MULTILATERAL TRADE NEGOTIATIONS THE URUGUAY ROUND

RESTRICTED

MTN.GNS/W/36/Add.1 16 May 1988

Special Distribution

Group of Negotiations on Services

Original: English

INFORMATION ON EXISTING INTERNATIONAL DISCIPLINES AND ARRANGEMENTS

ADDENDUM

At the last meeting of the Group of Negotiations on Services on 22-25 March 1988, it was agreed that three international organizations - the International Telecommunication Union (ITU), the International Civil Aviation Organization (ICAO) and the United Nations Conference on Trade and Development (UNCTAD) - would be invited to reply to a set of questions in order for the GNS to obtain more complete relevant information than that contained in MTN.GNS/W/16. In response to this decision, the attached answers from ITU are being circulated.

Reply of The International Telecommunication Union General Secretariat to the

Group of Negotiations on Services Questionnaire

1. What is the scope of the mandate of your organisation, in particular the technical, economic and trade-related aspects of the mandate? Could you provide information on present activities in these areas?

The scope of the mandate of the International Telecommunication Union (ITU), the specialized agency of the United Nations responsible for telecommunication matters (see Art 39 and Annex 3), is contained in the Preamble and Article 4 of the International Telecommunication Convention the basic instrument of the Union. (Unless otherwise indicated, all citations are to the Convention.¹)

The objectives of the Union are to facilitate peaceful relations, international cooperation and economic and social development among peoples by means of efficient telecommunication services while fully recognizing the sovereign right of each country to regulate its telecommunication² (see Preamble).

The purposes of the Union are:

- (a) "to maintain and extend international cooperation between all Members of the Union for the improvement and rational use of telecommunications of all kinds, as well as to promote and to offer technical assistance to developing countries in the field of telecommunications" (No.14),
- (b) "to promote the development of technical facilities and their most efficient operation with a view to improving the efficiency of telecommunication services, increasing their usefulness and making them, so far as possible, generally available to the public" (No.15), and
- (c) "to harmonize the actions of nations in the attainment of those ends" (No.16).

To this end, the Union is specifically required to:

- (a) "effect allocation of the radio frequency spectrum and registration of radio frequency assignments in order to avoid harmful interference between radio stations of different countries" (No.18);
- (b) "coordinate efforts to eliminate harmful interference between radio stations of different countries and to improve the use made of the radio frequency spectrum" (No.19);
- (c) "foster international cooperation in the delivery of technical assistance to the developing countries and the creation, development and improvement of telecommunication equipment and networks in developing countries by every means at its disposal, including through its participation in the relevant programmes of the United Nations and the use of its own resources, as appropriate" (No.20);

¹ All documents cited in the reply are available for reference with the GATT Secretariat ² Telecommunication is defined as "any transmission, emission or reception of signs, signals, writing, images and sounds or intelligence of any nature by wire, radio, optical or other electromagnetic systems" (No. 2015).

- (d) "coordinate efforts with a view to harmonizing the development of telecommunication facilities, notably those using space techniques, with a view to full advantage being taken of their possibilities" (No.21);
- (e) "foster collaboration among its Members with a view to the establishment of rates at levels as low as possible consistent with an efficient service and taking into account the necessity for maintaining independent financial administration of telecommunication on a sound basis" (No.22);
- (f) "promote the adoption of measures for ensuring the safety of life through the cooperation of telecommunication services" (No.23); and
- (g) "undertake studies, make regulations, adopt resolutions, formulate recommendations and opinions, and collect and publish information concerning telecommunication matters" (No.24).

The ITU 's mandate, which includes regulatory, technical, operational, and tariff aspects, is specified in greater detail in various provisions of the Convention which deal with specific responsibilities attributed to the different organs of the Union. These organs are:

the **Plenipotentiary Conference** (see Art. 6), the supreme organ of the Union, which is normally convened every five to six years to revise, if necessary, the basic instrument of the union and to deal with general policy considerations and other matters such as long-term administrative and fiscal issues:

the Administrative Conferences (see Art. 7) with responsibilities concerning regulatory and policy questions on specific telecommunication matters such as the partial or exceptionally complete revision of the Administrative Regulations. The Administrative Regulations supplement the Convention (see Art. 42) and consist of: Telegraph Regulations, Telephone Regulations and Radio Regulations. (see Art. 83);

the Administrative Council (see Art. 8) which is composed of 41 Members from among the 164 Members of the Union and normally meets annually to act on behalf of the Plenipotentiary Conference within delegated limits, to ensure efficient coordination of the work of the Union, exercise financial, budgetary and staffing control and deal with other policy matters such as international cooperation issues;

the **General Secretariat** (see Art. 9) with overall administrative and financial responsibilities, including organization of conferences, many operational responsibilities with respect to the Regulations, the reciprocal exchange of information, and providing support to individual nations or regions in their planning and infrastructure development activities (generally referred to as technical cooperation) (see Art. 56);

the International Frequency Registration Board (IFRB) (see Art. 10) with responsibilities, among other things, for effecting an orderly recording and registration of radio frequency and geostationary satellite orbital position assignments made by different countries in accordance with the procedures provided for in the Radio Regulations or in accordance with any decision of a competent conference of the Union with a view to ensuring formal international recognition thereof; and

the International Consultative Committees (see Art. 11), one dealing with radiocommunication matters (CCIR) and another dealing with all other telecommunications (CCITT). Their responsibilities includes technical and operating questions, with the CCITT also responsible for tariff matters.

Additional information on the organs and activities of the Union may be found in the most current *Annual Report on Activities of the Union*.

2. What are the main concepts and principles on which the mandate of your organisation is based?

The main concepts and principles on which the mandate of the Union is based are found in the Preamble and Art 4, as well as Arts. 18-38, and 81, which are reproduced in Appendix 1 to this Annex and to which full reference is made.

It will be realized that these concepts and principles include, inter alia:

- o the sovereignty of each country over its telecommunication
- o availability of telecommunication services to the public
- o harmonization and fostering of the development of telecommunications
- o the stoppage of telecommunications for specified reasons
- o secrecy of telecommunications
- o priority for safety of life telecommunications
- o rational use of the radio spectrum and the geostationary-satellite orbit, including the avoidance of harmful interference.
- 3. What is the status of the instruments which form the legal basis of your organisation? What is the nature of the commitments undertaken by the signatories of your organisation? What is the rationale behind such commitments?

The status of the Instruments which form the legal basis of the Union - namely the Convention and the Administrative Regulations - is that of international treaties within the meaning of the 1969 Vienna Convention on the Law of Treaties.

As to the commitments undertaken by the Members of the Union, particular reference is made to the following:

"Members of the Union shall have the rights and shall be subject to the obligations provided for in the Convention" (No. 7);

"The provisions of the Convention are supplemented by the Administrative Regulations which regulate the use of telecommunication and shall be binding on all Members," and "Ratification of this Convention in accordance with Article 45 or accession in accordance with Article 46 involves acceptance of the Administrative Regulations in force at the time of ratification or accession" (Nos. 170 and 171).

Members are bound by the provisions of the Convention and Administrative Regulations. They are also bound to take the necessary steps to impose the observance of the provisions of the Convention and Administrative Regulations upon recognized private operating agencies or other duly authorized operating agencies (see Nos. 175 and 176).

Relations with Non-Contracting States (see No. 187).

Additional general matters as dealt with in Arts. 18-38 and detailed in Appendix 1.

The rationale behind these commitments is to conform with the provisions of the Convention and Administrative Regulations in order to promote the development and efficient functioning of international telecommunications as stipulated in the Union's mandate.

4. Which types of international services transactions are covered by the legal instruments or activities of your organisation? Do these instruments or activities encompass, for example, transactions which go beyond cross-border flows of services and require presence of the foreign service provider? If sc, describe such transactions and how, to what extent, and under which circumstances they are dealt with.

In each country, telecommunication Administrations³ and/or Recognized Private Operating Agencies (RPOAs) provide and operate facilities and services for domestic as well as international telecommunications to meet the needs of the public and other special users. International telecommunication services invariably involve an extension of (or access to) the domestic services and facilities of one country for use by customers located in other countries.

Technical and regulatory provisions, including principles governing the charges to be applied in respect of such extension or access, and related administrative arrangements, are agreed upon internationally among the service providers and operators under the aegis of the Union, so as to extend telecommunication services generally available to the public as widely as possible and ensure their global interconnectivity and interoperatility. The Union's mandate could thus also be construed as involving some elements associated with international trade in services, in particular when telecommunication transport is involved in arrangements for services other than those of a telecommunication character.

Modern technology has enabled the growth of a range of new services necessitating communication or information transfer through the medium of telecommunications. Hence, telecommunication or communication transport must be recognized as a key ingredient for the practical development of and support to many service industries, the ITU responsibility being related to the telecommunication transport function.

However, the telecommunication transport function must be distinguished from those cases where the transport serves as an essential ingredient in, and as a vehicle for, the provision of other services, such as those connected with, for example, banking, aviation, shipping, financial and business management.

It should however be realized in this connection that the current and foreseeable evolution of integrated telecommunication and computer networks including the distribution of intelligence over various points in the network will lead to the traditional distinction between the transport and information processing functions becoming increasingly blurred.

The legal instruments or activities of the Union cover all international telecommunications as defined or described in the Convention and Administrative Regulations as well as the relevant recommendations of the CCIR and the CCITT. Thus many types of services are covered.

The matter of telecommunication is extremely complex. Models, characteristics, and operational requirements for telecommunication services, as well as the supporting systems and networks, are covered to varying degrees in many instruments and activities of the Union. This also includes the methods for describing services. In general, the Open Systems Interconnection OSI model (in collaboration with the International Organization for Standardization - ISO) has been adopted and applied as a framework for facilitating interconnection and interoperation among the widest possible range of equipment, systems, networks, and applications. Some additional details relating to telecommunication services are provided in Appendix 2 to this Annex.

³ An administration is " any governmental department or service responsible for discharging the obligations undertaken in the International Telecommunication Convention and the Regulations" (No. 2002).

CCIR and CCITT Recommendations are continually reviewed to ensure that technological developments and operational changes are duly taken into account. They are revised and/or readopted by the respective Plenary Assemblies.

By their very nature these instruments and activities cover and regulate all kinds of international telecommunications, including many uses of terrestrial and space radiocommunication facilities, all of which could be considered as carrying "cross-border flows" of telecommunication traffic. However, such telecommunications do not necessarily "require presence of the foreign service provider".

5. To what degree could the activities of your organisation be qualified as being of a multilateral, plurilateral or bilateral character. Have there been any attemps to increase the multilateral content? With what results? Are there any linkages between the multilateral activities on the one hand and the plurilateral or bilateral activities in the other hand? If so, are they institutionalised?

The main activities of the Union are multilateral because they involve in general the 164 Members of the Union. However, there are also some activities of a "plurilateral" nature (involving countries of different levels of development), e.g. regional agreements regarding radiocommunications which relate to one or two of the three Regions⁴ into which the world is for this purpose divided, as well as others of a "bilateral" character. In respect to plurilateral and bilateral activities, particular provisions apply (see Arts. 31 and 32 and Art. 7 of the Radio Regulations).

The work of ITU world and indeed regional conferences can be viewed as "attempts to increase the multilateral content" of the activities of the Union. The results of these conferences are embodied in the respective Final Acts adopted at these conferences and, in the case of world conferences, also in the revision of the Administrative Regulations. In the case of regional conferences, the results are included in Regional Agreements e.g. those relating to broadcasting in Regions 1 and 2.

The preceding decade has seen the need for a significant number of world and indeed regional conferences, arising from the demandeds of member States as well as technological developments.

A major multilateral activity relates to the World Administrative Telegraph and Telephone Conference (WATTC) to be held at Melbourne in November/December 1988. The agenda for this Conference provides for the adoption, as necessary, of a new regulatory framework for all existing and foreseen new international telecommunication services.

"Linkages" between the multilateral and the plurilateral or bilateral activities exist and are institutionalized. In respect of regional radio conferences, for example, any consequences to other regions are subject to appropriate inter-regional coordination.

⁴ Region 1 comprises Africa and Europe, including the entire territory of the USSR. Region 2 comprises the Americas. Region 3 comprises Asia and Oceania. For other purposes regions are defined differently.

6. Are any of the provisions incorporated in the legal instruments of your organisation designed to promote economic growth of member countries? If so, describe them.

A number of provisions incorporated in the legal instruments of the Union are designed to promote not only the economic but also the social development of countries. In this connection the following are of particular relevance:

- o promotion and development of technical facilities (Preamble and No. 15);
- o other specific purposes of the Union (see Art. 4),
- o the work of the joint Special Autonomous Groups of the International Consultative Committees providing guidance on economic and technological considerations and stemming from the World and Regional Plan Committees (Nos. 93 and 94), and
- o treatment by the International Consultative Committees of requests from countries (No. 327).
- 7. Are any of the provisions incorporated in the legal instruments of your organisation designed to promote development of developing countries? Have any specific modalities legal, economic or financial been devised to help obtain the development objective? Has the development objective been determined multilaterally? If so, describe the nature of the objective and the way it has been determined.

Many provisions in the legal instruments of the Union are designed to promote development of telecommunication infrastructure in developing countries. The relevant provisions which cover this issue, partly in general and partly in specific area, in the field of telecommunications are:

Purposes of the Union: "To maintain and extend international cooperation......as well as promote and offer technical assistance to developing countries" (No. 14)

Purposes of the Union: 'To foster international cooperation in the delivery of technical assistance to developing countries,.." (No. 20)

The Administrative Council: "shall promote international cooperation for provision of technical cooperation for the developing countries......" (No. 64)

The IFRB: "to furnish advice to Members...taking into account the specific needs of the developing countries". (No. 79)

The International Consultative Committees: "... to pay due attention to the formulation of recommendations directly connected with the establishment, development and improvement of telecommunications in developing countries." (No. 85)

Plan Committees: "They shall refer to the International Consultative Committees' questions the study of which is of particular interest to developing countries." (No. 93)

Use of Radio Frequencies and the Orbit: the rational use of the radio frequency spectrum and of the geostationary satellite orbit provides for "the special needs of the developing countries" to be taken into account. (No. 154)

The General Secretariat: "to assemble and publish both technical and administrative information that might be especially useful to developing countries in order to help them improve their telecommunication networks". (No. 296)

Specific modalities devised to help obtain the development objective exist in particular for ITU technical cooperation activities in conjunction with UNDP, the Centre for Telecommunica-tions Development (established following the implementation of Resolution No. 20 of the Plenipotentiary Conference of Nairobi, 1982, "Establishment of the Independent International Commission for World-Wide Telecommunications Development"), the Special Voluntary Programme (Res. No. 19) and Funds-in-Trust activities.

In this context, reference is made to the following publications that contain additional information of relevance to the development objective:

oTelecommunication and Development (Report of the ITU and OECD), Geneva 1983 o The Missing Link (Report of the Independent Commission), ITU, Geneva, 1984 o Information Telecommunications and Development, Geneva, 1986 o Investing in Telecommunications, ITU, Geneva, 1986

Development objectives have been "determined multilaterally." Resolutions Nos. 16 to 34 of the 1982 Nairobi Plenipotentiary Conference are examples of relevant actions taken in this regard. The more important Resolutions relate to:

- o Participation of the Union in the United Nations Development Programme (UNDP) and in Other Programmes of the United Nations System (Res. No. 16)
- Budgetary and Organizational Aspects of Technical Cooperation and Assistance of the Union (Res. No. 18)
- o Special Voluntary Programme for Technical Cooperation (Res. No. 19)
- o Establishment of the Independent International Commission for World-Wide Telecommunications Development (Res. No. 20)
- o Telecommunication Infrastructure and Socio-Economic Development (Res. No. 24)
- o Special Measures for the Least Developed Countries (Res. No. 27)
- o The Role of the International Telecommunication Union in the Development of World Telecommunications (Res. No. 34).

It is also important to mention an opinion of the Nairobi Conference which deals with favourable treatment for developing countries: "Developed countries should take into account the requests for favourable treatment made by developing countries in service, commercial or other relations in telecommunications, thus helping to achieve the desired economic equilibrium conducive to a relaxation of present world tensions." (Opinion 2 of the Conference).

8. Are there any provisions in the legal instruments of your organisation which have the objective of promoting progressive liberalisation of international services transactions? If so, describe them and how they operate. How do they interact with development objectives?

The Union's basic role as stipulated in Article 4 of the Convention can be viewed as promoting the progressive development of international telecommunication services through increasing their efficiency and usefulness and as far as possible making them generally available to the public.

If "liberalisation" is understood in the context of competition, there are no provisions in the legal instruments of the Union which address this issue.

9. Are there any provisions incorporated in the legal instruments of your organisation designed to ensure a balanced exchange of benefits among member countries? If so, describe how they operate.

Balanced exchange of benefits implies equitable sharing of resources and benefits. Accordingly, a Convention provision which provides for equitable access to spectrum and orbit resources is relevant (see No. 154). Other relevant provisions cover reasonableness of tariffs consistent with efficient service (see No. 22) and stipulate that the services, the charges and the safeguards shall be the same for all users in each category of correspondence (see No. 131). In addition, relevant CCITT Recommendations deal with, inter alia, the reduction of dissymmetry in the charges for international telecommunications (see CCITT D-Series Recommendations).

As regards the "ensuring" aspect of this question Articles 29 and 31 (see Appendix 1 to this Annex) on the rendering and settlement of accounts as well as Articles 8, 9 and 11 of the Telegraph Regulations and Articles 6-8 of the Telephone Regulations dealing with accounting rates, collection charges and accounting are relevant.

10. How and to what extent is the autonomy of national regulations preserved or affected by the legal instruments of your organisation? Are there any provisions in these instruments which are specifically designed to ensure the respect for those policy objectives that provide the rationale for certain national laws and regulations which relate to the activities of your organisation? If so, describe such provisions and how they operate.

While international telecommunications are governed by the ITU instruments, the Preamble of the Convention recognizes the sovereign right of each country to regulate its telecommunication. However, as far as operations involving the use of the radio spectrum are concerned, it must be noted that national autonomy is subject to the condition that no interference (or only interference within permitted limits as stipulated in the relevant agreements and recommendations) is caused to the use of the spectrum by other countries.

11. Do the instruments and activities of your organisation cover only governmental actions or do they also extend to private operators? If the latter is the case, what disciplines and procedures apply? In this context, how are competition rules in general, restrictive business practices, and transnational corporations in particular dealt with?

The instruments and activities of the Union cover Administrations as well as Recognized Private Operating Agencies (RPOAs) and Private Operating Agencies (see No. 176 concerning the execution of the Convention and Regulations).

Furthermore, RPOAs participate in the work of the International Consultative Committees (see No. 88, CCITT Res. No. 1 and CCIR Res. No. 24-6). It is worth noting, that, scientific or industrial organizations i.e. manufacturers, though not considered as operators in the ITU meaning, are permitted to participate in the work of the International Consultative Committees (see No. 400) and contribute their know-how and expertise in the evolution of technical and functional standards for equipment systems, networks, etc.

With respect to restrictive business practices, it should be pointed out that the standardization and harmonization activities of the ITU promote an environment that serves to mitigate the adverse effects of such practices.

12. Could you indicate whether certain concepts that are under discussion in the Group of Negotiations on Services are reflected in the legal instruments or activities of your organisation? Such concepts include non-discrimination, most-favoured nation treatment, national treatment, transparency, market access, standstill, exceptions, and regional economic integration. If any such concepts are reflected, how are they dealt with? Do the methods chosen, and the motivation for the solutions found, take account of the peculiarities of your activities?

In the context of this question and regarding non-discrimination, reference could be made to the rational use of the radio spectrum and the geostationary satellite orbit, which are limited natural resources (see No. 154).

Similarly, in so far as the concept of transparency is concerned, provisions regarding the obligation to notify stoppage of telegrams and suspension of services (see Nos. 132 and 134) and the notification of infringements (No. 142) are relevant. In addition, transparency is fostered by the reciprocal exchange of various relevant kinds of information such as statistics and those included in service documents (see. Nos. 291, 293, and 295).

13. Are there any provisions in the legal instruments of your organisation relating to consultation and dispute settlement, safeguards in the context of trade in services (the right to take emergency actions in specifically defined circumstances), subsidies, state sanctioned monopolies and state enterprises?

Consultation and dispute settlement. The Convention contains procedures for settlement of disputes and arbitration (see Arts. 50 and 82). In addition, the Additional Protocol on Compulsory Settlement of Disputes is relevant.

The right to take emergency action. The conditions and circumstances under which stoppage and suspension of services is allowed are stipulated in Arts. 19 and 20.

Subsidies. "Collaboration among its Members [is fostered] with a view to the establishment of rates at levels as low as possible consistent with an efficient service and taking into account the necessity for maintaining independent financial administration of telecommunication on a sound basis" (No. 22). Prohibition of rebates on declared rates for telegrams exists (see Art. 10 of the International Telegraph Regulations). However, the above mentioned provisions do not explicitly speak of "subsidies".

State sanctioned monopolies. No specific provisions regarding state sanctioned monopolies and state enterprises exist but it needs to be noted that the Convention and the Administrative Regulations cover the provision of services not only by Administrations, but also by RPOAs, POAs (Private Operating Agencies) and other designated organizations engaged in international telecommunications or, in the case of radio spectrum and orbit use, even in national operations, when interference with the national or international operations of other countries is involved.

14. Does your organisation have arrangements designed to provide technical assistance for developing countries with respect to international services transactions? If so, describe their nature and how they are implemented.

The ITU provides many kinds of technical assistance for developing countries with respect to *international telecommunications* that include:

- o human resources development
- o management and operations
- o network maintenance and logistics support
- o short and long term plans (including master plans) and their implementation
- o traffic management
- o tariffs and telecommunications accounting
- o research, development and manufacture of equipment and plant
- o various technical specialist assistance
- o legal assistance in setting up regulatory frameworks
- o feasibility studies and financial analysis
- o preparation of technical specifications, tender invitations, evaluation and award as well as eventual purchase, installation and commissioning of systems.

The annual delivery of assistance through technical cooperation project administered by the Union amounts to about US\$ 30 million, including short-term advisory services on infrastructural issues.

APPENDIX 1

Extracts from the International Telecommunication Convention: Articles 18-38 and 81

General Provisions Relating to Telecommunications

ARTICLE 18

The Right of the Public to Use the International Telecommunication Service

131 Members recognize the right of the public to correspond by means of the international service of public correspondence. The services, the charges and the safeguards shall be the same for all users in each category of correspondence without any priority or preference.

ARTICLE 19

Stoppage of Telecommunications

- 1. Members reserve the right to stop the transmission of any private telegram which may appear dangerous to the security of the State or contrary to their laws, to public order or to decency, provided that they immediately notify the office of origin of the stoppage of any such telegram or any part thereof, except when such notification may appear dangerous to the security of the State.
- 2. Members also reserve the right to cut off any other private telecommunications which may appear dangerous to the security of the State or contrary to its laws, to public order or to decency.

ARTICLE 20

Suspension of Services

Each Member reserves the right to suspend the international telecommunication service for an indefinite time, either generally or only for certain relations and/or for certain kinds of correspondence, outgoing, incoming or in transit, provided that it immediately notifies such action to each of the other Members through the medium of the Secretary-General.

ARTICLE 21

Responsibility

135 Members accept no responsibility towards users of the international telecommunication services, particularly as regards claims for damages.

Secrecy of Telecommunications

- 136
 1. Members agree to take all possible measures, compatible with the system of telecommunication used, with a view to ensuring the secrecy of international correspondence.
- 2. Nevertheless, they reserve the right to communicate such correspondence to the competent authorities in order to ensure the application of their internal laws or the execution of international conventions to which they are parties.

ARTICLE 23

Establishment, Operation and Protection of Telecommunication Channels and Installations

- 138 1. Members shall take such steps as may be necessary to ensure the establishment, under the best technical conditions, of the channels and installations necessary to carry on the rapid and uninterrupted exchange of international telecommunications.
- 2. So far as possible, these channels and installations must be operated by the methods and procedures which practical operating experience has shown to be the best. They must be maintained in proper operating condition and kept abreast of scientific and technical progress.
- 140 3. Members shall safeguard these channels and installations within their jurisdiction.
- 141 4. Unless other conditions are laid down by special arrangements, each Member shall take such steps as may be necessary to ensure maintenance of those sections of international telecommunication circuits within its control.

ARTICLE 24

Notification of Infringements

In order to facilitate the application of the provisions of Article 44, Members undertake to inform one another of infringements of the provisions of this Convention and of the Administrative Regulations annexed thereto.

Priority of Telecommunications Concerning Safety of Life

143 The international telecommunication services must give absolute priority to all telecommunications concerning safety of life at sea, on land, in the air or in outer space, as well as to epidemiological telecommunications of exceptional urgency of the World Health Organization.

ARTICLE 26

Priority of Government Telegrams and Telephone Calls

Subject to the provisions of Articles 25 and 36 government telegrams shall enjoy priority over other telegrams when priority is requested for them by the sender. Government telephone calls may also be given priority, upon specific request and to the extent practicable, over other telephone calls.

ARTICLE 27

Secret Language

- 1. Government telegrams and service telegrams may be expressed in secret language in all relations.
- 2. Private telegrams in secret language may be admitted between all countries with the exception of those which have previously notified, through the medium of the Secretary-General, that they do not admit this language for that category of correspondence.
- 3. Members which do not admit private telegrams in secret language originating in or destined for their own territory must let them pass in transit, except in the case of suspension of service provided for in Article 20.

ARTICLE 28

Charges and Free Services

The provisions regarding charges for telecommunications and the various cases in which free services are accorded are set forth in the Administrative Regulations annexed to this Convention.

Rendering and Settlement of Accounts

The settlement of international accounts shall be regarded as current transactions and shall be effected in accordance with the current international obligations of the countries concerned, in those cases where their governments have concluded arrangements on this subject. Where no such arrangements have been concluded, and in the absence of special agreements made under Article 31, these settlements shall be effected in accordance with the Administrative Regulations.

ARTICLE 30

Monetary Unit

- In the absence of special arrangements concluded between Members, the monetary unit to be used in the composition of accounting rates for international telecommunication services and in the establishment of international accounts shall be:
 - either the monetary unit of the International Monetary Fund
 - or the gold franc,

both as defined in the Administrative Regulations. The provisions for application are contained in Appendix 1 to the Telegraph and Telephone Regulations.

ARTICLE 31

Special Arrangements

151 Members reserve for themselves, for the private operating agencies recognized by them and for other agencies duly authorized to do so, the right to make special arrangements on telecommunication matters which do not concern Members in general. Such arrangements, however, shall not be in conflict with the terms of this Convention or of the Administrative Regulations annexed thereto, so far as concerns the harmful interference which their operation might be likely to cause to the radio services of other countries.

ARTICLE 32

Regional Conferences, Arrangements and Organizations

Members reserve the right to convene regional conferences, to make regional arrangements and to form regional organizations, for the purpose of settling telecommunication questions which are susceptible of being treated on a regional basis. Such arrangements shall not be in conflict with this Convention.

Special Provisions for Radio

ARTICLE 33

Rational Use of the Radio Frequency Spectrum and of the Geostationary Satellite Orbit

- 153
 1. Members shall endeavour to limit the number of frequencies and the spectrum space used to the minimum essential to provide in a satisfactory manner the necessary services. To that end they shall endeavour to apply the latest technical advances as soon as possible.
- 2. In using frequency bands for space radio services Members shall bear in mind that radio frequencies and the geostationary satellite orbit are limited natural resources and that they must be used efficiently and economically, in conformity with the provisions of the Radio Regulations, so that countries or groups of countries may have equitable access to both, taking into account the special needs of the developing countries and the geographical situation of particular countries.

ARTICLE 34

Intercommunication

- 155
 1. Stations performing radiocommunication in the mobile service shall be bound, within the limits of their normal employment, to exchange radiocommunications reciprocally without distinction as to the radio system adopted by them.
- 2. Nevertheless, in order not to impede scientific progress, the provisions of No. 155 shall not prevent the use of a radio system incapable of communicating with other systems, provided that such incapacity is due to the specific nature of such system and is not the result of devices adopted solely with the object of preventing intercommunication.
- 157 3. Notwithstanding the provisions of No. 155, a station may be assigned to a restricted international service of telecommunication, determined by the purpose of such service, or by other circumstances independent of the system used.

Harmful Interference

- 1. All stations, whatever their purpose, must be established and operated in such a manner as not to cause harmful interference to the radio services or communications of other Members or of recognized private operating agencies, or of other duly authorized operating agencies which carry on radio service, and which operate in accordance with the provisions of the Radio Regulations.
- 2. Each Member undertakes to require the private operating agencies which it recognizes and the other operating agencies duly authorized for this purpose, to observe the provisions of No. 158.
- 160 3. Further, the Members recognize the desirability of taking all practicable steps to prevent the operation of electrical apparatus and installations of all kinds from causing harmful interference to the radio services or communications mentioned in No. 158.

ARTICLE 36

Distress Calls and Messages

161 Radio stations shall be obliged to accept, with absolute priority, distress calls and messages regardless of their origin, to reply in the same manner to such messages, and immediately to take such action in regard thereto as may be required.

ARTICLE 37

False or Deceptive Distress, Urgency, Safety or Identification Signals

Members agree to take the steps required to prevent the transmission or circulation of false or deceptive distress, urgency, safety or identification signals, and to collaborate in locating and identifying stations transmitting such signals from their own country.

Installations for National Defence Services

- 163 1. Members retain their entire freedom with regard to military radio installations of their army, naval and air forces.
- 2. Nevertheless, these installations must, so far as possible, observe statutory provisions relative to giving assistance in case of distress and to the measures to be taken to prevent harmful interference, and the provisions of the Administrative Regulations concerning the types of emission and the frequencies to be used, according to the nature of the service performed by such installations.
- 3. Moreover, when these installations take part in the service of public correspondence or other services governed by the Administrative Regulations annexed to this Convention, they must, in general, comply with the regulatory provisions for the conduct of such services.

ARTICLE 81

Rendering and Settlement of Accounts

- 629
 1. Administrations of Members and recognized private operating agencies which operate international telecommunication services, shall come to an agreement with regard to the amount of their credits and debits.
- 630 2. The statement of accounts with respect to debits and credits referred to in No. 629 shall be drawn up in accordance with the provisions of the Administrative Regulations, unless special arrangements have been concluded between the parties concerned.

APPENDIX 2 Telecommunication Services

Introduction

CCITT Recommendations, as revised and adopted at the 1984 Plenary Assembly, Malaga-Torremolinos, are reproduced in the CCITT *Red Book*. It now contains some 11000 pages. This set of texts contains recommendations on a wide variety of subjects related to telecommunication services. This includes: telephone, telegraph and telematic services, analogue systems, digital networks, integrated services digital networks (ISDNs), data communication networks and open system interconnections (OSI), and Functional Specification and Description Language (SDL), and tariff principles.

However, CCITT activity now proceeds at a very rapid pace, with its study groups meeting almost constantly to exchange important information among the participants, and develop or revise models and characteristics for telecommunication systems, networks, and applications. Thus, the Recommendations are constantly evolving to meet today's and tommorrows requirements of administrations, operators, manufacturers, service providers, and users.

A Basic Framework for Services and Networks

The X.200-Series of CCITT Recommendations deal with the concept of Open Systems Interconnection (OSI) in which the relationships between a network and the services which it can support are shown by a hierarchy of seven protocol layers. Each layer uses the services of the lower layers in conjunction with its own functions to create new services which are made available to the higher layers. The following designations are a brief summary of the layers of the model:

Layer 1 (Physical) Includes transmission of signals and the activation and deactivation of physical connections.

Layer 2 (Link) Includes synchronization and some control over the influence of errors within the physical layer.

Layer 3 (Network) Includes routing and switching functions

Layer 4 (Transport) Uses layers 1 to 3 to provide an end-to-end service with the required characteristics for the higher layer functions.

Layer 5 (Session) Allows presentation entities to organize and synchronize their dialogue and to manage their data exchange.

Layer 6 (Presentation) Includes data formatting and code conversion.

Layer 7 (Application) Provides the means by which the user programs access the OSI environment and may contain part of these user programs.

Advanced Work on General Service Models

The I-Series Recommendations deal with Integrated Service Digital Networks (ISDNs). The main feature of the ISDN concept is the support of a wide range of voice and non-voice applications in the same network. A key element of service integration for an ISDN is the provision of a range of services using a limited set of connection types and multipurpose user-network interface arrangements.

It is recognized that ISDNs may be implemented in a variety of configurations according to specific national situations. Services supported by an ISDN are the communication capabilities made available to customers by telecommunication service providers. An ISDN provides a set of network capabilities which are defined by standardized protocols and functions and enable telecommunication services to be offered to customers.

Telecommunication services are described by attributes that define service characteristics as they apply at a given reference point where the customer accesses the service. A telecommunication service is composed of technical attributes as seen by the customer, and other attributes associated with the service provision, e.g. operational and commercial attributes. Realization of the technical attributes of a telecommunication service requires a combination of network and terminal capabilities and other service providing systems. Telecommunication services are divided into two broad categories, i.e. bearer services, and teleservices.

Description Techniques

Telecommunication services have become so complicated to define and provide, particularly on a dynamic basis among diverse networks, systems, and terminals, that a special description language has been developed and is being refined. This work is set forth in the Z-Series Recommendations and the reports of the responsible study groups.

Tariff Principles

The CCITT D-Series Recommendations deal with general tariff principles - charging and accounting in international telecommunication services. These recommendations cover a wide range of subjects which include general principles for the lease of international private telecommunication services, special conditions for such lease, costs and value of services rendered as factors in the fixing of rates for private leased facilities, tariff principles applicable to data communication services, charging and accounting in various international services such as the public telegramme, teletext, telex, facsimile, phototelegraph, maritime mobile, telephone and transferred account services, sound-and television-programme transmissions and the settlement of international telecommunication balances of accounts.

In addition, CCITT Study Group XVIII has adopted draft recommendations, scheduled for approval at the next Plenary Assembly, concerning tariff principles applicable to services provided in advanced digital networks.