

SATRC

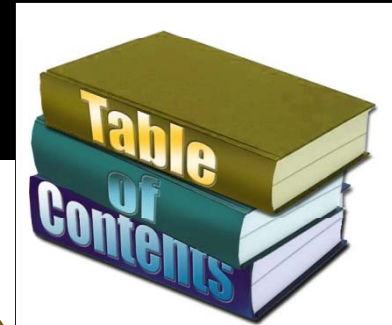
Network & Service Workgroup

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Regulatory Issues in Interconnection

Ghazaleh Mohseni – Head of New Generation Networks & Interconnection
Issues Group , CRA, IRAN

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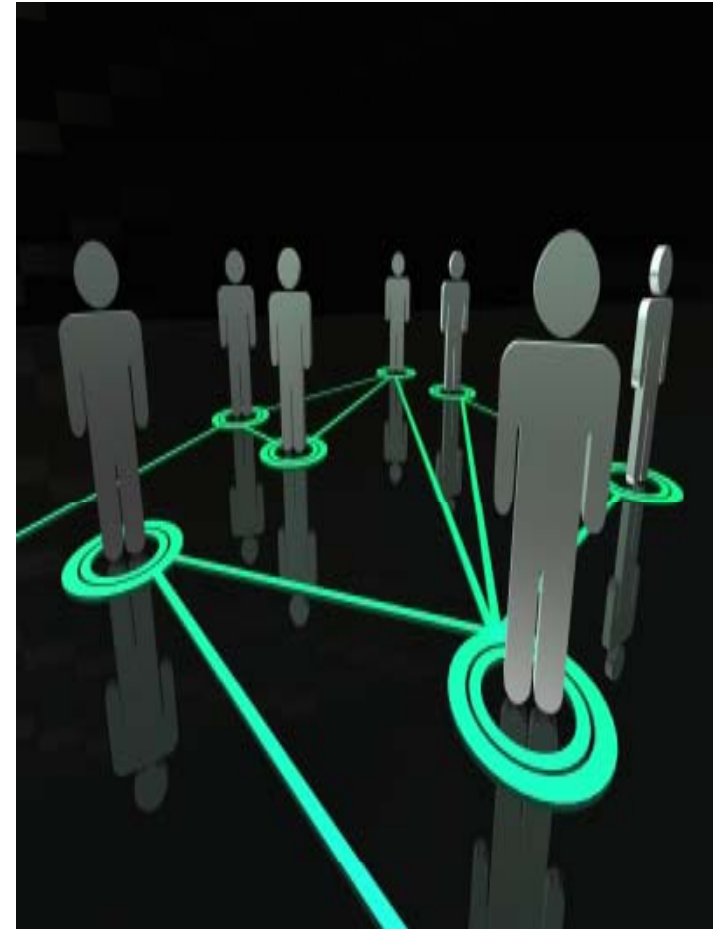
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Definition Of Interconnection

- There are different explanation
- Last definition (GSR-2010)

The physical connection of separate ICT networks to allow users of those networks to communicate with each other.

Interconnection ensures interoperability of services and increases end users' choice of network operators and service providers.



The other definition of interconnection

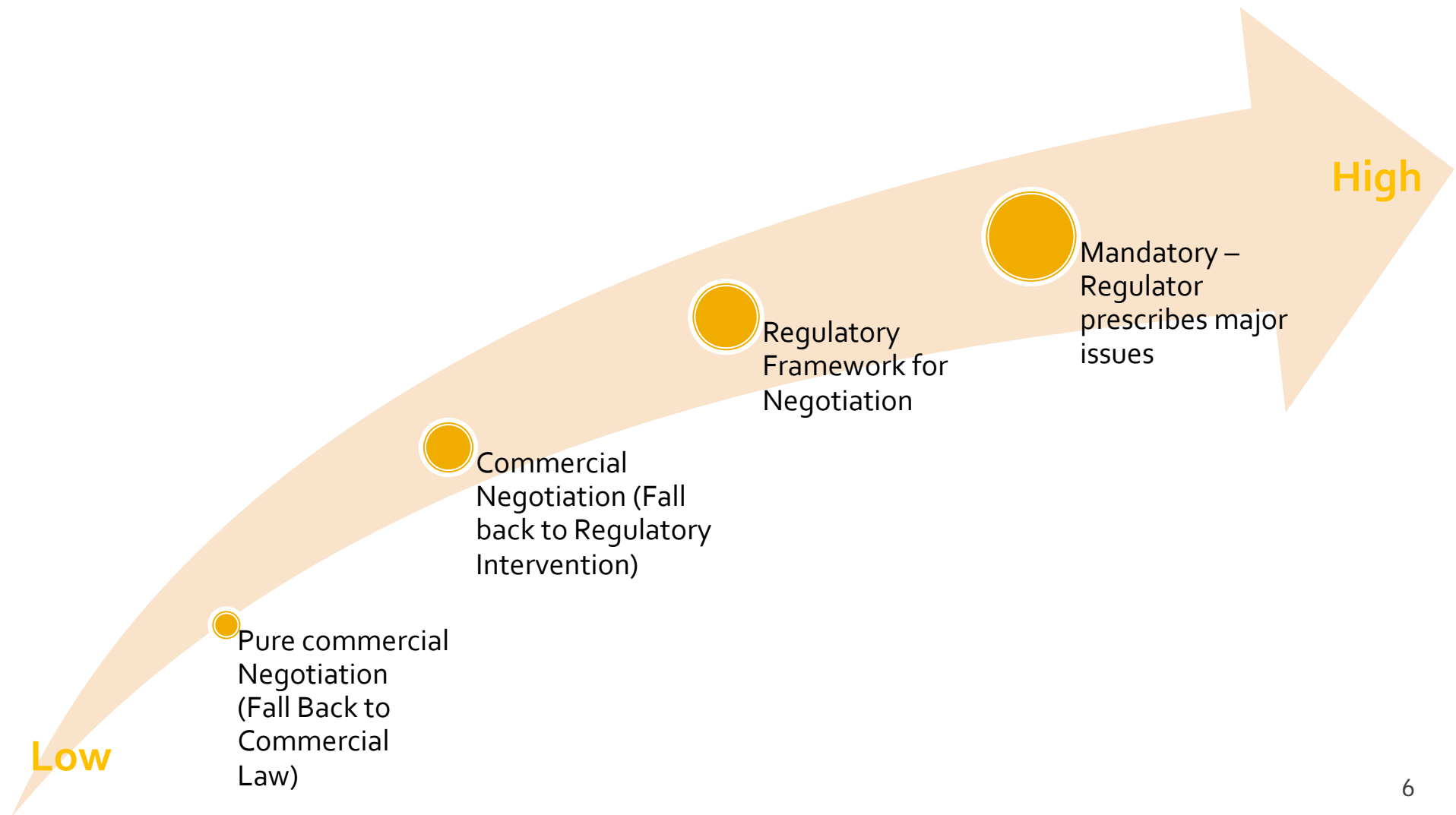
'the set of legal rules, technical and operational arrangements between network operators that enable customers connected to one network to communicate with customers of other network'



Why Interconnection Regulation is Necessary

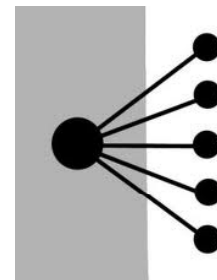
- Necessary for customers' profits,
- Fundamental to the success of competition policy,
- Significant differences in market power between incumbents and new entrants,
- Complex technical, legal and economic issues involved,
- Experience has shown that interconnection is the stumbling block to effective competition and new entrant entry

Levels of Interconnection Regulation



High Level Interconnection Principles

- Providing regulatory guidelines in advance
- Transparency
- Non- discrimination
- Cost orientation charging
- Network Unbundling



Fundamental Costing Principles

1. *Transparency:*

“Open availability of information used in cost derivation in order to allow comprehension of the result from the point of an external analyst”

This principle is critical for verification of cost and advancement of the process of competition.

Fundamental Costing Principles

2. *Practicability:*

“the ability to implement a costing methodology with reasonable demands being placed on data availability and data processing in order to keep the costing exercise economical, and useful.”

The complexity of cost models must take into account the trade off between limitations in available human resource, timeliness of information, cost of implementation of methodology and in-house resources to monitor and revise methodology.

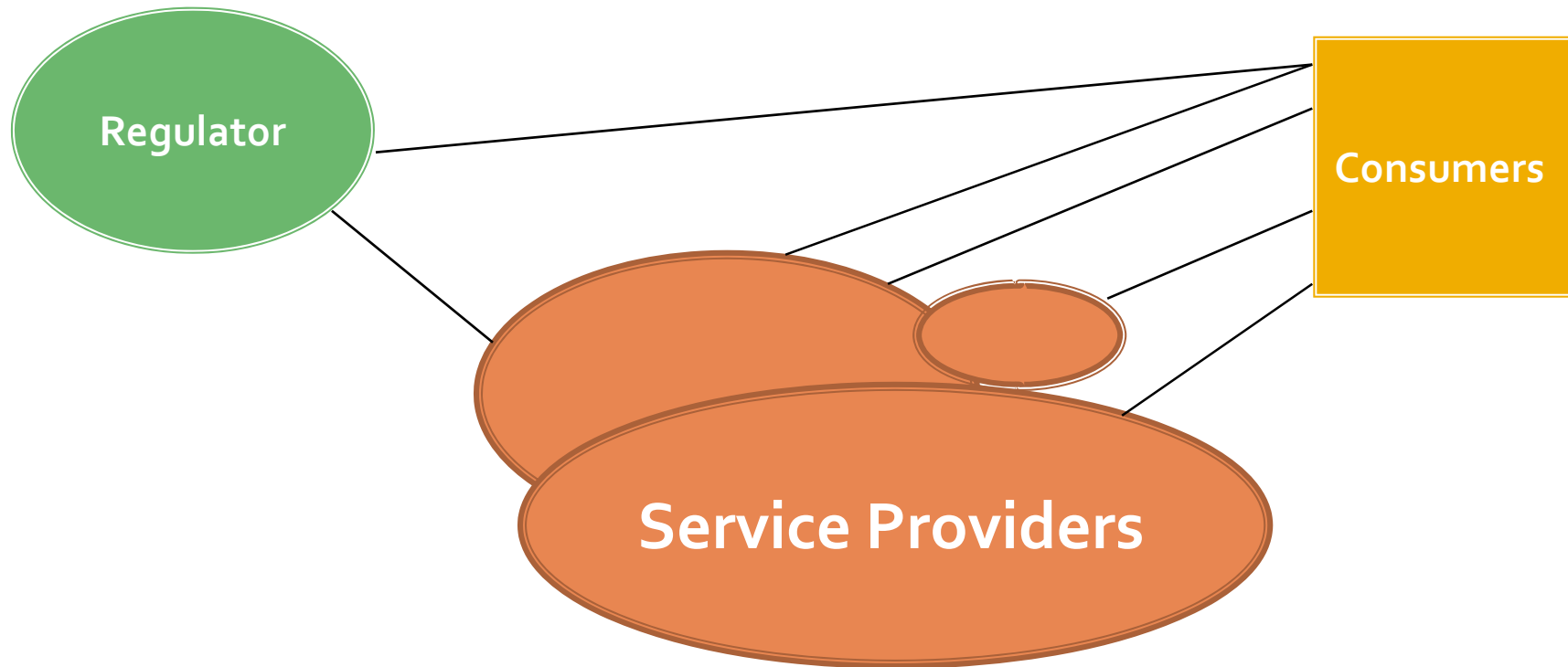
Fundamental Costing Principles

3. *Efficiency:*

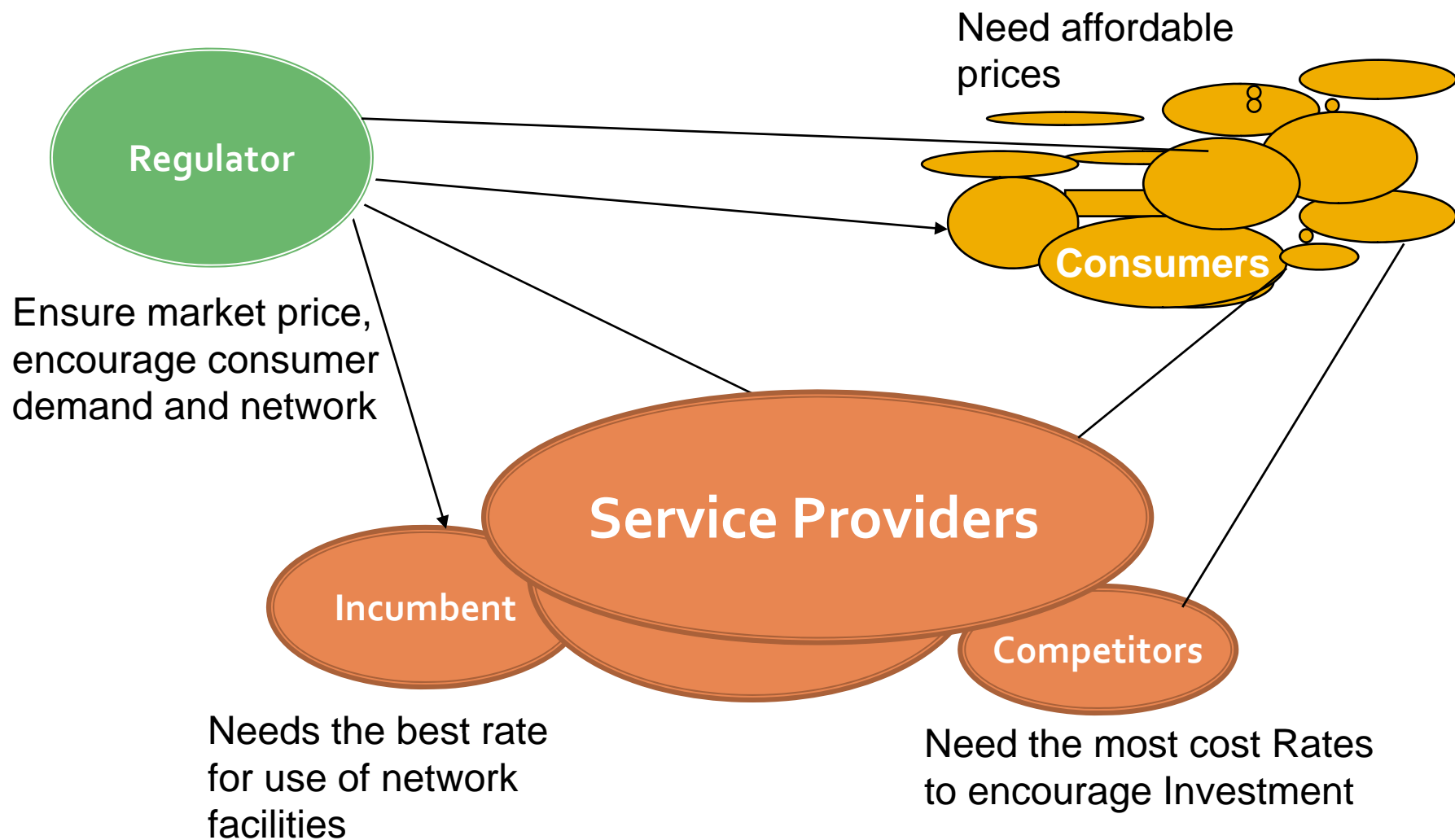
“The provision of forecasts of cost reduction that results from a more efficient combination of resources.”

This is the most nebulous & cloudy principle since there is no common barometer for stipulating efficiency. Even within the ITU models different models have different benchmarks for measuring efficiency.

Interconnection Triangle



Interconnection Objectives Cluster



I.R.I Interconnection Approaches

I.R.I Interconnection Legislation & Regulation

- Interconnection issues have been determined in operator's licenses.
- There are some regulations about interconnection prices in different areas (mobile, fix) which emphasizes on agreements between parties.
- Regulatory authority is working on preparation of interconnection framework & instructions.
- At the moment, there is no difference between IP-based interconnection and circuit-based interconnection prices.

I.R.I Interconnection Obligations

1. Licensees have the right to interconnect the licensed network to all other licensed public (fix/mobile) telecommunication networks.
2. Licensees have the obligation to allow the interconnection to the licensed network and the licensees shall permit access to the licensed network to any interested party.

I.R.I Interconnection Obligations

3. All licensees must use governmental international gateways for initiating international interconnection . (monopoly)
4. At the moment, Telecommunication Infrastructure Company (TIC) as a governmental company, has the monopoly for international interconnection.

I.R.I Interconnection Obligations

5. Access to the licensees' networks are provided pursuant to interconnection agreement to be entered into by the relevant parties.
6. In case of dispute in this respect, either party may take the matter to the Regulatory Authority for decision.



I.R.I Interconnection Prices

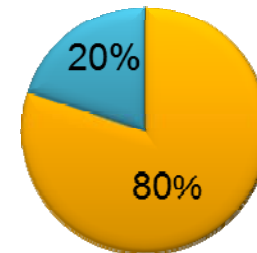
1. Interconnection prices shall be based on the relevant costs related to interconnection.
2. Interconnection prices are based on the agreement between parties.



I.R.I Interconnection Prices

3. In case of disagreement between licensees:
 - a. For national interconnection, the following table shall be applied:

Originator Share	Terminator Share
80%	20%



- b. For the international portion of the call, licensees will keep 10% of the public call price.

