

Mobile Termination Rates

June 15th, 2005

Buenos Aires, Argentina

D.93 ITU Recommendation

- **Charging and accounting in the international land mobile telephone service (provided via cellular radio systems)**

- **Principles for charging**
- **2.1** The charge structure and level in any country is a national matter
- The charge would normally consist of two components:
 - – a network access component;
 - a network utilization component

Principles for accounting

- accounting rates for international traffic should be cost oriented, non discriminatory and taking into account the principles embedded in Recommendation D.140.

Principles for accounting

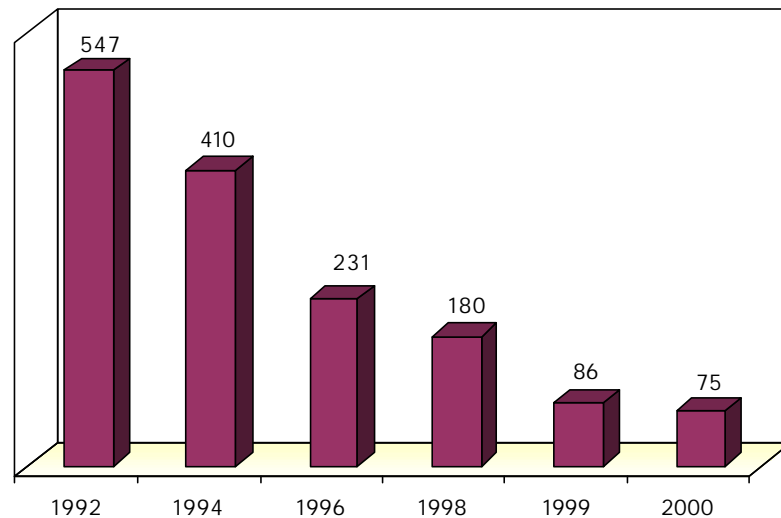
- International traffic terminating at a mobile network will be accounted for either:
 - a) at the normal IDD rate or
 - b) in relationships where cost orientated rates have been agreed, and where costs for terminating at a mobile network differ from those of terminating at a fixed network, a separate rate may be bilaterally agreed for traffic terminating at a mobile network. In each case both the rates for fixed and mobile traffic need to be cost-orientated based on the costs of terminating that traffic. The difference between the two rates should be as small as possible.



access, global average, in US\$, 1992-2000

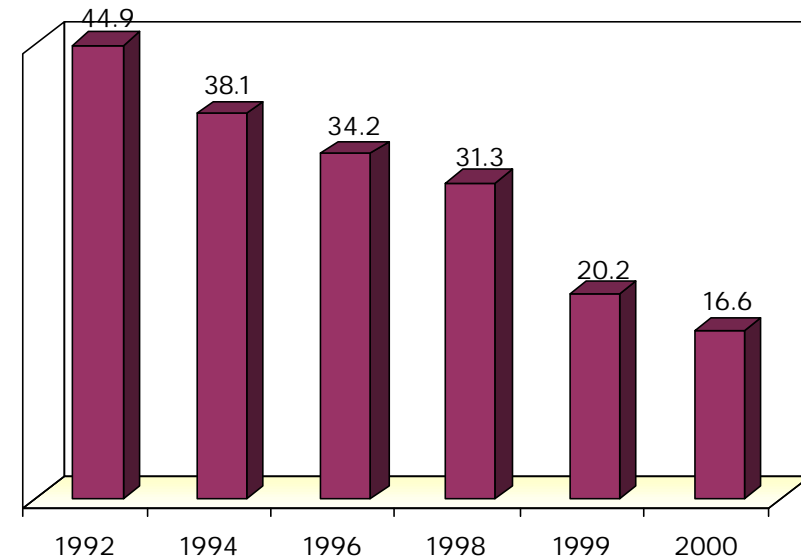
Connection charge, in US\$

CAGR, 1992-2000 = -32.1% p.a.



Monthly subscription, in US\$

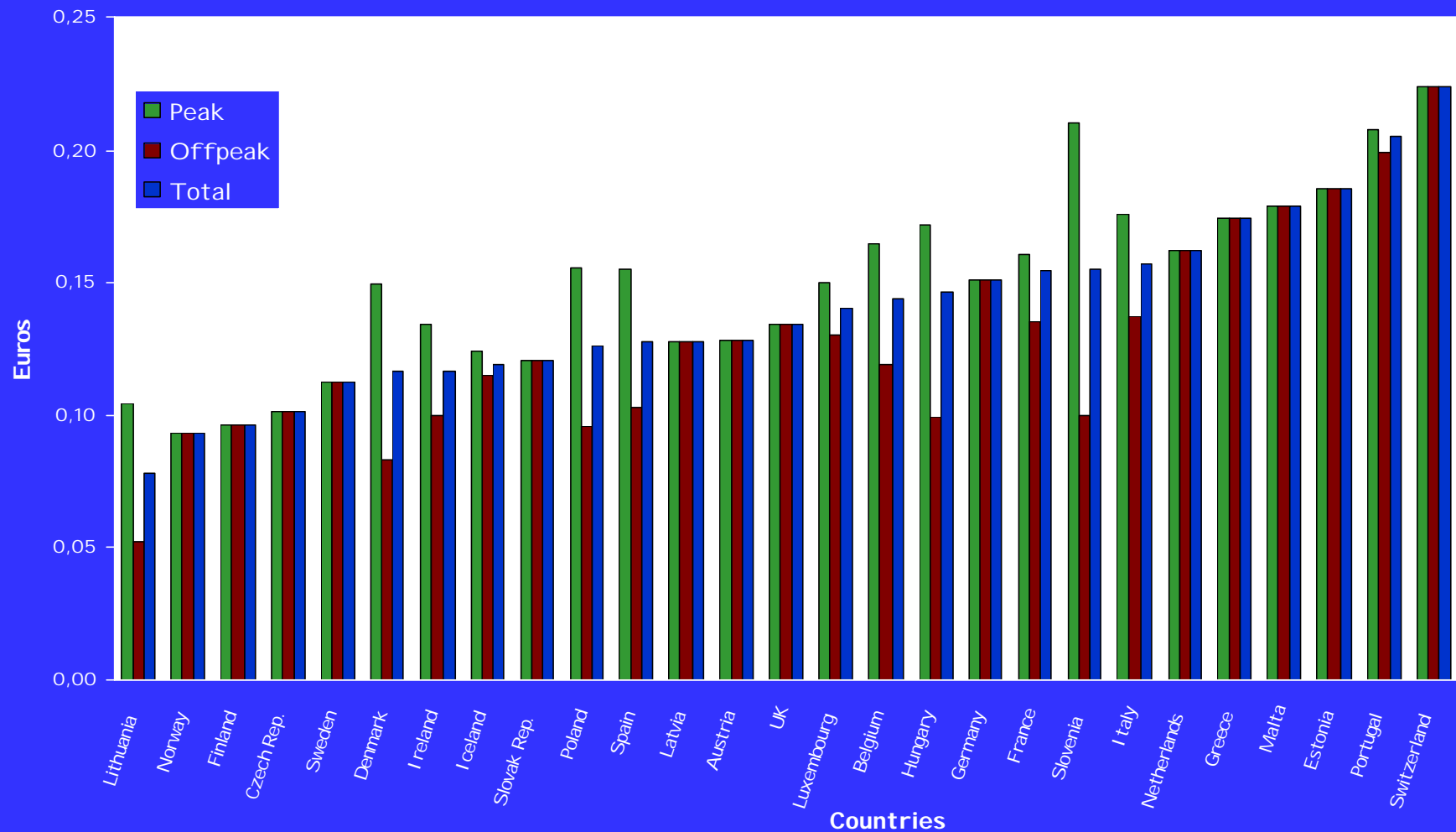
CAGR, 1992-2000 = -9.2% p.a.



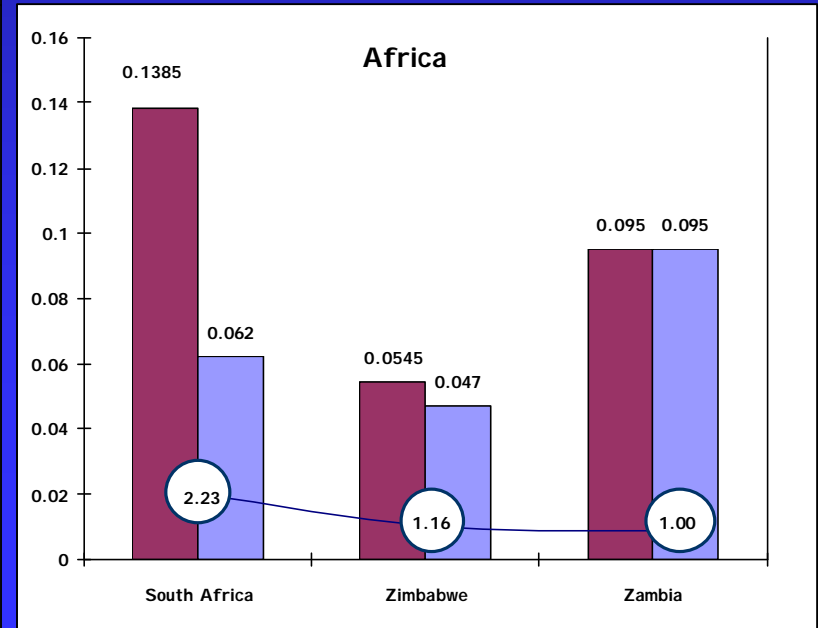
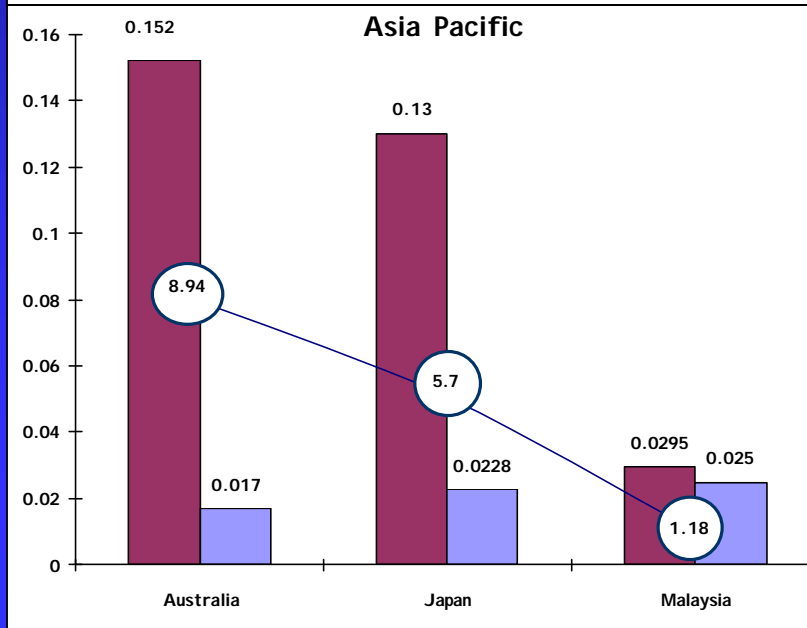
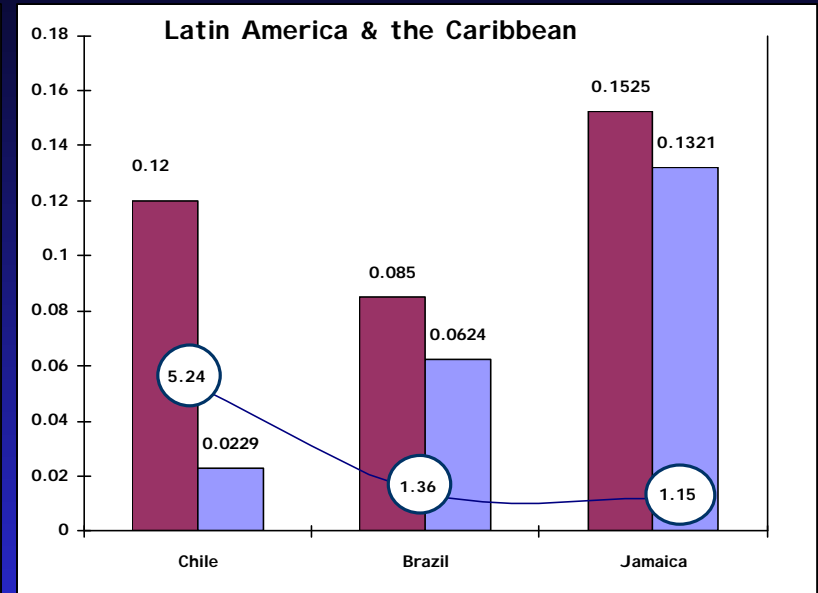
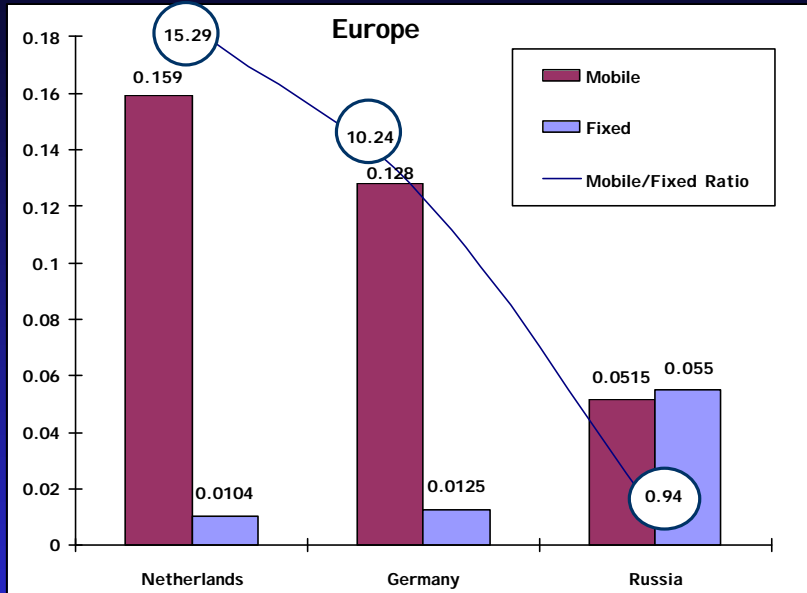
Note: CAGR = Compound Annual Growth rate.

Source: ITU "World Telecommunication Development Report 1999: Mobile cellular"

Average Mobile Termination Rate (European countries, July 2004)



Mobile and fixed Settlement rates, Mobile/Fixed ratio



From FCC data
 Notice of Inquiry
 October 2004

Implications

- D. 93 principles ignored
- Outpayments by most developing countries to developed countries.
- Local toll rates continue to rise – impact on USO
- Lack of support for ITU

Way Forward

- Local regulations and Policy to address local interests...Jamaica
- Dispute resolutions mechanisms (int'l) needed.
- United effort.
- Alternative arrangements, including refile

Thank You

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