modification until fifteen days after it has been notified by the General Secretariat in the *Operational Bulletin* or, if necessary, in a circular telegram, excluding the dates of these communications, and it shall not be applied until the first of the month following the expiration of this period.

4 Collection charges

4.1 Each Administration shall, subject to the applicable provisions of national law, fix the charges to be collected from its public. In fixing these charges, Administrations should try to avoid too large a difference between the charges applicable in each direction of the same relation. Although, in general, Administrations establish their collection charges according to the accounting rates, the two will not necessarily be the same because, for example:

a) in most countries, collection charges and accounting rates will be expressed in different currencies;

b) the value of national currencies can fluctuate relative to the monetary unit used for the establishment of international accounts;

c) the collection charges may be based on the binary tariff system and the accounting rate on the per word system or vice versa;

d) collection charges may be influenced by government policies;

e) Administrations frequently establish common collection charges for geographical zones or groups of countries.

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3) "Direct transit" refers to the routing of traffic between two terminal countries through another country by a direct telegraph link, without occasioning either manual transit or automatic retransmission (by means of a retransmission centre) in the transit country.

4.2 The charge to the public in the origin country should in principle be the same, in a given relation, regardless of the route used for transmission of telegrams.

5 Provisions common to accounting rates and collection charges

Having regard to the provisions of the International Telecommunication Regulations [1] and the CCITT Recommendations, the following rules shall be taken into consideration when fixing accounting rates and collection charges:

a) for the following classes of telegram, the accounting rate and collection charge are equal to those for an ordinary private telegram in the same relation, by the same route and having the same number of chargeable words:

- telegrams relating to the safety of life (SVH),
- ETATPRIORITE and ETAT telegrams,
- URGENT RCT telegrams,
- meteorological telegrams (OBS),

unless Administrations have agreed among themselves not to apply those rates and charges or to apply reduced rates and charges to the telegrams in question;

b) for telegrams bearing the service indication "Urgent", the accounting rate and the collection charge are equal to twice the rate and charge for an ordinary private telegram transmitted in the same relation, by the same route and having the same number of chargeable words;

c) for telegrams concerning persons protected in time of war by the Geneva Conventions of 12 August 1949 (RCT), the accounting rate and the collection charge are reduced by 75%;

d) when the binary tariff system is applied by Administrations that are not in a position to discontinue letter telegrams, only the accounting rates and collection charges per word are reduced by 50% for letter telegrams, the rates per telegram remaining unchanged. In the per word tariff system, the accounting rates and collection charges are reduced by 50% for letter telegrams, taking account, however, of the minimum number of words set for this class of telegram.

6 Special provisions

6.1 *Telegrams in transit*

Administrations which do not admit, in acceptance or in delivery, optional telegrams and certain special services (see Recommendation F.1, §§ A8 to A11), must accept them in transit. The transit shares due to these Administrations are those applicable to the optional telegrams or special services.

6.2 *Telegraph service correspondence and franking privilege telegrams*

6.2.1 Service telecommunications (as defined in the International Telecommunication Regulations) should be treated in accordance with Recommendation D.192.

Privilege telecommunications (as defined in the International Telecommunication Regulations) should be treated in accordance with Recommendation D.193.

6.2.2 In the case of service advices initiated by the sender or the addressee, the Administration of origin may apply the charge corresponding to a telegram of the same length. This charge shall not be entered in the international accounts.

References

[1] *Final Acts of the World Administrative Telegraph and Telephone Conference, International Telecommunication Regulations*, ITU, Melbourne, 1988.