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D.160

**CHARGING AND ACCOUNTING IN INTERNATIONAL
TELECOMMUNICATION SERVICES**

**MODE OF APPLICATION OF THE
FLAT-RATE PRICE PROCEDURE SET FORTH
IN RECOMMENDATION D.67 AND
RECOMMENDATION D.150 FOR
REMUNERATION OF FACILITIES MADE
AVAILABLE TO THE ADMINISTRATIONS OF
OTHER COUNTRIES**

ITU-T Recommendation D.160

(Extract from the *Blue Book*)

NOTES

1 ITU-T Recommendation D.160 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.160¹

MODE OF APPLICATION OF THE FLAT-RATE PRICE PROCEDURE SET FORTH IN RECOMMENDATION D.67 AND RECOMMENDATION D.150 FOR REMUNERATION OF FACILITIES MADE AVAILABLE TO THE ADMINISTRATIONS OF OTHER COUNTRIES

(Geneva, 1976; amended at Melbourne, 1988)

1 Introduction

1.1 The general procedures for remuneration of Administrations for facilities made available are given in Recommendation D.67 and D.150. In § 3 of Recommendation D.67 and in § 3 of Recommendation D.150 the principles for remuneration of transit countries by a flat-rate price procedure are given.

1.2 Practical methods for implementation in the case of facilities made available by transit countries are given for the following points:

- procedures for ordering facilities;
- provision of facilities;
- determining the period of remuneration;
- accounting;
- refunds for outages.

Throughout this Recommendation the term “facilities” embraces individual circuits and groups of circuits, e.g. groups (12 circuits), supergroups (60 circuits), etc.

2 Procedures for ordering facilities

2.1 After a preliminary enquiry on availability of facilities, price, etc., the terminal Administrations concerned should place an order with the transit Administration(s) for the facilities required. Such orders may be sent preferably by telex, or otherwise by telegram, or mail.

The following information should be given:

- 1) name of the Administration(s) to which the facilities are made available;
- 2) type of service to be provided (telephone, telegraph, telex, data transmission, etc.);
- 3) facilities to be made available (supergroup, group, telephone or telegraph circuit) and the number of such facilities;
- 4) type of transmission system used (submarine cable, satellite, etc.);
- 5) section of circuit or group (for multilink circuits);
- 6) expected in-service date;
- 7) preliminary technical information, if available, e.g. date and time for testing (to be settled by the technical services);
- 8) the duration required for temporary provision of facilities.

The order for the facilities should be sent well in advance so that the transit Administration(s) will have sufficient time for preparation.

2.2 In case of a change or cancellation of the order, the terminal Administrations should notify the transit Administration(s) of it as promptly as possible by telex, quoting a specific reference to the original order.

¹ This Recommendation was formerly Recommendation D.152 of the Red Book.

3 Provision of facilities

3.1 Confirmation of order

The transit Administration(s), when they received an order, should give confirmation to the terminal Administrations of the availability of the requested facilities, the price per month or per year, and any other terms and conditions.

3.2 Notification of completion of order

When a telecommunication facility is being made available, the technical services of the Administrations concerned will naturally be in communication with each other as the work progresses. Nevertheless as soon as the facilities ordered are available a formal notification of the date of completion must be sent by the transit Administration(s) to all Administrations concerned.

4 Determining the period of remuneration

4.1 Beginning of the period

4.1.1 In accordance with the spirit of Recommendations D.67 and D.150 payment is due when the facilities are made available by the transit Administrations, irrespective of the date on which the terminal Administrations bring the facilities into service.

In cases where the facilities are made available in advance of the ordered date, payment is based on the order date.

4.1.2 For *intercontinental* facilities, payment would be due from the day following that on which the facilities are made available to the terminal Administrations.

Thus for example, a request for the lease of an intercontinental facility for 1 July, would be handled as follows:

Date of availability: 24 June *Charging:* from 2 July

Date of availability: 10 July *Charging:* from 11 July

4.1.3 For *continental* facilities, a simplified method should be utilized for remuneration.

For the month during which the circuit(s) or the group(s) is(are) made available, terminal Administrations should remunerate the transit Administrations which made their facilities available as indicated below:

- for the whole month, if the facilities are made available between the 1st and the 15th;
- from the 1st of the following month if the facilities are made available between the 16th and the end of the calendar month.

However, within continents bilateral agreements may be made to apply the intercontinental method.

4.1.4 Nevertheless, in special circumstances the Administrations concerned may, by special agreement and in keeping with the basic principles, decide in the best interests of each party concerned on the procedure to be followed in selecting the date on which charging should start. Examples of cases where this could apply are:

i) *When there are several transit sections*

If, for example, two transit Administrations C and D do not complete their arrangements for making available the facilities requested by terminal Administrations A and B on the same date, it would be reasonable to select the date on which the entire transit section becomes operational.

ii) *Where the circuit orders relate to major projects, e.g. the opening of a new international exchange*

It is recognized that technical services will have a large circuit provision programme to meet which may extend over a considerable period before the new facility comes into service. The Administrations concerned may agree to the period for remuneration commencing at some later date after the facilities have been furnished.

4.2 Determination of the duration of the period of remuneration

The period during which facilities are made available should be determined as follows:

4.2.1 Facilities made available on a permanent basis – intercontinental

In calculating the period during which facilities are made available, one month shall mean one calendar month. Moreover, the day on which the facility is made available shall not be reckoned, whereas the day on which the facility

is withdrawn shall be reckoned as a full day. Thus, a period of availability covering one month or more is calculated as follows:

- a) count the number of days beginning on the day following the day on which the facility was made available until the end of the month;
- b) thereafter count the number of full calendar months, if any; and
- c) count the number of service days in the last month, including the day on which the facility was withdrawn.

As regards charging:

- full calendar months are subject to the monthly rental;
- fractions of a month shall be subject to a daily charge equal to 1/30th of the monthly rental;

Examples are given in Table 1/D.160.

4.2.2 *Facilities made available on a permanent basis – continental*

In calculating the period during which facilities are made available, one month shall mean one calendar month. When the facilities are made available between the 1st and 15th of the month, remuneration shall be for the whole month. When the facilities are made available between the 16th and the end of the calendar month, remuneration shall commence from the 1st of the following month.

When the facilities are withdrawn between the 1st and 15th of the month, remuneration shall be made to the end of the previous month. When withdrawn between the 16th and the end of the calendar month, remuneration shall be made for the whole month.

4.2.3 *Facilities made available on a temporary basis*

By agreement between the Administrations concerned, it is possible to make facilities available for a period of less than one month.

In calculating the period during which facilities are made available on a temporary basis, one day shall mean a period of 24 consecutive hours.

The period during which a facility is made available should be calculated in multiples of 24 hours, the period starting from the time at which the facility is made available until the time at which it is withdrawn. If the number of days thus obtained contains a fraction of 24 hours, it should be rounded up to the next whole number.

Examples:

Circuit made available on 1 June, at 09.00 hours, cleared on 5 June at 09.00 hours:

4 × 24 hours, i.e. 4 chargeable days.

Circuits made available on 1 June, at 09.00 hours, cleared on 5 June at 11.00 hours:

(4 days + 2/24 day) i.e. 5 chargeable days.

The remuneration shall be equal to 1/30th of the monthly rental for each day of the period of availability²

² In order to simplify accounting methods and to stimulate mutual assistance among Administrations, the administrative and technical costs of establishing temporary circuits are not included. By special agreements between Administrations, these costs may, however, be recovered through a surcharge or installation charge equivalent to 2/30ths of the monthly rental.

TABLE 1/D.160

Duration from the day of availability until the day of withdrawal	Chargeable time	Charge
30 October-15 December 30 October not counted 31 October = 1 day November = 1 month 1-15 December = 15 days	1 month 16 days	1 monthly rental + 16/30th of this rental
30 November-15 January 30 November not counted December = 1 month 1-15 January = 15 days	1 month 15 days	1 monthly rental + 15/30th of this rental
4 January-10 February 4 January not counted 5-31 January = 27 days 1-10 February = 10 days	37 days	37/30th of monthly rental

4.3 *End of period of availability*

The period during which facilities are made available on a *permanent basis* will be terminated by the advice of the terminal Administrations. The notice of cancellation should normally be given to the transit Administration(s) one month in advance of the effective date of termination.

However, the period of availability for facilities provided on a *temporary basis* will end on the date and time agreed upon in advance.

5 **Accounting**

5.1 In the absence of a specific agreement and notwithstanding the procedure described in Recommendation D.170, accounts are drawn up separately where remuneration is made on a flat-rate basis. A quarterly statement showing the overall balance for the period to which the statement applies is drawn up by the creditor Administration and two copies are sent to the debtor Administration which, after verification, returns one copy with its notice of acceptance.

5.2 However, an agreement may be made between the Administrations concerned for the terminal Administrations to credit the transit Administration(s) with the sums due to them, through the ordinary monthly accounts. In special cases, only one of the terminal Administrations may credit the transit Administration(s) with the total remuneration due by means of regular monthly accounts and debit the other terminal Administration.

5.3 There may also be specific cases, e.g. facilities made available on a temporary basis, provision of mutual aid facilities, where the Administrations concerned may agree that the country providing the facility should debit the country of origin.

6 **Refunds for outages**

6.1 *Need for rapid restoration of service*

When an outage occurs, the Administrations providing facilities should make every effort to restore interrupted facilities, or to make available at no extra charge the same facilities on an alternative routing, either through their own territory or through third countries.

6.2 *Intercontinental outages*

6.2.1 Automatic refunds will not be made. However, when an outage in a transit country exceeds 24 hours and the Administration of that country has not restored the facilities, the terminal Administration is entitled to claim a refund, particularly if it had to provide substitute facilities *at its own expense*.

This refund is calculated on the basis of 1/30th of the monthly rental per day or part of a day for the facilities which were temporarily interrupted.

6.2.2 When a transit Administration provides one or more intercontinental sections and an outage occurs in one of them, it shall refund for all the facilities it provides (including any continental section) and not solely for the section on which the failure occurred.

6.2.3 When several countries are involved in making transit facilities available, only the Administration of the transit country in which the outage occurred shall be liable to pay a refund in the conditions set out above. If an outage occurs simultaneously in more than one country, the Administrations of those countries will be liable if a refund is claimed.

6.3 *Continental outages*

There will be no refunds for outages.

However, within continents, bilateral agreements may be made to apply the intercontinental method.