INTERNATIONAL TELECOMMUNICATION UNION

ITU-T

TELECOMMUNICATION
STANDARDIZATION SECTOR
OF ITU

D.140

Amendment 3
(11/2003)

SERIES D: GENERAL TARIFF PRINCIPLES

General tariff principles – Charging and accounting in the international telephone service

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Accounting rate principles for the international telephone service

Amendment 3: Revised Annex A – Guidelines for the cost elements to be taken into account when determining accounting rates and accounting rate shares for the international telephone service

ITU-T Recommendation D.140 (2002) – Amendment 3

ITU-T D-SERIES RECOMMENDATIONS

GENERAL TARIFF PRINCIPLES

For further details, please refer to the list of ITU-T Recommendations.

ITU-T Recommendation D.140

Accounting rate principles for the international telephone service

Amendment 3

Revised Annex A

Guidelines for the cost elements to be taken into account when determining accounting rates and accounting rate shares for the international telephone service

Summary

These guidelines identify the main cost elements to be used when establishing or revising cost-orientated accounting rates and accounting rate shares for the international telephone service.

Source

Amendment 3 to ITU-T Recommendation D.140 (2002) was approved by ITU-T Study Group 3 (2001-2004) under the WTSA Resolution 1 on 21 November 2003.

FOREWORD

The International Telecommunication Union (ITU) is the United Nations specialized agency in the field of telecommunications. The ITU Telecommunication Standardization Sector (ITU-T) is a permanent organ of ITU. ITU-T 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 World Telecommunication Standardization Assembly (WTSA), which meets every four years, establishes the topics for study by the ITU-T study groups which, in turn, produce Recommendations on these topics.

The approval of ITU-T Recommendations is covered by the procedure laid down in WTSA Resolution 1.

In some areas of information technology which fall within ITU-T's purview, the necessary standards are prepared on a collaborative basis with ISO and IEC.

NOTE

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

Compliance with this Recommendation is voluntary. However, the Recommendation may contain certain mandatory provisions (to ensure e.g. interoperability or applicability) and compliance with the Recommendation is achieved when all of these mandatory provisions are met. The words "shall" or some other obligatory language such as "must" and the negative equivalents are used to express requirements. The use of such words does not suggest that compliance with the Recommendation is required of any party.

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As of the date of approval of this Recommendation, ITU had not received notice of intellectual property, protected by patents, which may be required to implement this Recommendation. However, implementors are cautioned that this may not represent the latest information and are therefore strongly urged to consult the TSB patent database.

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Revised Annex A

Guidelines for the cost elements to be taken into account when determining accounting rates and accounting rate shares for the international telephone service

A.1 Network elements

The network elements used to provide the international telephone services are generally classified as follows:

– international transmission facilities;
– international switching facilities;
– national extension.

A.1.1 International transmission facilities

The international transmission facilities consist of international terrestrial transmission or international submarine cables, or international satellite transmission or a combination of these.

These facilities include links between earth stations or cable landing stations and the international switching facilities.

A.1.2 International switching facilities

These facilities consist of international switching centres and their associated transmission and signalling equipment.

A.1.3 National extension

The national extension, used for international telephone traffic, consists of national exchanges, national transmission facilities and, if appropriate and identified under a bilateral or multilateral agreement, the local loop

• national transmission facilities;
• national switching facilities;
• the local delivery facilities to the extent that their costs vary depending on volume; and
• the local delivery facilities, in particular for developing countries and countries having a low teledensity rate, by bilateral and multilateral agreement and to the extent that their costs do not vary depending on volume.

A.2 Related costs

The related costs are those identified in accordance with generally accepted accounting practices and are divided into:

– direct costs;
– indirect or common costs.

A.2.1 Direct costs

Direct costs derive from the provision of the relevant services and consist of:

– investment costs, i.e., depreciation, interest expenses on loans and a reasonable return on equity;
– operation and maintenance costs;
– rental and lease costs of telecommunications facilities including direct transit leasing costs where applicable;
– switched transit costs where applicable;
– cost of access to national or local networks, if applicable;
– directly attributable research and development costs.

A.2.2 Indirect costs

These are costs, which could be identified as having a direct causal relationship to more than one service, which would normally require further analysis to determine each service's cost, and for which a general allocation mechanism is used instead. These may include but are not limited to:

– costs of network management and planning;
– costs of relevant frequency spectrum, rights of way and operational licences;
– costs of interoperator billing and interoperator customer management.

A.2.3 Common costs

These may include but are not limited to:

– general administration (e.g., head office expenses, overheads, training, etc.);
– management systems (e.g., accounting systems);
– other research and development;
– appropriate taxes (or equivalent).

A.3 Other related costs

Other costs may qualify for inclusion by bilateral agreement.

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Geneva, 2004