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| **The APT Preparatory Group for PP-14** | | **Document**  **PP14-3/OUT-15** | |
|  | | **05 June 2014** | |

**preliminary apt common proposal: PROPOSed Revision of RESOLUTION 22 (Rev. antalya, 2006)**

**1. Introduction**

PP Resolution 22 (Rev. Antalya, 2006) urges ITU-T to expedite its work on completing its study on the concept of network externalities for international traffic in relation to both fixed and mobile services.

WTSA-08 approved Recommendation ITU-T D.156 on network externalities, which was amended in May 2010 and September 2012 for explaining the practical implementation of this Recommendation and presenting a method to calculate the network externality premium respectively.

A new Opinion adopted by WTSA-12 calls upon concerned ITU Member States to take into consideration the progress achieved so far within ITU-T Study Group 3, to review and possibly withdraw the reservations about Recommendation ITU-T D.156, and invites Member States to take all measures necessary for the effective implementation of this Recommendation.

**2. Proposals**

Considering above APT Members propose updating PP Resolution 22 (Rev. Antalya, 2006) to reflect the progress achieved so far within ITU-T Study Group 3 and the Opinion 1 adopted by WTSA-12:

**PACP/16**

**MOD**

RESOLUTION 22 (Rev. Busan, 2014)

Apportionment of revenues in providing  
international telecommunication services

The Plenipotentiary Conference of the International Telecommunication Union (Busan, 2014),

*considering*

*a)* the importance of telecommunications/information and communica­tion technology (ICT) for the social and economic development of all countries;

*b)* ITU's continued leading role in stimulating the universal development of telecommunications/ICT;

*c)* the increasing imbalance, under the current circumstances, between developed and developing countries, in terms of economic growth and technological progress;

*d)* that the Independent Commission for World-Wide Telecommuni­cations Development, in its report “The Missing Link”, recommended, *inter alia*, that Member States should consider setting aside a small portion of revenues from calls between developing and industrialized countries to be devoted to telecommunications in developing countries;

*e)* that Recommendation D.150 of the Telecommunication Stan­dardization Sector (ITU-T), which provides for the apportionment of accounting revenues from international traffic between terminal countries, in principle on a 50/50 basis, has been amended to provide for sharing in a different proportion where there are differences in the costs of providing and operating telecom­munication services, although ITU-T has not obtained any information on its implementation;

*f)* Resolution 3 (Melbourne, 1988) adopted by the World Administrative Telegraph and Telephone Conference;

*g)* that ITU, in pursuance of Resolution 23 (Nice, 1989) of the Plenipotentiary Conference and as a follow-up to the recommendation in “The Missing Link”, carried out a study of the costs of providing and operating international telecommunication services between developing and industrialized countries and established that the cost of providing telecommunication services is much higher in developing countries than in developed ones, and this remains the case;

*h)* that ITU-T has conducted the necessary studies for completion of Recommendation D.140 which establish the principles of cost-oriented accounting rates and accounting-rate shares in each relation,

*considering further*

*a)* the approval by the World Telecommunication Standardization Assembly (Johannesburg, 2008) (WTSA-08) of Recommendation ITU-T D.156,

*b)* the approval by Study Group 3 of the ITU Telecommunication Standardization Sector (ITU-T) in May 2010 of Annex A to Recommendation ITU‑T D.156;

*c)* Opinion 1 adopted by WTSA-12, which calls upon in view of the progress achieved so far within Study Group 3

*recognizing*

*a)* that the continuing social and economic underdevelopment of a large part of the world is one of the most serious problems affecting not only the countries concerned but also the international community as a whole;

*b)* that the development of telecommunication/ICT infrastructure and services is a precondition for social and economic development;

*c)* that inequalities in access to telecommunication facilities globally result in a widening of the gap between the developed and the developing world in terms of economic growth and technological progress;

*d)* that the trend is towards falling costs of international telecom­munication transmission and switching, contributing towards a lowering of accounting‑rate levels, especially between developed nations, but that the conditions for lowering rates are not uniformly present throughout the world;

*e)* that raising telecommunication network quality and telephone access levels to developed-country levels throughout the world would assist signifi­cantly in achieving economic equilibrium and in diminishing existing call and cost imbalances,

*recalling*

*a)* the relevant resolutions of various development conferences, especially their declarations on the recognition of the need to pay special attention to the requirements of the least developed countries when devising development cooperation programmes;

*b)* the recommendation in “The Missing Link” that Member States should consider a rearrangement of their international traffic accounting procedures in relations between developing and industrialized countries such that a small proportion of call revenue be used for development purposes;

*c)* Recommendation 3 (Kyoto, 1994) of the Plenipotentiary Conference, which recommends that developed countries take into account 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,

*noting*

*a)* that the concept of network externalities may apply to international traffic between developing and developed countries;

*b)* that information regarding the concept of network externalities and its possible application to international traffic may be found in an ITU-T Report;

*c)* that if the concept of network externalities were found to apply, it might be appropriate, subject to certain conditions being fulfilled, for the apportionment of accounting revenues to be on a basis other than 50/50, with the higher proportion being payable by the developed country to take account of the value of the network externalities;

*d)* that ITU-T is studying the applicability of network externalities to international traffic,

*resolves to urge the Telecommunication Standardization Sector*

1 to follow up its work on developing the appropriate costing methodo­logies for both fixed and mobile services;

2 to agree on transitional arrangements which may allow for some flexibility, taking into account the situation of the developing countries and the rapidly changing international telecommunication environment;

3 to take into consideration the interests of all users of telecom­munications as a high priority,

*invites administrations of the Member States*

1 to make available to the General Secretariat all the information necessary for the implementation of this resolution;

2 to consider Opinion 1 adopted by WTSA-12. ,

*instructs the Secretary-General and the Director of the Tele­communication Standardization Bureau*

to monitor and report to the Council on progress achieved,

*instructs the Director of the Telecommunication Standardization Bureau*

to submit a report to the Council on the implementation of this resolution,

*instructs the Council*

1 to review achieved results, and to take all necessary measures so as to contribute to the achievement of the objectives of this resolution;

2 to report to the next plenipotentiary conference on the progress made with respect to this resolution.

(Kyoto, 1994) – (Rev. Minneapolis, 1998) – (Rev. Antalya, 2006) – (Rev. Busan, 2014)

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