

FINAL REPORT

Seminar on «Tariff Policies and Interconnection of Telecommunication Operators' Networks», Odessa, Ukraine, 15 – 17 September 2009

This seminar was held as part of the implementation of the BDT's Doha Action Plan (DAP) specifically Programme 4, "Economics and Finance, including cost and tariffs" in coordination with the Communications Administration of Ukraine, and hosted by the Odessa National Academy of Telecommunications named after A.S. Popov (ONAT).

It was attended by 80 delegates from 12 countries (Azerbaijan, Belarus, Bulgaria, Iraq, Kyrgyzstan, Moldova, Mongolia, Russia, Slovakia, Tajikistan, Uzbekistan, and Ukraine).

The seminar was intended for representatives of telecommunication administrations, regulatory authorities, financial and technical managers from operators and service providers, scientific and higher education institutions in the field of telecommunications/ICT.

Prof. P. Vorobienko, Rector of ONAT, opened the seminar and welcomed the delegates expressing his appreciation to ITU for the organization of this seminar which was a significant vehicle for the exchange of views in the region.

Mr. Andrei Untila, representative of ITU Area Office for CIS, in his opening remarks welcomed the participants on behalf of the ITU authorities and expressed gratitude to the Communication Administration of Ukraine and ONAT for their essential support in hosting this Seminar.

The objective of the seminar was to share experiences and inform participants of the latest developments on issues related to tariff policy and regulation of interconnection which should be addressed to facilitate the creation of dynamic and competitive ICT markets and to provide users with greater access to ICT services.

At the seminar 22 presentations were made by experts from different countries grouped into a framework of 4 sessions and a round table discussion:

- *Session 1:* The development of regulation principles during economic crisis.
- *Session 2:* Determination and distribution of interconnection costs – methods and problems.
- *Session 3:* Tariff policy in telecommunications.
- *Session 4:* Technical aspects of the organization of interconnection and process automation of cost accounting for interconnection of telecommunication operators' networks.
- *Round Table Discussion:* Tariff Policies and Interconnection of Telecommunication Operators' Networks:
 - How countries are dealing with interconnection regulation and pricing?
 - How the transition towards NGN is affecting the interconnection regulation?
 - How a cost accounting system for interconnection could be introduced to operators?

The following issues were considered during the seminar:

- Recommendations of international organizations and institutes on the calculation of tariffs and regulation of tariffs for interconnection of telecommunication operators' networks;
- Approaches to determination of tariffs for interconnection of telecommunication operators' networks;
- Approaches to building the tariff regulation system;
- State regulation of interconnection of telecommunication operators' networks;
- Methods and problems of determination of interconnection costs;
- Issues related to the introduction of a LRIC (long run incremental cost) model approach;
- Approaches to building an economic model of tariff determination for interconnection of data-communication networks;
- Principles of taking into account investments in the calculation of interconnection tariffs;
- Technical aspects of organization of interconnection of telecommunication operators' networks;
- Basic approaches to quality control of the interconnection of telecommunication operators' networks;
- Prospects of development of tariff policies and interconnection of telecom operators' networks;
- The principles of organization and planning of cost accounting depending on the types of activity;
- Determination and distribution of fixed and variable costs in telecommunication industry;
- Peculiarities of distribution, planning and calculation of production costs depending on the types of services;
- Transition to separate cost accounting depending on the types of activity. Abandonment of cross-financing of services in telecommunication industry;
- Experience of Telecommunication Administrations and Operators of the CIS and Eastern Europe in above-mentioned issues.

Mr. Vadim Kaptur, the Chairman of the Seminar, presented the concluding remarks of the Seminar.

The participants stressed the importance of BDT's work in the region and expressed thanks to ITU Area Office for CIS and the hosting organization for their excellent work and for their contributions through the seminar, and they requested that the event take place on an annual basis and that the present collaboration be maintained.

A brief summary of the results of the sessions was made by Mr. Andrei Untila who expressed his appreciation to all the delegates for their active participation, the speakers for their interesting presentations and discussions, and thanked the host country for its excellent organization and generous support.