



Applying COSITU in the Region

The Swazi MTN Experience



The Swazi MTN Experience

Agenda



- Background
- Interconnectivity
- Traffic Cases
- Applying COSITU



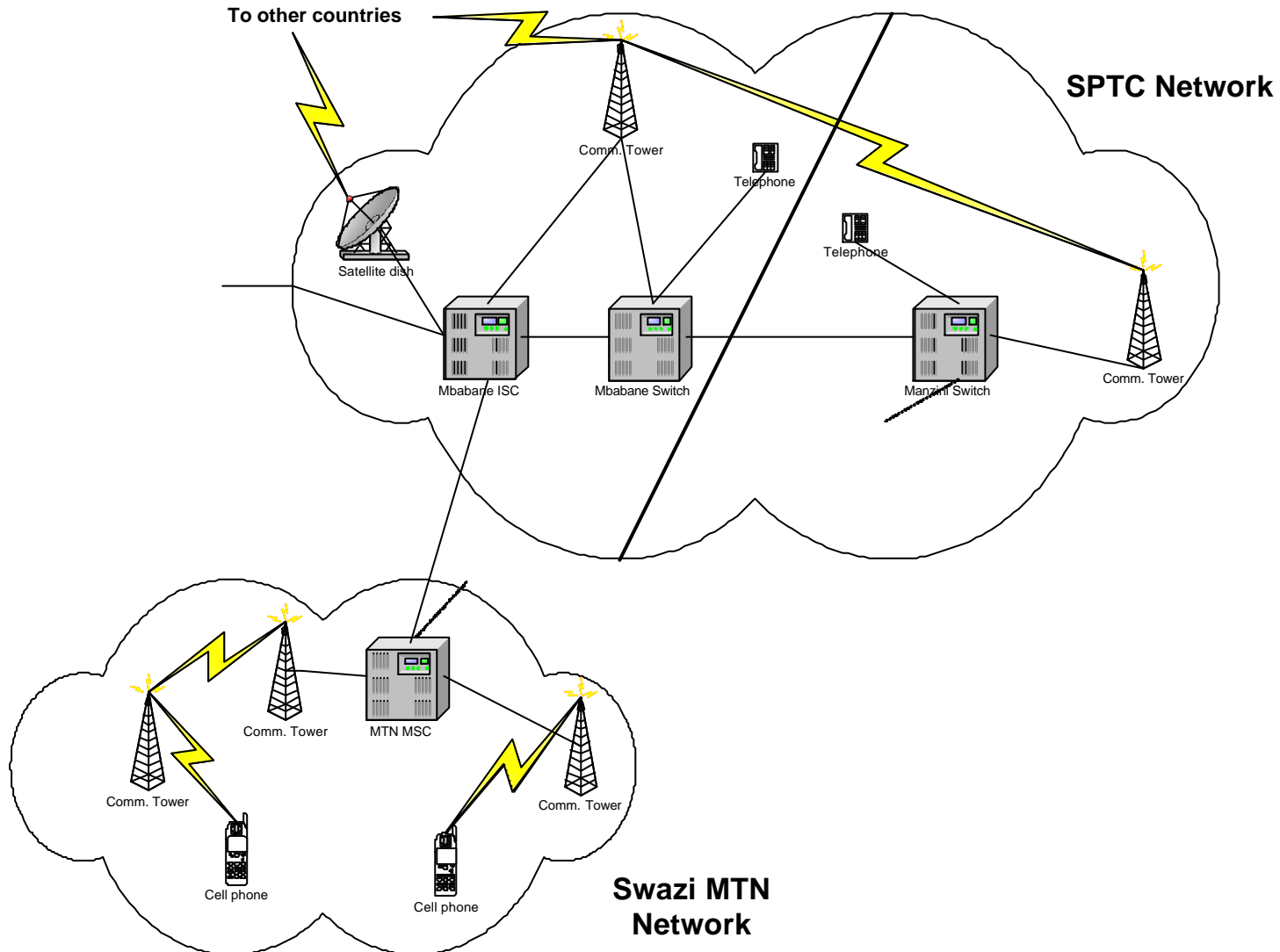
The Swazi MTN Experience Background



- Mobile Network Operator
 - Approximately 110,000 customers
 - One MSC in the network
 - No International Gateway
- Only Interconnect to Fixed Network Operator (SPTC)
 - Three Points of Interconnect
 - National and International Traffic



The Swazi MTN Experience Interconnectivity



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Traffic Cases



- Urban traffic
 - Mobile to Mobile traffic
- National Outgoing
 - Traffic terminating on SPTC network
 - Traffic terminating in international destinations
- National Incoming Single
 - Traffic originated from SPTC network
 - Traffic incoming from other countries



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Applying COSITU



- Used 2002/2003 Data
- Manual Entry used for Traffic estimates
- General Accounting Method used
- Only Switching and Access Network elements
 - One MSC hence no transmission element
 - Access network elements between BSC and BTS's



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➤ Amortization

- Assumes all assets depreciate at same rate
- Amortization for services other than telephone

➤ Average Interest Rate

- Complicated formula is used & this should be simplified
- Adjust button recalculates the AIR & the ROE (how & why)?

➤ Do Billing costs include both capital costs as well as depreciation costs?



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- Network Inefficiency Costs
 - How do you cater for excess capacity required for planning headroom and network redundancy?
 - How do you interpret the capacity in relation to Wireless Local Loop systems?
 - Is growth rate over the previous year or averaged over a number of years?
- How would you apply the model to determine the cost per BTS site used
 - Required for the introduction of location based tariffs
- Need to be able to separate cost of a pre paid and a post paid call as well as cost of other services such as sms etc.



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- However, for purposes of our business we found the model to be useful in giving us indicators on where focus must be directed for either cost reduction or tariff adjustments.
- The only part that was not done was benchmarking with other countries.





“Thank You for Your Attention”

