

**TELECOMMUNICATION
STANDARDIZATION SECTOR****TD 13-E**

STUDY PERIOD 2001-2004

Original: English

Paramaribo, Surinam, 11-13 Mai 2004

TEMPORARY DOCUMENT**Source:** CHAIRMAN, TAL GROUP**Title:** SUMMARY REPORT OF THE TAL GROUP MEETING HELD IN
PARAMARIBO, 11-13 MAY 2004**1. General**

The Tariff Group for Latin America and the Caribbean (TAL Group) met in Paramaribo from 11 to 13 May 2004. The meeting was attended by 46 participants from 18 countries. The meeting, chaired by Mr. Cleveland Thomas (Trinidad and Tobago) was preceded by a one day half Seminar on tariffs organized conjointly by the Telecommunication Development Bureau (BDT) and the Telecommunication Standardization Bureau (TSB)

Mr. Pedro Oliva Brunet (Cuba) and Mr. Vanderlei Campos (Bresil), Vice Chairmen were unable to attend the meeting and sent their apologies.

2. TAL activities

Reviewed and noted the last meeting report (TD3). As there were many delegates attending the TAL group meeting for the first time, the Group reviewed the report of last meeting in detail and ITU procedures were explained. The delegates were encouraged to join the TAI reflector Group and put forward contributions.

In reviewing the report of its previous meeting and that of SG3, TAL Group reiterated the necessity to define two terms for TAL usage (cost based and cost oriented). A small working group Chaired by Chile was created to develop these TAL definitions. The accepted definitions are

Cost based: corresponds to the use of a cost structure necessary for the provision of a specific service

Cost oriented: corresponds to the use of costs and other elements associated for the provision of a specific service

3. Review of ITU activities

The TAL Group noted the results of last SG3 meeting (TD2). The Group noted different study items on which the group should focus its discussion and provides its comments to the Study Group 3 meeting.

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4. Analysis of replies to the Questionnaire on tariff

After introduction and discussion of the results (D.14Rev1), the TAL Group decided to take several actions to improve the results. It was agreed:

- to accept the results from the last Questionnaire
- to continue the survey in year 2005
- to better formulate the questionnaire (e.g. define what is interconnection charge etc.)
- to indicate the name of countries which sent the reply
- to include exchange rates used
- to ask the assistance of the regional offices to increase the number of reply
- to replace Accounting rates by accounting rate share or by settlement rate
- to explain in the text, how the results have been calculated

5. Revision of Recommendation D.400R

Based on the results of survey, the TAL Group agreed that from 1 January 2005, new maximum accounting rates in the Recommendation D.400R will be 0.256SDR for exchanging traffic between TAL members (for year 2004, this figure was 0.296SDR)

6. Review and implementation of the TAL cost model

At the last meeting, the TAL interconnection and access cost methodologies were considered sufficiently stable to proceed to the second stage of software development. A letter was sent to the Director of BDT requesting the BDT's assistance to develop the software based on the TAL methodology. The BDT worked on COSITU in order to integrate the requirements of the TAL Group and COSITU has been revised. This software was used in the Workshop organized by the BDT in Nicaragua and Trinidad and Tobago. In compliance with TAL instructions, a report on the results of the T&T workshop was sent to the BDT so that the noted concerns of the software could be addressed in any further revision to the software.

At the Suriname meeting, the TAL Group received confirmation from the BDT that the revised COSITU software is a reflection of all of the requirements of the TAL cost methodology. Members were informed that the software allows for the calculation of costs in line with the TAL cost methodology. In general, most countries which participated in the Workshop expressed satisfaction with the work done by BDT. Some did note some difficulties to correctly use the COSITU and data input challenges. The TAL Group agreed as follows:

- The software needs to be tested for compliance with the TAL methodology before TAL can endorse as the TAL model. In the interim, countries were encouraged to purchase the software and perform the necessary "tests" Members are expected to report back to the next TAL meeting on whether the software meets the requirements of the TAL methodology and its usefulness in their local environments
- Members were encourage to submit all comments regarding costing , software usage etc over the reflector.
- The COSITU software is a very useful tool for those countries which have already calculated the cost since the results can be used to verify their results. For those perform cost studies for the first time, it can provide some guidance to verify accuracy of a country's data.
- TAL members were informed by the BDT of a costing workshop to be held later on in the year to assist members to better understand, utilize and raised questions on the COSITU

software. Members were encouraged to attend the workshop and where necessary, to purchase the software before the workshop

- The BDT indicated its intention to identify possible experts who will be trained by the BDT to assist members should it become necessary when they implement COSITU.

On behalf of TAL members, the Chairman expressed his gratitude to the BDT for the work done on the costing software development and the workshops .

Regarding submission C.4 and D/11 by Trinidad and Tobago (T&T), which are further updates to the TAL interconnect and access cost methodology, T&T proposed to treat with these documents as information documents only for this meeting. TAL members decided to make good use of this contribution that the document should be studied and contributions made for the next TAL meeting

7. Transitional Arrangements

There was no contribution. TAL members requested further information on this item in SG3 . Concerns were expressed on the great disparity of accounting rates between TAL members i.e., 0.88 SDR to 0.03 SDR per minute and the proposal to move to 0.256 SDR/min under D.400R. To this end the Group suggested that members move towards cost based rates as a matter of priority.

8. Transit Arrangements

TAL members studied recommendation D.602R once more as adopted by the TAF group. Since transit rates remain relatively high despite Recommendation D.140 and a number of TAL members continue to have transit rate challenges with other Administrations, TAL members supported the TAF recommendation and propose that SG3 adopt this new system in a recommendation.

9. Termination Charges

Few TAL members utilize the termination charge principle for international settlement. Members agreed that the this item will continue to be monitored.

10. Network Externalities.

The Group noted and supported this activity at SG3. Members were encouraged to research and , obtain more information and participate actively in the work of SG3 on network externalities and to report on the results at the next TAL meeting.

11. Accounting for traffic termination on mobile networks

TAL members noted a growing pattern for different rates to apply for traffic termination on the mobile network and on fixed networks. Based on the experiences exchanged, it was a common view that with the development of mobile service as a migration from fixed line, cost difference do occur because of high spectrum fees etc . The group recommended that this issue should be studied by all TAL members since, in general (1) the differences in settlement rates between fixed and mobile remain a concern and (2) the significant change in traffic pattern towards

mobile services. Members were also encouraged to make use of Recommendation D.93 which require a cost based approach and bilateral agreement before application of differing rates for traffic termination on fixed and mobile networks.

12. International Internet Connectivity

TAL members are of the view that services should be reflective of their costs. The Group supports the recommendation to have international Internet connectivity similarly be based on the cost oriented concept. To this end, TAL members support the effort to revise D.50 .

Regarding the report of the work from the Rapporteur group on this matter (Annex 1 refers), TAL members supports Annex 1 and recommends that the following text be included:

13. IP Telephony

TAL members shared their country's situation and recommended for SG 3 to continue its work on this matter..
