



European Radiocommunications Committee (ERC)
within the European Conference of Postal and Telecommunications Administrations (CEPT)



ACCOUNTING AUTHORITIES

Sofia, February 1996

INTRODUCTION

ERC decided to investigate the regulatory structure concerning maritime accounting authorities within the context of the ongoing changes within the telecommunication sector. Also the future role of the maritime radio accounting authorities which currently operate according to the provisions of Article 66 of the Radio Regulations and the nearly identical provisions of Appendix 2 to the International Telecommunications Regulations¹ should be looked at. It was recognised that action within CEPT in respect of accounting authorities is necessary in view of several recent developments, notably:

- (1) In the USA, the FCC has proposed a set of rules to handle new applications for accounting authority status and to monitor existing accounting authorities, one objective of which is to ensure that the administration is not exposed to any liability for bad debts or defaults in respect of accounts for maritime radio traffic;
- (2) The entry into force on 1 July 1995 of the revised Recommendation ITU-T D90 which places a duty on the responsible administration to carry out some basic monitoring of the affairs of accounting authorities;
- (3) Following the separation of operational and regulatory functions, several administrations have received applications from companies wishing to become accounting authorities, often where the administration itself used to be the sole accounting authority; no procedures yet exist to handle such situations. In cases where applications are refused without reference to some formal rules, there is a danger that a legal challenge, in national or EU courts, will be successful on the grounds that the administration has failed to carry out its actual or implied responsibilities under applicable laws or the ITU Convention.

An open forum to hear the views of all parties involved was held. At this hearing, a wide range of opinions was collected from service providers, telecommunications operators, accounting authorities, customers and representative organisations. The views received at the hearing were used in drafting this report. Representatives from national regulators, service providers² and accounting authorities participated in this work.

The report starts with a summary of the recommendations and proposals to ERC for further work (chapter 1); chapters 2 and 3 give a description of the present situation pertaining to accounting authorities; chapter 4 gives an overview of the changing telecommunication and regulatory environment; chapters 5 and 6 contain proposals for a future policy for the international accounting system.

¹ Additional Provisions Relating to Maritime Telecommunications (see Annex 1).

² For this report the term "Service Provider" means: an organisation which provides communication bridges between mobile stations and (landbased) public switched telecommunication networks.

1. **Summary of the proposals for further work and procedures regarding accounting authorities**
 - 1.1. In consideration of the studies carried out to date, long and short term solutions for the treatment of accounting authorities are forwarded for consideration by the ERC.
 - 1.2. For the **long term**, the need has been identified to effect changes to the International Telecommunications Regulations (ITRs) including the consideration of the withdrawal of administrations from the authorisation and/or regulation of accounting authorities and the replacement of this by an internationally recognised system for registering and monitoring accounting authorities as part of an ensemble of codes of business practice to govern the relationships between the service provider, the network operator, the billing intermediary and the end-user.
 - 1.3. Common factors to be included in a code of practice could, amongst others, be:
 - (1) timescales (improving on those of Recommendation ITU-T D90 by all parties);
 - (2) quality of service provisions;
 - (3) rapid response to fraud and bad debt.
 - 1.4. Control procedures and enforcement matters would have to be an integral part of the application of codes of practice in order to gain the confidence of service providers, telecommunications operators and customers. A consultative committee, consisting of representatives from, for example CIRM, service providers, accounting authorities, ITU-members, telecommunication system operators and customers, is seen as an option to regulate and monitor the application of codes of practice.
 - 1.5. The active support of CEPT administrations might be required to implement these new arrangements for regulating accounting authorities.
 - 1.6. For the **short term**, awaiting the new policy to be implemented, administrations should be given the flexibility to withdraw from the authorisation and/or regulation of accounting authorities if they want to.
 - 1.7. ECTRA, being the competent body for the present subject, should be tasked to set up an ad hoc working group to propose CEPT wide short and long-term solutions to the regulatory and operational problems identified in the report.

This ad hoc group should organise its work in such a way that the industry concerned can be consulted.
 - 1.8. The following timetable is presented as a realistic guide to steps necessary to achieve the desired long term changes in an orderly manner. The following schedule would ensure that the ITU-T Sector eventually takes over full responsibility and is in a position to take appropriate action with a view to achieving the objective stated in section 1.2.

March 1996 - ITU-T SG3: New Study Group Questions have to be proposed in time for this meeting for Study Group 3 to deal with the interlinked matters of accounting authorities and codes of business practice for telecommunication charges.

October 1996 - WTSC-96³: The agenda will not be determined until early 1996. The merger of charging regimes for the mobile services, as was called for in the now suppressed ITU-R Resolution 201, could be proposed in order to achieve a more integrated approach to charging in the modern telecommunications environment (the proposal to suppress Resolution 201 at WRC-95 recognised the Resolution was not defunct but that action envisaged was now within the purview of the ITU-T Sector).

³ World Telecommunication Standardisation Conference

Next World Conference on International Telecommunications: Only this body is competent to revise the ITRs and as yet no date has been set for the next conference. Assuming that satisfactory progress has been made in the establishment of codes of practice and the establishment of a consultative committee to monitor their application, the final step would be to suppress the present arrangements relating to the regulation of accounting authorities and to replace them by references to the new codes of practice and the consultative committee.

- 1.9. This report has no implications for the treatment of Distress and Safety communications in respect of the currently understood exemption of mobile stations from charges.

2. **Legal background to radio traffic accounting**

- 2.1. In the historical context of administrations having both operational and regulatory responsibilities, access to the maritime radio public correspondence network and arrangements for the settlement of accounts were controlled by:

- (1) licensing ship stations for certain categories of communication;
- (2) assigning an effective means of identification to ship stations;
- and
- (3) making known the route for settlement of charges owed by the station to service providers/administrations.

- 2.2. Part of the mechanism for this is for administrations to publish the minimum information necessary for service providers to establish their accounts. This is done through the ITU List of Ship Stations, which has always contained the following:

- (1) identity of the administration licensing (i.e., controlling) the mobile station;
- (2) means of identification (e.g., call-sign) of the mobile station sufficient to identify the mobile station unambiguously;
- (3) categories of communications for which the mobile station is licensed;
- (4) the route determined by the administration for the settling of accounts of its mobile stations licensed for public correspondence.

- 2.3. Under Appendix 2 to the ITRs, charges for radiocommunications from ship to shore are in principle (subject to national law and practice) collected from the ship station licensee by the administration that issued the licence, or by a recognised private operating agency, or by any other entity or entities designated for this purpose by the administration. The administration or the recognised operating agency or the designated agencies are known as "accounting authorities."

- 2.4.1. There is in effect a division of responsibility in the settlement of accounts in that the mobile station is responsible for settling charges for its public correspondence traffic it wishes via an Accounting Authority while the licensing administration is responsible for ensuring that service providers can immediately determine the route by which accounts should be rendered to the mobile station.

- 2.4.2. Under the ITRs, the administration itself is not liable for the charges incurred by the mobile station but is expected to assist, to the extent provided for by national law, in ensuring that charges due from its licensed mobile stations are settled. However, national law and practice may place a financial responsibility on the national administration if it is negligent in administering the nationally established arrangements for the settlement of accounts.

- 2.4.3. It has been found convenient over the years to arrange for the accounts to be passed to a recognised business enterprise, acting as an accounting authority, which collects charges from mobile stations and is responsible for distributing those payments to the appropriate service providers.
- 2.5. The accounting authorities have over the years facilitated the access by the mariners to the global telecommunications network. The alternative ways of organising payments have not played any significant role so far. It is believed that the accounting authorities will remain as the priority choice also in the future for maritime service.

3. **Maritime radio accounting authorities**

- 3.1. Maritime radio accounting authorities are designated for the purpose of satisfying the requirements of the international accounting system in respect of telecommunication charges attributable to licensed ship stations, namely:
- (1) the collection of charges from ship radio station licensees for maritime terrestrial and satellite telecommunications services on the basis of accounts received from service providers and network operators;
 - (2) the payment of charges to service providers and network operators for telecommunication services used by those ship radio station licensees or shipowners for whom they have account responsibility, and ensuring that these payments are made in accordance with the applicable ITU Regulations and Recommendations.
- 3.2. The present arrangements for designating accounting authorities developed to ease the mechanics of collecting and distributing telecommunications charges for non-emergency radio telephone and telex calls from ships into the public switched telecommunications network (PSTN).
- 3.3. In part, the system developed because many administrations found it beneficial that non-governmental entities handled radio traffic accounts. However, it is still necessary for the administration to ensure that the means for routing accounts for each mobile station is known to all service providers. The usual method according to the regulations of the ITU is to ensure that the information is published in the List of Ship Stations.
- 3.4. The basic role, responsibilities and duties of administrations and accounting authorities in the international accounting system derive from the ITU Convention and are laid down in Appendix 2 of the ITRs.
- 3.5. Recommendation D90 of the ITU Telecommunication Standardisation Sector gives directions on charging, billing, international accounts and settlements in the maritime mobile and maritime mobile-satellite services. Recommendation ITU-T D90 has recently been revised, and having been approved under the accelerated procedures of Resolution 1, Section 8, of the WTSC4 (Helsinki, 1993), came into force on 1 July 1995.
- 3.6. The revised D90 now recommends that the ship licensing administration should conduct a periodic review of the financial position and effectiveness of the accounting authorities it designates. This is advisable because of the large sums of money flowing through the international accounting system and the need to ensure the integrity of the system for all parties concerned - the users and the service providers in particular. However, it would seem to be the case that national laws and practices in some countries would expect similar action in any case.

⁴ World Telecommunication Standardisation Conference

4. **Changing telecommunication and regulatory environment**

- 4.1. The current market situation in mobile communications is changing rapidly with the advent of satellite systems, and the move away from non-automatic terrestrial systems as the sole means of radio communications. For maritime mobile communications in particular, recent developments have brought far-reaching changes in systems, equipment and procedures, e.g.,
- (1) the introduction of the Global Maritime Distress and Safety System (GMDSS);
 - (2) easier, more reliable access to international telephone and data networks;
- and
- (3) the use of advanced billing systems;
 - (4) increasing coverage of sea trading routes by generic mobile services and personal communications services in particular.
- 4.2. The changes of regulatory structures taking place within administrations and within CEPT administrations in particular, are also a factor to be considered in determining what the future role of administrations in the accounting process should be. The current situation is that the ITRs (Appendix 2, provision No. 2.4) place the responsibility for designating accounting authorities with the regulatory administration which has responsibility for licensing ship radio stations.
- 4.3. However, the distinction between accounting authority and administration is rather artificial when all telecommunications responsibilities rest with one integrated telecommunications administration, licensing administration and service provider. This was the situation in many CEPT countries before regulatory and operational responsibilities were split, but in a few CEPT countries the administration or the national telecommunications network operator still remains the only designated accounting authority. In such a changing environment it might become increasingly difficult to justify a monopoly situation where there is just the one accounting authority within a country, i.e., the national telecommunications operator.
- 4.4. For ships engaged in world-wide or irregular patterns of trade, the owners maintain that the present network of coast stations and coast earth stations is indispensable as is the use of an accounting authority to handle all the charges arising from all the service providers/coast station operators whose services may be used. The shipowners and service providers both report benefits from using accounting authorities as intermediaries since this reduces the number and variety of bills.
- 4.5. However, the availability of reliable terrestrial mobile telephone systems over much of Europe, including the adjacent sea areas, is already having a dramatic effect. Good cellular telephone coverage from land based sites is available over most of the northern European coastal waters and often exceeds that of VHF coast stations. The result is that many ferries, fishing vessels and coastal traders have hardly any need to use coast radio stations for public correspondence. This has been confirmed by information from shipowners, who confirm that vessels on regular voyages in European waters can and do use the land based mobile telephone network for much of their commercial traffic rather than coast station services. However, these arrangements bring a certain amount of complexity since the shipowner may have to deal with several service providers.
- 4.6. As a result of the additional spectrum allocated to the mobile-satellite service, and to the satellite component of FPLMTS/UMTS⁵ in particular, a considerable number of satellite personal communication systems are planned for the next decade. Many of these will provide world-wide coverage and there will be the potential for access to mobile telephone systems provided by satellite over all ocean areas. Because non-geostationary satellite constellations will mainly be employed, there will be no physical restriction on coverage in polar regions. However, there may be limitations on coverage as a result of co-ordination difficulties or administrative restrictions.

⁵ Future Public Landmobile Telecommunication Systems/Universal Mobile Telecommunication Systems

- 4.7. These new developments do not necessarily mean that the need for billing intermediaries such as accounting authorities will disappear. The work of the ITU-T Sector has shown that there are many complex billing and security problems to be resolved with the new mobile communication systems being planned and implemented.
- 4.8. Indeed, problems of fraud and late payments are found in all types of billing arrangements, including credit cards, and are not expected to be eliminated easily. There may well be a continuing role for specialist billing intermediaries. The Telecommunication Standardisation Bureau (TSB) of the ITU-T Sector has already received requests to register maritime accounting authorities to handle aeronautical traffic and is awaiting substantive proposals on this matter.
- 4.9. There was agreement on the usefulness of accounting authorities, especially to the service providers and system operators so that they are provided with a system on which they can rely on to be paid for their services.
- 4.10. There are, however, different views on the question of whether the accounting authorities ought to be authorised and monitored by a national administration, and if such authorisation was issued, to what extent the administration could be regarded to have assumed any obligations in connection with the activities of the licensed accounting authority.
- 4.11. One argument in favour of a high level of responsibility was the opinion that there is open access to the PSTN in the maritime mobile and maritime mobile-satellite services and by the act of licensing a ship station to have access to public correspondence, the licensing administration places itself under an obligation to arrange for the settlement of the collection charges that arise. This does not imply any liability for payment by an administration, merely that the administration should take all possible steps to ensure payment.
- 4.12. Against that, others however claimed that only commercial relationships were involved and that, if regulation was required, responsibility should be exercised by bodies with similar expertise in the regulation of banking and credit facilities.
- 4.13. Recently, however, the opinion is moving towards the long term solution of a more binding relationship between accounting authority and service providers based on enforceable codes of practice or contracts. Inmarsat has drafted a code of business to meet its particular concerns and this has been well received within the industry. In a parallel development, Russia proposed a code of business accounting practice to the December 1994 meeting of Working Party 5/3 of ITU-T Study Group 3. In consequence, the CIRM⁶, which has had an occasion in the past to study the preparation of a code of business practice, was tasked to examine the proposal further.
- 4.14. There remains the question of how such arrangements could be implemented within the international accounting system. Inevitably, the relationships between the parties involved will change. A situation may exist whereby a service provider may have contractual relationships with several Accounting Authorities; i.e., those not authorised by their national administration, and, at the same time, will have relationships governed by ITU (D90) for those who are. In effect where an administration will not authorise an Accounting Authority D90 will cease to apply, which could result in direct billing.
- 4.15. It is clear that in order to respond to changes in the modern telecommunications environment, an accounting authority must be a business entity willing and able to provide a continuous world-wide service to users. An accounting authority must have the resources and expertise necessary to handle the complexities of billing international mobile traffic. As such, accounting authorities must undertake to operate in accordance with internationally accepted standards which define their responsibilities and duties. The prompt and accurate exchange and dissemination of information is essential to the proper functioning of the international maritime radio billing system, and to maintaining effective quality control.

⁶ International Maritime Radio Committee

5. **Harmonisation of regulatory procedures within CEPT**

- 5.1. With the separation of operational and regulatory functions a regulatory regime applicable to accounting authorities has to be considered. The problem in the new regulatory environment is that the regulation of accounting authorities has commercial, trade and competition aspects which do not mesh at all well with the priorities of radio regulatory bodies reorganised to concentrate on technical matters. The option of retaining the status quo, i.e., take no action at all, is not feasible. The forthcoming simplification of the Radio Regulations will suppress article 66, "Charging and accounting for maritime radiocommunications", referring instead to the provisions of the ITR and the ITU "T" sector Recommendation D.90.

As the enforcement of the ITRs is primarily the responsibility of the telecommunication administrations rather than the radio regulatory administrations a number of the latter have indicated their intention to withdraw from any administrative role regarding the authorisation of accounting authorities.

Hence the need to examine the regulatory requirements of the accounting process from the perspective of administrations. For CEPT members two scenarios need to be investigated:

- (1) To progress further along the lines of a more focused type of regulation of accounting authorities initiated in the revised Recommendation ITU-T D90, in which case a harmonised solution within CEPT mechanisms is indicated. Although action only within CEPT would be needed, agreement may be far from simple to achieve;
- (2) To take a new approach by moving the responsibility for regulation away from radio regulatory bodies. In this case world-wide action to change the Regulations and Recommendations of the ITU-T and substitute these with other internationally accepted standards would be needed. Given the experience with revising D90, this would be fraught with difficulty and CEPT would have to take a firm lead.

- 5.2. The two scenarios are discussed in more detail below. In the short term they are not mutually exclusive since the liberalisation approach may well take several years to achieve and some guidance is urgently needed to address the immediate concerns of administrations. The present situation is that several administrations have received requests from companies wanting to become accounting authorities but have no machinery to handle the applications. It may be necessary to introduce a short term CEPT wide procedure to address that situation in such a way that it would be compatible with the desired long term solution.

- 5.3. There is little direct guidance on the standards of business practice that ought to be provided by an accounting authority, or on the role of an administration in monitoring standards. Because of the large sums of money involved in managing clients' accounts, the industry considered that it is no longer acceptable to have a situation where new accounting authorities may be appointed without any form of investigation or where existing accounting authorities are subject to no form of financial monitoring.

- 5.4. Effective procedures therefore need to be put in place to ensure that regular reviews of the existing accounting authorities and investigations of new applicants for accounting authority status are carried out. These should focus on the financial position and effectiveness of each accounting authority as recommended by the revised Recommendation ITU-T D90. Previously, the only definite recommendation to administrations in D90 was that the number of accounting authorities designated to account for their licensed ships should be limited, as far as possible, and should not exceed a maximum of 25.

- 5.5. A more effective, yet competitive, regulatory regime is therefore required. Although the revised D90 does urge administrations to monitor the key issues of performance and quality, an ITU-T Recommendation has little legal force. This leads to the question whether additional national regulations are required. The United States has recognised that the lack of legal powers could have very serious consequences, particularly if an accounting authority fails financially. If administrations are found to be negligent through failing to take adequate steps to regulate accounting authorities effectively, they may find themselves responsible to telecommunications network operators for large sums of money due to unpaid accounts.
- 5.6. Harmonisation of procedures could solve many potential regulatory problems for CEPT members, at least in the short term. It is, for example, very difficult to determine where administrative responsibilities lie in the case of an accounting authority based in one country which is also designated by several other countries. Should each country apply its own regulatory (particularly financial) procedures to this same company or just the country in which the accounting authority is based.
- 5.7. Besides good financial standing, attention needs to be given to measures which would promote an effective competitive environment. Issues such as the removal of non-functioning accounting authorities and a bar on a single business operating with multiple accounting authority identification codes (AAICs) would need to be addressed.
- 5.8. After considering the US regulatory framework proposed by the FCC in the Notice of Proposed Rule Making, MD Docket No. 93-297, it was concluded that this could serve as a good model if CEPT chooses to develop its own Recommendation on the subject.

6. **Alternative proposals to the current accounting system**

- 6.1. In Europe, the changes in the telecommunications market and the impetus toward liberalisation within governments mean that some alternative arrangement for first line regulation of accounting authorities is inevitable in the long term. However, an effective reliable management system must remain an integral part of the modern environment for telecommunications in order to safeguard the financial interests of users and service providers alike. Several scenarios have been discussed with representatives from service providers, accounting authorities and user groups during the first half of 1995 with the results summarised below.
- 6.2. Firstly, the operations of an accounting authority for the purpose of public correspondence is a commercial telecommunication matter and far removed from core frequency management responsibilities of radio administrations. The simplified Radio Regulations, which are to be adopted over the coming years, remove all provisions relating to Accounting Authorities from the Radio Regulations. This places the overall responsibility with the ITU-T sector since all relevant regulatory provisions are now confined to the ITRs. The radio administrations are therefore seeking to transfer these responsibilities to Telecommunication Administrations, who have responsibility for ITRs.
- 6.3. Secondly the possibility of self management by Accounting Authorities without the involvement of administrations was considered. There were fears however:
- (a) On the part of service providers and users this would generate instability in the market, at least for an initial period during which many new businesses would be set up as billing intermediaries, only to fail soon afterwards, and the eventual outcome would create extra complexity in obtaining services and settling charges but with no particular benefit to either party;
 - (b) Service providers would be wary of taking business since nothing could be assumed concerning the ability of these businesses in the absence of any authorisation by an administration. Even now, service providers are of the opinion that there are too many accounting authorities world-wide: there are over 500 in the world of which less than half are commercially active in a substantial way;

- (c) The uncertainty would be felt by users too, who could never be certain which billing intermediaries were accepted by which service provider at any particular time. Another problem could be that the new entrants to the market will concentrate on the more lucrative non-maritime traffic, and may be reluctant to cater for the special needs of the established shipowning customers;
- (d) System operators such as Inmarsat also require confidence in businesses operating as billing intermediaries but, unlike the general telecom service provider, system operators have the advantage of full control over their specific systems and can take prompt action to cease service in cases of bad debt or fraud. Nevertheless, some form of control procedure or policing arrangement is preferred for those businesses providing billing services in order to prevent such problems developing. Inmarsat is developing a code of business practice for this purpose. A draft version of this code of practice was reviewed with the conclusion that such a procedure could form the basis for setting standards for accounting authorities, and billing intermediaries in general, independently of radio regulatory administrations;
- (e) The industry felt that it would not assist them if governments were to stand wholly aside from the accounting aspects of mobile radio public correspondence. However, there was general agreement that some form of code of practice could be used as an alternative to set the required standards needed for billing intermediaries in the modern telecommunications environment. All sides of the industry were of the opinion that administrations would have to endorse any such code of practice and take a sufficient interest in monitoring the new arrangements to guarantee adherence to the standards set. Others believe that the question of endorsement needs to be examined when the code of practice is elaborated.

6.4. Code of Practice to improve the accounting process

- 6.4.1. Progress on developing a suitable code of practice within the telecommunications industry is already well advanced. The draft code of practice on accounting authorities from Inmarsat contains a number of essential features for improving the flow of information and payment timescales with the aim of reducing bad debts and opportunities for fraud. It is seen by several service providers as the basis for controlling accounting practices for national and cross-border mobile telephone traffic as well as for maritime public correspondence. One feature of the draft code is that accounting authorities are assumed to operate on a multi-national basis without restriction unlike the present situation where each administration designates only those accounting authorities permitted to act for its own licensed stations.
- 6.4.2. The ITU-T saw the code of business practice proposed by Russia as containing useful ideas on commercial practice that could be converted into a proposal to extend the scope of Recommendation ITU-T D90 and tasked the CIRM to examine the matter further. This is a development which CEPT should welcome as being in line with the result of its own investigations. The ideal situation for CEPT would seem to be a situation where an international consultative committee consisting of representatives from the industry, but endorsed by administrations and organised through the ITU, would approve and monitor businesses participating in the international accounting system.

- 6.4.3. The conclusion from the CEPT studies is that further work should be focused on a code of business practice to regulate accounting authorities which, taking into account possible national regulations and practice, as a minimum should include the following:
- a. Timely payment record
 - b. Guarantee of payment
 - c. Regulatory compliance: - International Telecommunication Regulations
 - Relevant parts of Recommendation ITU-T D90
 - d. Commercial stability: - Company administrative and financial systems - unit/parent companies
 - Quality accreditation
 - Incremental rating - level of accounts dealt with against financial risk.
- 6.5. One more factor to consider is the efficient provision and exchange of information related to billing routes. Although the ITU List of Ship Stations now has on-line access available, the information is not accurate enough nor is it updated quickly enough to meet the need of the market in telecommunications services at the present time, let alone after the changes envisaged here take place. Either a radical review of the management of the List of Ship Stations or a completely new database will be required to respond to the new arrangements supplying billing intermediary services. In accordance with the ITU Radio Regulation, Article 26 (2237) administrations shall at least once a month inform ITU about additions, modifications or deletions to the List of Ship Stations.

ANNEX 1

ADDITIONAL PROVISIONS RELATING TO MARITIME TELECOMMUNICATIONS

1. *General*

The provisions contained in Article 6 and Appendix 1, taking into account the relevant CCITT Recommendations, shall also apply to maritime telecommunications in so far as the following provisions do not provide otherwise.

2. *Accounting authority*

2.1. Charges for maritime telecommunications in the maritime mobile service and the maritime mobile-satellite service shall in principle, and subject to national law and practice, be collected from the maritime mobile station licensee:

a) by the administration that has issued the licence;

or

b) by a recognised private operating agency;

or

c) by any other entity or entities designated for this purpose by the administration referred to in a) above.

2.2. The administration or the recognised private operating agency or the designated entity or entities listed in paragraph 2.1 are referred to in this Appendix as the "accounting authority".

2.3. References to administration* contained in Article 6 and Appendix 1 shall be read as "accounting authority" when applying the provisions of Article 6 and Appendix 1 to maritime telecommunications.

2.4. Members shall designate their accounting authority or authorities for the purposes of implementing this Appendix and notify their names, identification codes and addresses to the secretary-general for inclusion in the List of Ship Stations; the number of such names and addresses shall be limited taking into account the relevant CCITT Recommendations.

3. *Establishment of accounts*

3.1. In principle, an account shall be considered as accepted without the need for specific notification of acceptance to the accounting authority that sent it.

3.2. However, any accounting authority has the right to question the contents of an account for a period of six calendar months after dispatch of the account.

4. *Settlement of balances of account*

4.1. All international maritime telecommunication accounts shall be paid by the accounting authority without delay and in any case within six calendar months after dispatch of the account, except where the settlement of accounts is undertaken in accordance with paragraph 4.3 below.

* or recognised private operating agency(ies)

- 4.2. If international maritime telecommunication accounts remain unpaid after six calendar months, the administration that has licensed the mobile station shall, on request, take all possible steps, within the limits of applicable national law, to ensure settlement of the accounts from the licensee.
- 4.3. If the period between the date of dispatch and receipt exceeds one month, the receiving accounting authority should at once notify the originating accounting authority that queries and payments may be delayed. The delay shall, however, not exceed three calendar months in respect of payment, or five calendar months in respect of queries, both periods commencing from the date of receipt of the account.

The debtor accounting authority may refuse the settlement and adjustment of accounts presented more than eighteen calendar months after the date of the traffic to which the accounts relate.