

# Designing an Interconnect Model from Benchmark Principles

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## Introduction and Overview

- Use and application of benchmarking
- Overview of the methodology
- Some observations
- Role for the ITU
- Summary

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## Use of Benchmarking

- Benchmarking theory and practice
  - *use and application, in general and for interconnection modelling*
  - *specific application in developing countries*
- What benchmarking can and can't deliver
  - *limitations of benchmarking*
  - *advantages compared to other methods*
- Models of benchmarking practice and recent application to developing country interconnection

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## Use of Control Baskets

- Standard control baskets in general application
- Application of standard EU or other developed country baskets for comparison purposes
- Establishing timeline and glidepath for developing countries

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## Interconnection Benchmarking Methodology

- Identify total population
- Filter for economic development
- Filter for network development
- Filter for market liberalisation
- Filter for availability of data
- Filter for cost standard applied
- Normalise data

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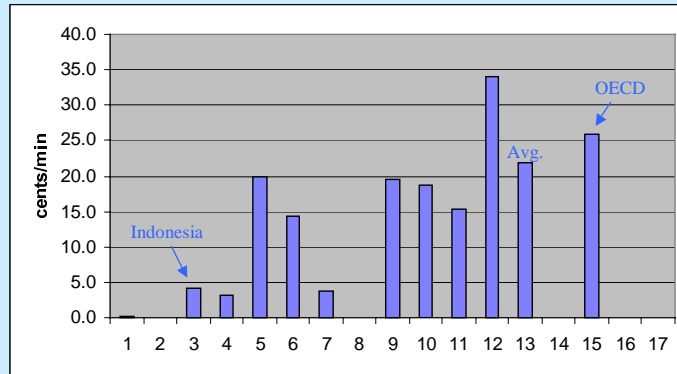


## Rates Benchmarked

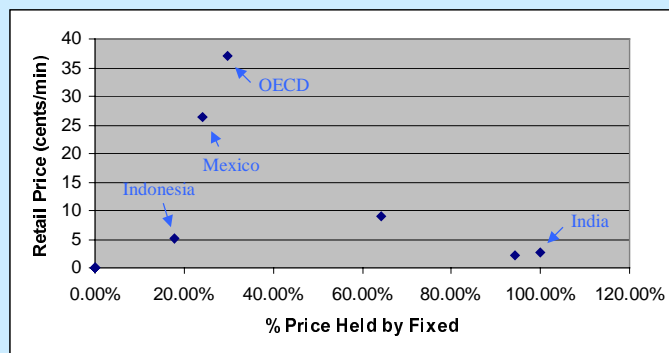
- International Calls
- Fixed to Fixed
- Between Fixed and Mobile (F2M, M2F)
- Between Mobiles
- Transit  
and
- Retail Rates



## Fixed to Mobile - 1



## Fixed to Mobile - 2



## Structural Differences

		Mobiles	SKA?	Pulse in seconds		Has	Retail	USO or
				Local	LD	Off-peak?	link to i/c	ADC?
China		RPP		180	180	Yes	Yes	
India		RPP	Yes	180	180	Yes	Yes	
Indonesia		CPP	Yes	160	4	Yes	Yes	Yes
Malaysia		CPP		60	4	Yes		
Mexico		CPP		60		No	Yes	
Morocco		CPP	No			Yes	No	
Peru		CPP				Yes	Yes	Yes



## Role for the ITU

- The ITU can play a useful role in assisting developing countries through this policy maze
- Data collection and dissemination through the ITU website
- Design and update of comparative sets of benchmarks for various country sets



## Summary

- There are many challenges facing developing countries trying to deregulate their telecommunications markets
- Benchmarking against other comparable countries, and against developed country sets, can be a useful step in this process, if managed carefully.