

ITU-T

TELECOMMUNICATION
STANDARDIZATION SECTOR
OF ITU

D.600 R
Amendment 1
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SERIES D: TARIFF AND ACCOUNTING PRINCIPLES
AND INTERNATIONAL TELECOMMUNICATION/ICT
ECONOMIC AND POLICY ISSUES

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Recommendations applicable to the African Region

Cost methodology for the regional tariff group for
Africa applicable to the international automatic
telephone service

**Amendment 1: Annex B – Guidelines for
implementing efficient cost models for
telecommunication service tariffs in the Africa
region**

Recommendation ITU-T D.600 R (2000) –
Amendment 1

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For further details, please refer to the list of ITU-T Recommendations.

Recommendation ITU-T D.600 R

Cost methodology for the regional tariff group for Africa applicable to the international automatic telephone service

Amendment 1

Annex B – Guidelines for implementing efficient cost models for telecommunication service tariffs in the Africa region

Summary

Amendment 1 adds an Annex B on Guidelines for implementing efficient cost models for telecommunication service tariffs in the Africa region.

History

Edition	Recommendation	Approval	Study Group	Unique ID*
1.0	ITU-T D.200 R	1972-12-15		11.1002/1000/10734
2.0	ITU-T D.200 R	1976-10-08		11.1002/1000/9747
3.0	ITU-T D.200 R	1980-11-21		11.1002/1000/7170
4.0	ITU-T D.200 R	1984-10-19		11.1002/1000/2205
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6.0	ITU-T D.600 R	1993-10-06	3	11.1002/1000/322
7.0	ITU-T D.600 R	2000-10-06	3	11.1002/1000/5151
7.1	ITU-T D.600 R (2000) Amd. 1	2021-07-29	3	11.1002/1000/14366

* To access the Recommendation, type the URL <http://handle.itu.int/> in the address field of your web browser, followed by the Recommendation's unique ID. For example, <http://handle.itu.int/11.1002/1000/11830-en>.

FOREWORD

The International Telecommunication Union (ITU) is the United Nations specialized agency in the field of telecommunications, information and communication technologies (ICTs). The ITU Telecommunication Standardization Sector (ITU-T) is a permanent organ of ITU. ITU-T is responsible for studying technical, operating and tariff questions and issuing Recommendations on them with a view to standardizing telecommunications on a worldwide basis.

The World Telecommunication Standardization Assembly (WTSA), which meets every four years, establishes the topics for study by the ITU-T study groups which, in turn, produce Recommendations on these topics.

The approval of ITU-T Recommendations is covered by the procedure laid down in WTSA Resolution 1.

In some areas of information technology which fall within ITU-T's purview, the necessary standards are prepared on a collaborative basis with ISO and IEC.

NOTE

In this Recommendation, the expression "Administration" is used for conciseness to indicate both a telecommunication administration and a recognized operating agency.

Compliance with this Recommendation is voluntary. However, the Recommendation may contain certain mandatory provisions (to ensure, e.g., interoperability or applicability) and compliance with the Recommendation is achieved when all of these mandatory provisions are met. The words "shall" or some other obligatory language such as "must" and the negative equivalents are used to express requirements. The use of such words does not suggest that compliance with the Recommendation is required of any party.

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Recommendation ITU-T D.600 R

Cost methodology for the regional tariff group for Africa applicable to the international automatic telephone service

Amendment 1

Annex B – Guidelines for implementing efficient cost models for telecommunication service tariffs in the Africa region

1) Annex B

Add the following Annex B after Annex A:

Annex B

Guidelines for implementing efficient cost models for telecommunication service tariffs in the Africa region

(This annex forms an integral part of this Recommendation.)

B.1 Type of model to be developed

Cost models shall be of the forward-looking type (Coût Moyen Incrémental de Long Terme (CMILT) or pure long run incremental cost (LRIC)) and take account of efficiency, innovation and cost-orientation.

Efficiency: providing high-quality services at a lower cost.

Innovation: providing services with the best available technologies.

Cost orientation: introducing and maintaining healthy competition for improved development of the telecommunication market.

Construction of the costs model shall in addition adhere to the principles of non-discrimination, transparency and objectivity.

B.2 Data to be considered in constructing the model

International telecommunication services use both national and international network resources. Telecommunication networks comprise nodes and links (network elements), the use of which will give rise to other costs (operational and management costs).

Construction of the cost model shall therefore take account of the following elements:

- 1) demand-related statistics and performance indicators (traffic, traffic statistics, routing factor matrices);
- 2) costs of network elements (nodes, links, apportionment of equipment, enumeration and costs of network elements, price trends, economic lifetime, and so on);
- 3) network management costs (specific and common).

B.3 Data collection method

In the light of the difficulties of data collection that have been encountered with certain current models, the construction of any new model shall incorporate functions that facilitate the import of cost and/or regulatory accounting data in order to ensure greater relevance and comparability of results.

Experience on the African continent suggests that the effective implementation of a cost model depends very much on the availability and/or effective reprocessing of data.

This means that it is imperative to define simple retrieval formats using spreadsheet tools for the data required by the models. These data relate to the technical, operational, financial and accounting aspects of each network and service.

The purpose of defining the data retrieval format is to enable operators to present data in accordance with generally agreed rules and principles.

The level of detail will depend on the regulatory objectives.

It will be possible to revise the format and content at annual meetings of the Africa group.

It should also be noted that the model shall be able to incorporate default data so that it can still function in the absence of other input data. The default data will need to be revised annually as necessary at meetings of SG3RG-AFR.

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