

COSITU the ITU model for the calculation costs, tariffs and rates for telephone services

Abstract

COSITU is a model for the determination of costs and tariffs (including Interconnection and Accounting Rates) for telephone services. It is a stand-alone application using Windows Graphical User Interface. COSITU is modelled based on a series of ITU-T Recommendations converted into a practical tool (a software) for the calculation of cost oriented and cost based endogenous tariffs.

COSITU allows for simulation of various scenarios including tariff-rebalancing strategies. COSITU is a simple but an extremely useful tool that can help both regulators and operators to conform to both national and international regulations such as those pertaining to accounting rates and interconnection and pricing.

Other important aspects of the COSITU Model includes the following:

- It helps to define and harmonizes various types of telephone services
- It helps in defining and estimating traffic volumes for each of the service streams
- It provides the overall costs for the various elements (access, switching, transmission)
- It helps to clearly identify the relevant network components applicable for the various services including interconnection which is often a source of conflicts among operators
- It provides the unit costs for the various service streams
- It provides the cost distribution among the various network and service elements of each of the services.

For operators and regulators, COSITU is an alternative if not a standard costing model that is rapidly gaining international recognition.