
DFID Internet Costs Study

Appendix M: APEC principles and ITU recommendation D.50

1 APEC principles

APEC Telecommunications Working Group

Task Force for the Study of International Charging Arrangements for Internet Services (ICAIS)

Extract from Report to the 4th APEC Ministerial Meeting on Telecommunications and Information Industry, Cancun, Mexico, 24-26 May 2000

3.1 Recommended International Charging Arrangements for Internet Services

1. Where measurement tools are available and acceptable, charging arrangements should be based on traffic flow patterns for each type of service, taking into account which side has generated the traffic.
2. In the absence of efficient measurement tools, charging arrangements for international links should be based on the ratio of inbound to outbound traffic flow.
3. Where agreeable to both parties, the cost of international transport link capacity should be shared on a 50/50 basis.

3.2 APEC Principles on Internet Interconnection

1. Internet connectivity is an integrated element of the public telecommunications infrastructure, including private sector initiatives that should be encouraged to strengthen the Asia-Pacific Information Infrastructure.
2. Governments need not intervene in private business agreements achieved in a competitive environment, but where there are dominant players or de facto monopolies governments have a role in promoting the principle of fairness until effective competition can be demonstrated.
3. Internet charging arrangements between providers of network services should reflect:
 - a) The contribution of each network to the communication; and
 - b) The use by each party of the interconnected network resources.

4. Sustainable and equitable financing arrangements for the development of high-bandwidth connectivity will be supported by:
- a) Internet charging arrangements that distribute returns on investment according to fair market principles; and
 - b) Application of the APEC Principles on Interconnection to packet-switched data services

2 ITU recommendation D.50

ITU RECOMMENDATION D.50

International Internet connection

(Montreal, 2000)

The World Telecommunication Standardization Assembly (Montreal, 2000),

recognizing

the sovereign right of each State to regulate its telecommunication, as reflected in the Preamble to the Constitution,

noting

- a) the rapid growth of Internet and Internet protocol-based international services;
- b) that international Internet connections remain subject to commercial agreements between the parties concerned; and
- c) that continuing technical and economic developments require ongoing studies in this area,

recommends

that administrations* involved in the provision of international Internet connections negotiate and agree to bilateral commercial arrangements enabling direct international Internet connections that take into account the possible need for compensation between them for the value of elements such as traffic flow, number of routes, geographical coverage and cost of international transmission amongst others.

* In this Recommendation, the expression "administration" is used for conciseness to indicate both a telecommunication administration and recognized operating agency.