

TRENDS IN ECONOMICS AND FINANCE

Cost, Tariff and Interconnection Rate Calculation Methodology and Application to Case Studies

VOLUME I



International Telecommunication Union



ADDRESSING THE COST SHARING ISSUE

BDT, FINANCING STRATEGIES UNIT

You are working in a low teledensity country

You are a telephone services provider

- How much does it cost you to provide each of those services?
- Can you justify the level of your accounting rates?
- How much profit/loss do you make with your actual interconnection rates?
- Do you know which of your services is profitable and which is subsidized?
- Do you know what the impact of Universal Service Obligations (USO) is on your business?
- Are you ready for competition?

You are a regulator or a policy maker

- Can you evaluate the global cost of your policy makers' USO?
- Are your interconnection rates calculated on the basis of costs incurred?
- How does the USO policy make an impact on the attractiveness of your market to potential investors?
- Are the USO costs equitably shared out by all the service providers in your market?
- Have you already solved the VoIP regulatory issues?
- Are you sure that the competition rules are not biased by regulatory arbitrages?
- Are you really ready for market liberalization?

If you did not find an answer to one of these questions, we strongly recommend that you take this book with you (available at sales service):

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Volume I: Cost, Tariff and Interconnection Rate Calculation Methodology and Application to Case Studies

The **software cost model** which will make costing principles easier to implement, will be available by March 2002. Why don't you anticipate your order and therefore benefit from the very first set of CD-ROMs?

If you are not in a low teledensity market, can respond to all the above questions with a "YES", but want to know more about how important obstacles to tariff rebalancing in developing countries can be, this book is also recommended to you.

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