

NGN AND BROADBAND
Policy and Regulatory Issues :
“NGN Interconnection and Pricing Models”

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Abstract

Although currently, Indonesia within the Asia Pacific Region with the population of 237 millions people with 17,508 islands has not applied neither the Technology Neutral Licensing or the convergence framework yet, but the country is preparing the initiatives towards the NGN. It includes the Palapa Ring - Fiber Optic Plan and the internet penetration to the remote village through the USO scheme.

Telecommunication networks are being upgraded from circuit switched technology as the current generation to the Next Generation technology with all IP networks.

There is no “one-size-fits-all” IP interconnect charging model that will deliver superior efficiency outcomes in all situations. Each model examined has different strength and weaknesses, depending on the situation

Broadly, there has been general agreement across all players that interconnection charges should be based on the necessary cost incurred by the receiving party of the additional traffic it has to carry – that is, the requesting party pays the providing party the relevant costs caused by the request

With some expectations, voice and messaging services on current generation networks are paid for by the calling party’s network, whilst the Internet is largely characterized by Bill and Keep, whereby network are responsible for their own costs.

Bill and Keep will be more likely to promote dynamic and static efficiency gains when applied voice and messaging services on NGNs