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PRIVATE LEASED TELECOMMUNICATIONS
FACILITIES

**SPECIAL CONDITIONS FOR THE LEASE OF
INTERCONTINENTAL TELECOMMUNICATION
CIRCUITS FOR PRIVATE SERVICE**

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NOTES

- 1 CCITT Recommendation D.3 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.3

SPECIAL CONDITIONS FOR THE LEASE OF INTERCONTINENTAL TELECOMMUNICATION CIRCUITS FOR PRIVATE SERVICE

Preamble

This Recommendation, which should be applied in conjunction with the provisions of Recommendation D.1, sets out the special conditions intended for application to telecommunication circuits leased for private service between terminal countries located *in different continents*. However, in some intercontinental relations, the Administrations may agree to apply the provisions of Recommendation D.2.

1 General conditions

- 1.1 The general principles and conditions contained in Recommendation D.1 apply to the lease of intercontinental telecommunication circuits.
- 1.2 Each terminal Administration shall establish its share of the monthly rental to be charged for the lease of telecommunication circuits.
- 1.3 When fixing rentals for intercontinental circuits, Administrations should take into account not only the cost of providing such services but also, among other factors, the need to harmonize the charges generally applied for leased circuit services with the rates for the corresponding public service.
- 1.4 A discount is not normally made for the lease of two or more such circuits to the same customer.

2 Lease of telephone-type circuits of a standard bandwidth and of 48-kHz wideband analogue circuits

- 2.1 Monthly rentals shall be established by Administrations for the lease of such circuits used for the transmission of:
 - a) speech,
 - b) record communications, including telegraphy, facsimile telegraphy, VF telegraphy and data,
 - c) alternate or simultaneous voice/record or record/record communications, in so far as combinations thereof are technically feasible.
- 2.2 The monthly rental for 48-kHz wideband circuits should in principle be based on the application of a coefficient to the rental for a telephone-type circuit of standard bandwidth. The application of such a coefficient should normally result in a rental for these circuits between 8 and 12 times the telephone-type rental, although it is recognized that in particular instances coefficients not falling within this range may be appropriate. In establishing the specific coefficient, Administrations should take into consideration the principles set forth in § 1.3 above, as well as the value of the service to the customer, economies resulting from new or advanced technology, and other rate-making factors.

The rentals contemplated herein are for the circuit only, and may be supplemented, as appropriate, for special terminal arrangements and/or for special conditioning.

3 Lease of telegraph-type circuits

- 3.1 The lease of a standard 50-baud telegraph circuit is considered as the basis for establishing the charges for the lease of other types of telegraph circuits.
- 3.2 The lease of telegraph-type circuits with a transmission speed less than the 50-baud full character rate may be permitted, allowing:
 - a) half the standard character rate (*half-speed* circuit),
 - b) a quarter of the standard character rate (*quarter-speed* circuit).

The monthly rental established for half-speed and quarter-speed telegraph circuits should be approximately 67% and 40%, respectively, of the monthly rental for a standard 50-baud telegraph circuit.

In view of the structure of the costs incurred in providing fractional-speed telegraph circuits, Administrations may apply supplementary charging provisions. These provisions are given in Annex A.

3.3 When technical characteristics permit and subject to the agreement of Administrations, a standard 50-baud telegraph circuit may be operated at a modulation rate above 50 bauds, but not exceeding 75 bauds, for an additional charge of 10%.

3.4 The lease of telegraph-type circuits with the following modulation rates above 50 bauds may be permitted:

- a) 100 bauds,
- b) 200 bauds,
- c) 300 bauds.

3.5 Possible guidelines to be taken into account in the establishment of tariffs for telegraph-type leased circuits in intercontinental relations are given in Annex A.

4 Lease of digitized channels

4.1 A digitized leased channel is one which is set up on a circuit equipped to transmit digital signals. This circuit may consist of both analogue and digital sections.

Circuits having the following standard classes of basic bit rates may be provided by Administrations:

1200 bit/s

2400 bit/s

4800 bit/s

9600 bit/s¹⁾

By agreement between Administrations concerned, circuits at bit rates not mentioned above may be offered on an optional basis.

4.2 Tariffs for leased digitized channels should be based on the following general principles:

- establishment of a rational relationship between the tariffs applicable to the different classes of bit rates, with special attention to the structure of the costs involved;
- establishment of the tariff of the 9600 bit/s channel at a level comparable with that of the telephone-type special quality analogue leased circuit (Recommendation M.1020 [1]) in the same relation;
- establishment of the tariff of the 1200 bit/s channel at a higher level than that of a 300-baud telegraph-type circuit in the same relation.

5 Leased circuits provided by high-frequency radio

Administrations may elect to make exceptions to the principles prescribed in §§ 2, 3 and 4 in the case of leased circuits which are provided by high-frequency radio facilities.

6 Leased circuits having special qualities

For the lease of a circuit having special qualities (for example, circuits meeting the technical specifications set out in Recommendations M.1020 [1]) and M.1025 [2] a monthly flat-rate charge, fixed without relation to the circuit rental and added to it, may be applied by terminal Administrations to take into account the cost of providing and maintaining the circuit with the special qualities required.

¹⁾ Standardization of bit rates above 9600 bit/s is for further study. See also Recommendation D.8.

ANNEX A
(to Recommendation D.3)

**Possible guidelines to be taken into account in the establishment of tariffs
for telegraph-type leased circuits in intercontinental relations**

When establishing tariffs for private leased telegraph-type circuits in intercontinental relations, Administrations may take into account the following provisions supplementing those already contained in Recommendation D.3.

The rental charges may be established according to the structure of the costs incurred in supplying the service as well as other factors such as the tariffs applied to the corresponding public services in conformity with § 1.3.

A.1 *Telegraph circuits with modulation rates of 50 bauds and above*

In determining these charges, multiplying coefficients are applied in order to establish a ratio between the tariffs applicable to the different types of circuit.

A telephone-type circuit of ordinary quality is taken as reference for establishing these tariffs.

As an exemple, the scale of coefficients may be as follows:

	<i>Coefficient</i>
Lease of a telephone-type circuit of ordinary quality	1.00
Lease of a 100-baud telegraph-type circuit	0.40
Lease of a 100-baud telegraph-type circuit	0.30
Lease of a 50-baud telegraph-type circuit	0.25

Note – It should be noted that, in accordance with § 3.1, the standard 50-baud telegraph circuit is taken as the basis for establishing the charges for other types of telegraph circuits. In this annex, coefficients based on the rental for telephone-type circuits have been used.

A.2 *Telegraph circuits with a transmission speed less than a 50-baud full character rate (fractional-speed circuits)*

In order to encourage greater utilization by users of 50-baud circuits rather than fractional-speed circuits, Administrations may adapt their charging system according to the following principle: progressive reduction of the tariff for 50-baud circuits, thereby reducing the difference between the tariff for a full-speed 50-baud circuit and the tariffs for fractional-speed circuits.

References

- [1] CCITT Recommendation *Characteristics of special quality international leased circuits with special bandwidth conditioning*, Rec. M.1020.
- [2] CCITT Recommendation *Characteristics of special quality international leased circuits with basic bandwidth conditioning*, Rec. M.1025.

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