



Summary of Mini-workshop on the Use of Commercial agreements for Billing and Settlements in Competitive Markets

Lunchtime session, 23 February 2016

The Study Group 3 Rapporteur Group on the "Study of the Use of Commercial Agreements for International Telecommunications Services Arrangements" organized a mini-workshop during the lunch period on 23 February. The workshop was entitled "The Use of Commercial Agreements for Billing and Settlements in Competitive Markets" and included presentations by BT, Sonatel, and the U.S. Federal Communications Commission. The agenda and slide presentation are available at the following link: <https://www.itu.int/en/ITU-T/studygroups/2013-2016/03/Pages/mini-workshop-201602.aspx>.

In the opening remarks, the moderator noted as background that during discussion of the accounting and settlement provisions of the International Telecommunication Regulations at the World Conference for International Telecommunications 2012 (WCIT-12), some Member States expressed an interest in learning more about the use of commercial agreements for international telecommunications services, including: how they are established, what is included in such agreements, and what is the role of the regulator, if any, in markets where such agreements are used. The Rapporteur Group was established in response to that request for information and the workshop was intended to build on the group's prior efforts to share information and experiences.

Two representatives from BT provided a comprehensive presentation on "The Continuing Evolution of International Carrier Billing and Commercial Arrangements," which described the transition from the traditional settlements regime to commercial agreements, how they differ, and general contract provisions. It was explained that new products and technologies demand contract flexibility, and today operators require the ability to tailor contracts for individual customers and suppliers. In addition, the need to invest in new technologies and adapt to keep pace with the dynamic, competitive and fast-changing market also was highlighted. The presenters also discussed the "give and take" of commercial agreements and the importance of cultivating and maintaining excellent working relationships across internal organizations as well as with carrier partners.

The representative from Sonatel offered an overview of the use of commercial agreements in Africa, and the experience of Sonatel in particular. Sonatel uses commercial agreements to exchange TDM traffic with other African operators and also for global roaming arrangements. Flexibility of terms and conditions, including length of billing and payment cycles and the incorporation of prepayment terms to mitigate financial risk, was highlighted as an essential element.

The regulator's perspective was provided by the U.S. Federal Communications Commission. The emergence of commercial agreements domestically in the U.S. was reviewed, and was tracked to the introduction of competition. The use of commercial agreements internationally was then discussed. A review of the regulator's policy tools to protect competing U.S. carriers

from anti-competitive behavior by foreign monopolists also was discussed. As competition developed, regulations were relaxed, and consumers benefited at each step of the process, including through lower international calling prices.

Following the presentations, there was a brief period for questions from the audience. One question sought additional information regarding dispute resolution provisions; BT replied that dispute resolution steps are set forth in the contracts and reiterated that good relationships can help aid in the swift resolution of disputes. The presenters also were commended for providing rich and informative material for the consideration of the group.
