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SERIES D: GENERAL TARIFF PRINCIPLES

Recommendations for regional application –
Recommendations applicable to the African Region

**Cost methodology for the regional tariff group
for Africa applicable to the international
automatic telephone service**

ITU-T Recommendation D.600R

(Formerly CCITT Recommendation)

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Cost methodology for the regional tariff group for Africa applicable to the international automatic telephone service

Summary

This Recommendation provides African administrations and/or recognized operating agencies, in their international relations among themselves or with others, with a tool able to serve as a transparent reference to ensure non-discrimination and cost-orientation in the rates they apply.

Source

ITU-T Recommendation D.600R was revised by ITU-T Study Group 3 (1997-2000) and approved by the World Telecommunication Standardization Assembly (Montreal, 27 September – 6 October 2000).

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.

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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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ITU-T Recommendation D.600R

Cost methodology for the regional tariff group for Africa applicable to the international automatic telephone service

1 Purpose and scope of Recommendation D.600R

ITU-T D.140, adopted by ITU-T, lays down the requirements for moving towards cost orientation in bilateral negotiations on accounting rates between international correspondents.

The lack of a universally accepted cost model and the differences in countries' capacity to collect and process basic data make it necessary to work out costing methods adapted to the ability of those who use them to provide the relevant information.

This Recommendation assumes that the entity applying it may have an incomplete system of analytical cost accounting, or no such system at all.

This Recommendation provides African administrations and/or recognized operating agencies, in their international relations among themselves or with others, with a tool able to serve as a transparent reference to ensure non-discrimination and cost orientation in the rates they apply.

2 Technical and operational context

2.1 Type of services

This Recommendation applies to the automatic international telephone service. It must be an aid for determining traffic termination costs in case the amount of a settlement rate or a termination charge has to be set. Furthermore, in order to provide a basis for tariff rebalancing, it also helps in determining indicative costs for domestic services.

2.2 Type of networks

No distinction is made between the different transmission media, on account of their convergence to optical fibre and satellite.

Nevertheless, in order to distinguish between neighbouring international traffic (routed over terrestrial transmission routes either side of borders) from overseas international traffic (via satellite and submarine cable), this Recommendation draws a distinction between subregional traffic and international traffic.

2.3 Cost model

The TAF Group adopted following guiding principles for the development of its cost model:

Transparency

The open availability of information used in the cost derivation process in order to allow comprehension of the final rate from the vantage point of an external analyst. The TAF model identifies costs relating to the different network segments in order to apportion the network cost to the different services according to the proportion in which they utilize each segment. This proportion is given by the relative traffic level.