

# INTERNATIONAL TELECOMMUNICATION UNION



*Telecommunication  
Development Bureau*

T E L E F A X

Place des Nations  
CH-1211 Geneva 20  
Switzerland

Telephone +41 22 730 51 11  
Telefax Gr3:+41 22 733 72 56  
Gr4:+41 22 730 65 00

Date: 26 June 2009 Time: Page 1/4 Ref: DM-174

To: National Telecommunication Regulatory Authorities  
and Operators

Fax:

Contact: Makhtar FALL, Head  
Regulatory and Market Environment Division

Miloud Ameziane  
Head Regional Office Arab States

For your reply:

E-Mail: [makhtar.fall@itu.int](mailto:makhtar.fall@itu.int)

Fax : +41 22 730 6210 Tel : +41 22 730 6256

E-Mail: [miloud.ameziane@itu.int](mailto:miloud.ameziane@itu.int)

Fax: Tel:

Subject: ITU Expert-Level Training for national regulatory authorities and operators on cost modeling  
Damascus (Syria) 11 – 15 October 2009

Dear Sir/Madam,

Pricing and cost modeling practices are central to the regulator's role in fostering a fair, competitive and healthy telecommunication and ICT sector that ensures affordable access to ICTs and promotes investment incentives for all market players. Striking the right balance requires regulators to fully understand and analyze in detail the advantages and disadvantages of different cost models, including their implications for the calculation of cost-based tariffs for regulated retail and wholesale services and the challenges of data collection.

In addition, because of rapid technological development, it is necessary to provide technical staff with sufficient cost modeling tools and knowledge to enable them to understand how to work on the development of their own cost models or to adapt existing cost models to the changing environment.

These key costing issues are among a range of operational issues to be addressed during this one-week Expert-Level Training for national regulatory authorities and operators on cost modeling.

It is with great pleasure that I invite you to participate in this Expert-Level Training that will be held in Damascus (Syria) from 11 to 15 October 2009.

The Expert-Level Training will be conducted by Professor Heinrich Otruba from the University of Economics and Business Administration of Vienna (Wirtschaftsuniversität Wien), together with Dr. Roland Belfin, Head of International Affairs of the Austrian Broadcasting & Telecom Regulatory Authority in Vienna and Mohammed Eweiss, Director Economic Affairs of the National Telecommunication Regulatory Authority (NTRA) Egypt.

The focus of this training is to provide participants with concrete exercises and hands-on practice so that they can develop their own cost models. This training will:

- Analyze and describe in detail the different costing methodologies applicable to telecommunications/ICT (e.g. LRIC, LRAIC, FDC, ABC, etc.) and showcase alternative methods of price regulation (such as benchmarking, price cap, accounting separation, etc.);
- Provide a detailed presentation of existing cost models (e.g. COSITU, World Bank Model);
- Provide participants with a concrete step-by-step check list to determine which method and methodology to apply in accordance with their national context;
- Explain the importance of the data collection process: how to collect the data;
- Explain development of a cost model, including a step-by-step approach (definition of the telecommunication services; traffic estimation; cost elements: calculation of network costs; direct, indirect, common and special costs, amortizations, depreciation; cost of capital; routing table and cost distribution matrix; comparison with current tariffs; analysis and interpretation of results);
- Enable participants to test the model using different market environments, taking into consideration the number of operators (fixed and mobile), and the different telecommunications services, such as fixed, mobile, voice, SMS, roaming, internet, VoIP, Mobile TV, etc.;
- Offer a look forward in adapting cost models to NGN – overview.

Discussion sessions will also be conducted to promote dialogue and exchange of experiences among participants. Participation of experts from regulatory authorities and operators in charge of costing issues is greatly encouraged. Please find enclosed the Provisional Agenda.

This High-Level training will be conducted in English. For practical reasons relating to logistics, the number of participants will be limited to two per country.

All the information concerning registration, as well as general information including a list of hotels in Damascus will be available soon on the website: <http://www.itu.int/ITU-D/finance/>.


You are invited to confirm your participation by registering for the training before **20 September 2009**.

Please note that while participants shall cover their own travel and accommodation expenses, there are no training fees.

I look forward with great anticipation to your participation in this event.

Yours faithfully,



 Sami Al Basheer Al Morshid  
Director

Annex: Provisional Programme



## ITU EXPERT-LEVEL TRAINING FOR NATIONAL REGULATORY AUTHORITIES ON COST MODEL DEVELOPMENT

Damascus (Syria), 11 - 15 October 2009

<b>Programme</b>			
<b>Day 1</b>	<b>Goal: Team building, introduction in liberalization &amp; regulation, price controls as strategic tool</b>		
	08.30	09.00	Delegate Registration
Session 1	09:00	10:30	Team building, introduction, expectations
Session 2	10:45	12:30	Process of liberalization & regulation
Session 3	14:00	15:15	Price control and cost accounting as strategic tool
Session 4	15.30	17:00	Costing concepts (FAC, LRIC, etc.)
<b>Day 2</b>	<b>Goal: Accounting separation, main assumptions for cost modeling</b>		
Session 5	09:00	10:30	Accounting separation
Session 6	10:45	12:30	Overview main assumptions
Session 7	14:00	15:15	Kick of practical case studies (introduction, status of regulation)
Session 8	15.30	17:00	Case studies discussion 1
<b>Day 3</b>	<b>Goal: Understand the main assumptions for models and exchange of practical experience</b>		
Session 9	09:00	10:30	Main assumptions (increment, depreciation, etc.)
Session 10	10:45	12:30	Main assumptions (WACC, capital maintenance, joint cost, tec.)
Session 11	14:00	15:15	Case studies preparation 2 (definition of project)
Session 12	15.30	17:00	Case studies discussion 2
<b>Day 4</b>	<b>Goal: Get an overview of costing models and the steps of the modeling process</b>		
Session 13	09:00	10:30	Costing models
Session 14	10:45	12:30	Costing models
Session 15	14:00	15:15	Costing models
Session 16	15.30	17:00	Modeling process (main steps)
<b>Day 5</b>	<b>Goal: Share experiences and identify the next steps of practical implementation</b>		
Session 17	09:00	10:30	Case studies preparation 3 (project planning)
Session 18	10:45	12:30	Case studies discussion 3
Session 19	14:00	15:15	Evaluation case studies
Session 20	15.30	17:00	Wrap up



ITU Expert-Level Training for National  
Regulatory Authorities on Cost Model  
Development

Damascus-Syria, 11-15 October 2009



**HOTEL RESERVATION FORM**  
*(to be submitted before 25 September 2009)*

**( CAPITAL LETTERS )**

1. Mr. / Mrs. _____ (Family name) _____ (First name)
2. Country : _____
3. Address : _____
4. Tel.: _____ Fax: _____ E-mail : _____

**PLEASE SEND DIRECTLY TO THE HOTEL CHOSEN**

5. Specify name of hotel _____ Hotel Fax No. _____ Booking of a single room <input type="checkbox"/> Booking of a double room <input type="checkbox"/> from _____ to _____ for _____ nights
6. Arrival Date : Day: _____ Time : _____ Flight No. : _____
7. Departure date : Day : _____ Time : _____ Flight No. : _____
Date : _____ Signature : _____

**To be returned before 25/09/2009,**

**to:** the hotel chosen

**cc:** **Mr. Ramzi RAMADAN**  
Public Relations Director,  
Syrian Telecommunications Establishment.  
Tel: +963 11 612 26 45  
Fax: +963 11 612 16 45  
E-mail: [pub-dir@net.sy](mailto:pub-dir@net.sy)



**ITU Expert-Level Training for National  
Regulatory Authorities on Cost Model  
Development**

Damascus-Syria, 11-15 October 2009



**INFORMATION NOTE**

***VENUE OF THE WORKSHOP***

The workshop will be held from 11 to 15 October 2009 in Damascus, Syria at the following address:

**Syrian Telecom Establishment (STE) Hall, Mezzah Autostrade, Fayez Mansour Street,  
P. O. Box 35108, Damascus.**

***REGISTRATION AND WORKING HOURS***

The registration of the participants and distribution of documents will take place in the meeting's venue on Sunday 11/10/2009, at 09h00 am. The opening session will start at 09h30 am. Proposed working hours are from 09:00 to 17:00.

***PROPOSED ACCOMODATION***

Kindly be advised that it is recommended for participants to reserve their hotel accommodations via telephone or fax, by sending the Hotel Reservation Form directly to the hotels, indicating their arrival schedules, with a copy to the Workshop Coordinator, **Mr. Ramzi Ramadan**, Fax No.: +963 11 612 16 45 **before 25/09/2009.**

**LIST OF PROPOSED HOTELS**

**Cham Hotel (\*\*\*\*\*)**

Single Room: Euro 100 + 12 % government tax.

Double Room: Euro 120 + 12 % government tax.

Tel: +963 11 22 32 300

Fax: +963 11 22 26 180

E-mail: [chamresa@net.sy](mailto:chamresa@net.sy)

Website: [www.chamhotels.com](http://www.chamhotels.com)

**Sheraton Hotel (\*\*\*\*\*)**

Single/Double Classic Room: Euro 130 + 12.3 % government tax.

Tel: +963 11 22 29 300

Fax: +963 11 21 29 349

For express reservation:

Fax: +963 11 22 43 607

E-mail: [Damascus.reservation@sheraton.com](mailto:Damascus.reservation@sheraton.com)

Website: [www.sheraton.com/damascus](http://www.sheraton.com/damascus)

**Dedeman Hotel (\*\*\*\*\*)**

Single/Double Classic Room: Euro 112 + 12.3 % government tax.

Tel: +963 11 22 29 200

Fax: +963 11 22 33 303

**Semiramis Hotel (\*\*\*\*\*)**

Single Room: Euro 85 + 12.3 % government tax

Double Room: Euro 95 + 12.3 % government tax

Tel: +963 11 21 20 225

Fax: +963 11 22 16 797

**Blue Tower Hotel (\*\*\*\*)**

Single Room: Euro 100 + 2 % government tax

Double Room: Euro 110 + 2 % government tax

Tel: +963 11 33 40 240

Fax: +963 11 33 42 112

E-mail: [info@bluetowerhotel.com](mailto:info@bluetowerhotel.com)

Website: [www.bluetowerhotel.com](http://www.bluetowerhotel.com)

**Carlton Hotel (\*\*\*\*)**

Single Room: Euro 80 + 16 % government tax

Double Room: Euro 90 + 16 % government tax

Tel: +963 11 21 22 000/1/2/3/4/5/6

Fax: +963 11 21 22 007

E-mail: [carlton\\_hotel@net.sy](mailto:carlton_hotel@net.sy)

Website: [www.carltonhotel-syria.com](http://www.carltonhotel-syria.com)

**Al-Iwan Hotel (\*\*\*\*)**

Single Room: US\$ 85 government tax included

Double Room: US\$ 100 government tax included

Tel: +963 11 23 21 476

Fax: +963 11 23 15 224

**Al-Salam Hotel (\*\*)**

Single Room: SL 1700 government tax & breakfast included

Double Room: SL 2500 government tax & breakfast included

**TRANSPORTATION**

STE will provide transportation from Airport to the hotels **above mentioned only** and from the hotels to the workshop's venue and vice versa.

**D. VISA REQUIREMENTS**

A valid passport is required to enter Syria. Each participant (not holding an Arab passport) is requested to consult the Syrian Embassy in his/her country of origin to obtain the visa.

In case there is no Embassy or Consulate of Syria in your country, it is recommended to send, at least two weeks before the workshop, a copy of your passport to Mr. Ramzi Ramadan, Director of Public Relations, Syrian Telecommunication Establishment (Fax: +963 11 612 1645, Tel: +963 11 612 2645) in order to assist in issuing your visa.

**E. OTHERS**

- Local time: GMT + 2.
- Climate: 22 °C
- Telephone services: will be provided by STE.
- Electrical current: 220 AC
- Exchange rate: The official currency is the Syrian Lira. **1 Euro = 62SL (approx).**  
**1 US\$ = 46 SL (approx).**