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CHARGING AND ACCOUNTING IN INTERNATIONAL
TELECOMMUNICATIONS SERVICES
RECOMMENDATIONS APPLYING IN EUROPE AND
THE MEDITERRANEAN BASIN

**DETERMINATION OF THE ACCOUNTING RATE
SHARES AND COLLECTION CHARGES FOR
THE INTERNATIONAL PUBLIC TELEGRAM
SERVICE APPLICABLE TO TELEGRAMS
EXCHANGED BETWEEN COUNTRIES IN
EUROPE AND THE MEDITERRANEAN BASIN**

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NOTES

- 1 CCITT Recommendation D.302 R was published in Fascicle II.1 of the *Blue Book*. This file is an extract from the *Blue Book*. While the presentation and layout of the text might be slightly different from the *Blue Book* version, the contents of the file are identical to the *Blue Book* version and copyright conditions remain unchanged (see below).
- 2 In this Recommendation, the expression “Administration” is used for conciseness to indicate both a telecommunication administration and a recognized operating agency.

Recommendation D.302 R

DETERMINATION OF THE ACCOUNTING RATE SHARES AND COLLECTION CHARGES FOR THE INTERNATIONAL PUBLIC TELEGRAM SERVICE APPLICABLE TO TELEGRAMS EXCHANGED BETWEEN COUNTRIES IN EUROPE AND THE MEDITERRANEAN BASIN¹⁾

Introduction

When, in full exercise of their sovereignty, the Administrations of the countries of Europe and the Mediterranean Basin negotiate among themselves agreements for determining the accounting rate shares and the collection charges to be applied to telegrams exchanged between them, it is recommended that they take into consideration:

- for the determination of accounting rate shares and accounting rates, the provisions of § 2 of this Recommendation;
- for fixing the collection charges, the provisions contained in § 3 of this Recommendation.

§ 4 of the Recommendation contains special provisions concerning charges and accounting for certain telegrams or special services.

In accordance with Article 30 of the *International Telecommunication Convention* (Nairobi, 1982), the standard rates given in this Recommendation are expressed in the monetary unit of the International Monetary Fund (IMF), the Special Drawing Right (SDR), and in gold franc (G. Fr.).

1 Explanation of some of the terms used in this Recommendation

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

2 Determination of accounting rate shares applicable to telegrams exchanged between countries in Europe and the Mediterranean Basin

Preliminary remarks

Through a cost study undertaken in 1982 relative to this Region, it was found that in the per word tariff system the cost price per word per terminal country is 0.363 SDR or 1.11 G. Fr. and that in the binary tariff system the cost price per terminal country is 4.90 SDR or 15 G. Fr. for the fixed charge of a telegram and 0.18 SDR or 0.55 G. Fr. for the charge per word.

However, since such an increase of the accounting rates would necessarily lead to a rather sharp increase of the collection charges, Administrations have decided on an exceptional basis to recommend only a lower increase of the accounting rates at this time.

2.1 *Standard rates to be applied for international accounting*

The accounting rate shares may be determined either on the basis of a rate per word system or by applying a binary tariff system. The recommended standard rates for both systems are given below.

2.1.1 *Accounting rate shares determined by the per word tariff system*

2.1.1.1 *Terminal shares*

For ordinary private telegrams without any special service, the terminal share per word per terminal country is fixed at:

- 0.229 SDR or 0.70 G. Fr.

¹⁾ Countries in the Mediterranean Basin are countries not belonging to Europe but bordering the Mediterranean Sea.

2.1.1.2 *Transit shares*

For ordinary private telegrams without any special service, the recommended transit share per word, per country, is:

- transit via a gentex transit centre: 0.004 SDR or 0.012 G. Fr.
- manual transit: 0.144 SDR or 0.44 G. Fr.
- transit via a telegram retransmission centre (automatic retransmission of messages)²⁾.

These shares are not cumulative; they are based on an average length of 1000 km for the international transit circuits.

2.1.2 *Accounting-rate shares determined by the binary tariff system³⁾*

2.1.2.1 *General*

To take account of the fact that for every telegram there are two types of cost, viz:

- fixed costs for acceptance and delivery;
- variable costs depending on the length of the text for transmission and reception and for the use of the telegraph network.

The recommended standard rates for the binary tariff system are those given in §§ 2.1.2.2 and 2.1.2.3 below.

2.1.2.2 *Terminal shares*

The shares due to each terminal country for ordinary private telegrams without any special service:

- fixed rate per telegram: 3.10 SDR or 9.50 G. Fr.;
- rate per word: 0.114 SDR or 0.35 G. Fr.

These shares were established on the assumption of an average number of 27 words per telegram.

2.1.2.3 *Transit shares*

Transit shares are determined in accordance with the provisions of § 2.1.1.2 above.

2.2 *Special provisions concerning transit shares*

Transit facilities are made available to Administrations only on the basis of the flat-rate price procedure.

2.3 *Accounting rate*

Because transit shares for automatic transit are small and because most transit facilities made available among the Administrations of countries in Europe and the Mediterranean Basin are remunerated on a flat-rate basis, it is recommended that a single accounting rate fixed by adding together the shares of the two terminal countries should be applied to telegrams exchanged between those countries. The shares payable to the transit countries, if any, are deducted from the share of the country of origin.

²⁾ Administrations providing this service indicate the shares they apply for the use of their telegram retransmission centre in the *Table of Rates for Telegrams* [1] published by the ITU.

³⁾ It is pointed out that application of a binary tariff system should normally entail in the relation concerned, if necessary by bilateral arrangements:

- discontinuation of a minimum charge per telegram;
- discontinuation of letter telegrams and press telegrams;
- discontinuation 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 Determination of collection charges applicable to telegrams exchanged between countries in Europe and the Mediterranean Basin

3.1 General

The establishment of the collection charge is a national matter. While, in general, Administrations correlate collection charges and accounting rates, the two will not necessarily be the same for a number of reasons, for example:

- a) in most countries, collection charges and accounting rates will be expressed in different currencies;
- b) the value of national currencies may fluctuate in relation to the SDR or the gold franc;
- c) the collection charges may be based on the per word tariff system and the accounting rate on the binary system or vice versa;
- d) collection charges may be influenced by government fiscal policies;
- e) Administrations may establish common collection charges for geographical zones or groups of countries.

3.2 Determination of collection charges

3.2.1 It is recommended that a single telegraph collection charge should be applied for telegrams exchanged among countries in Europe and the Mediterranean Basin. This single collection charge is the sum of the terminal shares of the two terminal countries fixed in accordance with the provisions of §§ 2.1.1.1 and 2.1.2.2 of this Recommendation. Administrations may fix a single charge per word (with or without a minimum charge) or apply a binary collection charge. If they choose the per word system they may nevertheless agree to use the binary system for the establishment of international accounts.

3.2.2 In principle, the collection charge should be the equivalent in national currency of the accounting rate. If, taking into account the factors in § 3.1 above, an Administration wishes to fix a collection charge at a higher or lower amount than the direct equivalent of the accounting rate, it may apply a multiplication factor K. The factor K may be different for the different relations operated by an Administration.

As a general principle, Administrations should make every effort to avoid too large a dissymmetry between the collection charges applicable in each direction of the same relation. Collection charges should be fixed at reasonable levels.

Note – It is emphasized that the application of a factor K should not affect international accounting.

4 Provisions common to accounting rates and collection charges applicable to telegrams exchanged between countries in Europe and the Mediterranean Basin

Having regard to the provisions of the *Telegraph Regulations* [2] and the CCITT Recommendations, the following rules shall be taken into consideration when fixing accounting rates and collection charges:

- a) for urgent telegrams, the charge is equal to twice the charge for an ordinary telegram for the same destination and by the same route;
- b) for telegrams concerning persons protected in time of war by the Geneva Conventions of 12 August 1949 (RCT), the total charge is reduced by 75%;
- c) when a charged service message includes an amount for a prepaid reply (RP), such amount is equivalent to the charge for an ordinary private seven-word telegram for the same destination and by the same route.

References

- [1] *Table of Rates for Telegrams*, ITU, Geneva, 1985.
- [2] *Final Acts of the World Administrative Telegraph and Telephone Conference – Telegraph Regulations, Telephone Regulations*, ITU, Geneva, 1973. (See also the Preliminary Note No. 3, page XIV.)

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