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No. 14

AGREEMENT

ON

TELECOMMUNICATIONS QUESTIONS

BETWEEN

CANADA, THE UNITED KINGDOM, AUSTRALIA,
NEW ZEALAND, THE UNION OF SOUTH AFRICA,
INDIA, SOUTHERN RHODESIA
AND THE UNITED STATES OF AMERICA

Signed in Bermuda, December 4, 1945



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AGREEMENT ON TELECOMMUNICATIONS QUESTIONS

Signed in Bermuda, December 4, 1945

The Delegations of the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland, Canada, Australia, New Zealand, the Union of South Africa, India, and Southern Rhodesia, assembled in Conference in Bermuda from November 21 to December 4, 1945, have reached agreement as follows:

ARTICLE I. RADIOTELEGRAPH CIRCUITS

Section 1. Existing direct radiotelegraph circuits.

(i) *United Kingdom:* The circuits between the United States and the United Kingdom shall be retained, subject to examination as to the number required and to consultation between the two Governments before any of these circuits is discontinued.

(ii) *Australia, New Zealand and India:* One circuit shall be retained between the United States and each of these countries.

(iii) *Bermuda:* Both circuits between the United States and Bermuda may be retained, subject to the agreement of the Government of Bermuda.

(iv) *The Gambia, the Gold Coast and British Guiana:* The circuits between the United States and these British Colonies shall be discontinued.

Section 2. New direct radiotelegraph circuits.

(i) *South Africa:* The Governments of the United States and of the Union of South Africa shall promptly undertake a joint study to determine whether traffic and other conditions justify the establishment of a direct circuit between the two countries.

(ii) *Jamaica:* One direct circuit shall be established between the United States and Jamaica, subject to the agreement of the Government of Jamaica.

(iii) *Palestine:* One direct circuit shall be established between the United States and Palestine, subject to the agreement of the Palestine Government.

(iv) *Ceylon, Federated Malay States (Singapore) and Hong Kong:* The Government of the United Kingdom, in consultation with the authorities of the territories concerned, shall undertake a study to determine whether traffic or other conditions warrant the establishment of direct circuits between the United States and Ceylon, the Federated Malay States (Singapore) and Hong Kong respectively.

Section 3. General considerations.

The signatory Governments agree to present, for the consideration of the next International Telecommunications Conference, a statement, along the lines set forth in Annex A, relating to the general factors governing the establishment of direct radiotelegraph circuits.

Section 4. Exclusive arrangements.

The signatory Governments shall neither support nor approve efforts by telecommunications companies subject to their respective jurisdictions to prevent or obstruct the establishment of direct circuits between the United States or British Commonwealth points and other countries, and will take such steps as may be appropriate to discourage any such efforts.

Section 5. Transit traffic.

The traffic normally handled over direct radiotelegraph circuits shall be restricted to traffic originating in and destined for the countries between which the circuits are operated. This does not preclude the use of such circuits as "voies de secours" in emergency. Transit traffic may be handled over direct radiotelegraph circuits in any case where it is agreed that it would otherwise be subject to excessive delay.

ARTICLE II. TELEGRAPH RATES

Section 6. Ceiling rates.

(i) The ceiling rate between the United States on the one hand and the countries of the British Commonwealth on the other shall be 30 cents or 1s. 6d. per ordinary full rate word.

(ii) The ceiling rate between the United States on the one hand and the countries of the British Commonwealth on the other shall be 20 cents or 1s. per word for code (CDE) telegrams.

(iii) For categories of telegrams charged at lower rates, the existing international proportions of the ordinary rate shall be maintained.

(iv) These arrangements shall not involve any increase in existing rates.

Section 7. Press rates.

(i) The ceiling rate for Press traffic between the United States and the countries of the British Commonwealth shall be 6-1/2 cents or 4d. per ordinary word. No rate already below this ceiling of 6-1/2 cents or 4d. per word shall be increased.

Note:

The existing Press rate within the British Commonwealth of 1d. per ordinary word may be extended to press traffic between the countries of the British Commonwealth and any other country.

Section 8. Terminal and transit charges.

(i) The terminal and transit charges for traffic to which the ceiling rate of 30 cents or 1s. 6d. per ordinary full rate word applies shall be uniform.

(ii) For the purposes of applying these charges countries shall be classified in two categories, as follows:

(a) Countries of extensive area, such as Canada, Australia, India, South Africa, and the Continental United States.

(b) All other countries.

(iii) For traffic to which the ceiling rate applies, the terminal and transit charges for an ordinary full rate word shall be:

(a) A terminal charge of 4 cents or 2½d. for countries in category (a) and 2-1/2 cents or 1½d. for countries in category (b).

(b) A transit charge of 3-1/3 cents or 2d. for countries in category (a) and 1-2/3 cents or 1d. for countries in category (b).

(iv) Terminal and transit charges for other classifications of traffic shall be proportional to the charges collected.

(v) No terminal or transit charge shall exceed the charges prescribed in paragraphs (iii) and (iv) above. Subject to this provision, existing terminal and transit charges at rates below the proposed new ceiling shall be maintained pending review by the interested parties.

(vi) Terminal and transit charges shall be regarded as payments for services rendered. The terminal charges are payable for traffic originating in or destined for a country. The transit charges are payable for traffic carried

across the territory of a country for onward transmission beyond that country. All terminal and transit charges shall be included in the ceiling rate and shall not be additional thereto.

(vii) These arrangements shall not involve any increase in existing terminal and transit charges.

Note:

Provided the charges accruing to the other international carriers are not affected, the division of the charges between an international carrier and its corresponding domestic carrier shall be of no concern to the other international carriers.

Section 9. Division of tolls.

(i) In the case of direct radiotelegraph circuits, the portion of the tolls remaining after deduction of terminal and transit charges shall be divided equally between the transmitting and receiving organizations.

(ii) Reductions in payments for services over indirect routes resulting from the introduction of reduced rates shall be borne by those concerned in the same proportion as the present charges are now divided.

(iii) The application of paragraphs (i) and (ii) of this Section to existing contracts and the specific arrangements to give effect to them shall be considered by the parties concerned.

Section 10. Currency.

In view of the fact that the gold franc system of telegraph charges and accounting is unsatisfactory in present conditions, the fixing of tariffs and the settlement of accounts between the United States and the countries of the British Commonwealth shall be governed by the following general principles:

(i) The tariffs shall be drawn up in dollars and in sterling, and the tariffs so expressed shall be approximately equivalent at \$4.03 to £1.

(ii) In the event of an alteration in the average of the buying and selling rates for telegraphic transfer of dollars and sterling by more than 2 per cent from \$4.03 to £1, arrangements shall be made promptly, at the request of any country, for consultation on the adjustment of tariffs, which shall be drawn up in dollars and sterling and which shall be approximately equivalent at an agreed rate of exchange.

(iii) In any country other than the United States and the United Kingdom, the schedule of charges in local currency for messages shall at all times be the approximate equivalent of the tariffs drawn up in dollars and in sterling at the average of the buying and selling rates for telegraphic transfers of the currency in terms of dollars or sterling. Minor fluctuations in the exchange rates shall not of themselves require a modification of the schedule of charges in local currency. In fixing collection charges in its local currency, a country shall be entitled to vary the precise equivalent of the dollar-sterling tariff to the nearest convenient unit.

(iv) The balance due as between the parties concerned shall be calculated in accordance with the tariffs drawn up in dollars and sterling, and settlement shall be made in the currency of the country of the creditor party on the basis of \$4.03 to £1. In the case of a request for consultation in accordance with paragraph (ii) of this Section, obligations incurred prior to the date of such request shall be settled on the basis of \$4.03 to £1. The basis of settlement of balances arising in respect of the period between the date of such request and the date when new tariffs as provided in paragraph (ii) of this

Section become effective shall be a matter for agreement between the parties concerned. On and after the date when new tariffs become effective settlement shall be made on the basis of the new agreed dollar-sterling rate of exchange.

(v) In extending to other countries the new ceiling rate of 30 cents or 1s. 6d. the United States and the countries of the British Commonwealth shall seek to achieve the establishment of a tariff drawn up on a dollar-sterling basis or, failing agreement on the part of the other country to adopt that basis, of tariffs giving effect as far as practicable to the principles underlying the dollar-sterling basis.

(vi) Should the International Monetary Fund provided for in the Bretton Woods Agreements be established, any necessary modifications in the provisions above should be considered by the authorities concerned.

Section 11. Effective date.

The arrangements provided in this Article shall be brought into force as soon as possible and not later than April 1, 1946. So far as practicable they shall be introduced as from a common date.

Note:

All references in this Article to dollars and cents, and to pounds, shillings and pence, are to United States and United Kingdom currencies respectively.

ARTICLE III. PRESS COMMUNICATIONS

Section 12. Private point to point channels for Press.

Private channels for point to point press traffic shall be provided where the available channels are sufficient. Charges may be based on time, words, or cost, whichever may be agreed upon by the parties concerned.

Section 13. Reception of multiple address press radiocommunications.

(i) The reception of press radio communications addressed to multiple destinations and transmitted from the United States or the countries of the British Commonwealth shall be permitted within their respective territories in all cases where the recipients are authorized by the sender to receive such communications.

(ii) The Governments of the United States and of the United Kingdom and Canada will permit within their respective territories the private reception of such communications either through the recipients' own radio receiving installation or through other private installations. In the United Kingdom such permission may be conditional on the service not being offered to third parties except in the case of recognized news agencies.

(iii) The Governments of Australia, New Zealand, South Africa, India and the United Kingdom on behalf of her colonies will arrange for the reception of such communications through the respective telegraph administrations and will retain the power to exercise their discretion as to the granting of permission to private recipients for the reception of such communications through their own installations or through other private installations.

Note:

The position of Southern Rhodesia under Section 13 is reserved.

ARTICLE IV. CABLES

Section 14.

(i) In order to secure the optimum development of telecommunications services, and in view of the important strategic role which cables as well as radio play in a co-ordinated telecommunications system, research and development work in both cable and radio communication shall be fostered and promoted. The use of improvements such as submarine repeaters and multi-channel operation shall wherever possible be encouraged.

(ii) Inasmuch as the trans-Atlantic cables form an integral part of a world telecommunication system, uniform procedures and techniques shall be adopted in their operation. The present arrangements for mutual consultation and co-operative action with respect to the trans-Atlantic cables shall be continued.

ARTICLE V. STANDARDIZATION

Section 15.

The Governments of the British Commonwealth shall support a recommendation, to be made by the United States Government, to the International Telegraph Consultative Committee (CCIT) and the International Consultative Committee for Radiocommunications (CCIR) on the question of standardization of modern Telecommunication methods along the following lines:—

In order to further the development and wide-spread use of modern telecommunication systems susceptible to interconnection and interchange of messages and in the interests of conservation of the radio frequency spectrum, it is proposed that the CCIT study the establishment of a standardized switching system for international telegraph communications based upon a standard five unit code of operation.

Further, it is proposed that the CCIR study the establishment of standards for:—

- (a) Carrier shift operation for single channel telegraph circuits.
- (b) Multi-tone operation for multi-channel telegraph circuits.
- (c) Performance specifications for phototelegraphic equipment to provide for inter-working, including modulation equipment for radio transmissions.

ARTICLE VI. GENERAL PROVISIONS

Section 16. Consultation.

(i) The parties to this Agreement shall consult on all matters coming within its purview.

(ii) The parties to this Agreement shall, at the earliest stage, advise one another regarding all intended changes in rates on routes of interest to one another.

Section 17. Acceptance.

By their approval of this Agreement, all Governments will accept it both on their own behalf and in respect of all their colonies, overseas territories, all territories under their protection, suzerainty, or authority and all territories in respect of which they exercise a mandate, subject to any necessary reservations. The United States will endeavour to obtain the adherence of the Commonwealth of the Philippines to this Agreement.

Section 18. Entry into force.

This Agreement shall come into force as between the several signatory Governments upon the receipt by the United Kingdom Government of the respective notifications of their approval. The United Kingdom Government shall on receipt of such notifications inform all other signatory Governments.

Signed: JAMES CLEMENT DUNN
PAUL A. PORTER
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(On behalf of the Delegation of the United States)

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W. W. SHAW-ZAMBRA

Secretary of the Conference.

BELMONT MANOR HOTEL,
BERMUDA,
4th December, 1945.

*ANNEX A***GENERAL CONDITIONS GOVERNING THE ESTABLISHMENT
OF DIRECT RADIOTELEGRAPH CIRCUITS**

(i) The desirability of establishing any direct radio circuit between two countries is a matter involving a judgment on its merits by the Governments of both the countries concerned. It is essential that conditions, particularly economic conditions, and the requirements of the users, at both ends of a proposed circuit should be fully considered in each case.

(ii) The governing conditions for the establishment of direct radio circuits are those of traffic and service, with the expeditious disposal of traffic as the main objective.

(iii) The existence of both radio and cables is essential in the general interest of world telecommunications as a whole. Provision of direct radio circuits should therefore have regard to existing channels of communications.

(iv) It is recognised that in certain cases a circuit might be deemed necessary for political reasons.

