Draft Notice of Determination

International Wholesale Termination Rates

WHEREAS:

A. By section 25(2)(m) of the Telecommunications Act, Chap. 47:31 (the Act), prices for interconnection services are to be on a cost basis[1]:

"… the Authority shall require a concessionaire to -

…

disaggregate the network and, on a cost basis, in such manner as the Authority may prescribe, establish prices for its individual elements and offer the elements at the established prices to other concessionaires of public telecommunications networks and public telecommunications services".

B. By regulation 15(1) of the *Telecommunications (Interconnection) Regulations (2006)* (the Interconnection Regulations), interconnection rates shall be based on costs determined in accordance with costing methodologies, models or formulae established by the Authority:

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[1] Cost-based interconnection principles are also set out in the Reference Paper for the World Trade Organisation (WTO's) Agreement on Basic Telecommunications, of which Trinidad and Tobago is a signatory.

Cost-based interconnection rates encourage economically rational investment decisions in the industry and prevent anti-competitive behaviour that will distort market decisions. If the interconnection rates are set too high, i.e., at above-cost levels, the supplier of the essential facility of interconnection has an unwarranted advantage over other suppliers who must rely on him for interconnection. On the other hand, interconnection prices that are set too low will create a disincentive for operators to invest any further in this sector. It is when interconnection rates are set at cost-based levels that the market can operate efficiently.

https://www.itu.int/ITU-D/treg/Documentation/Infodev_handbook/3_Interconnection.pdf

"A concessionaire shall set interconnection rates based on costs determined in accordance with such costing methodologies, models or formulae as the Authority may, from time to time, establish".

C. By regulation 15(2) of the Interconnection Regulations, the concessionaire may set interconnection rates with reference to such costing benchmarks where the relevant data for the establishment of the costing methodologies, models or formulae are unavailable within a reasonable time:

"Where the relevant data for the establishment of the costing methodologies, models or formulae are unavailable within a reasonable time, the concessionaire may set interconnection rates with reference to such costing benchmarks, as determined by the Authority, that comport with internationally accepted standards for such benchmarks".

D. By regulation 5(1) of the Interconnection Regulations, interconnection should be provided on non-discriminatory terms and conditions:

"A concessionaire shall provide interconnection under the same terms and conditions and of the same quality as it provides for its own networks and services, the networks and services of its subsidiaries and partners, or the networks and services of any other concessionaire to which it provides interconnection".

E. In 2018, the Authority established an Arbitration Panel (the Panel), pursuant to section 82 of the Act, to deliberate on the interconnection disputes between Telecommunications Services of Trinidad and Tobago (TSTT) and Columbus Communications Trinidad Limited (CCTL), and TSTT and Lisa Communications Limited (2018 – 2019)[2]. The Panel issued its Report and Decisions[3] in respect of the said disputes (the Panel Report), which determined

[2] https://tatt.org.tt/DesktopModules/Bring2mind/DMX/API/Entries/Download?Command=Core_Download&EntryId=1325&PortalId=0&TabId=222

[3] https://tatt.org.tt/AboutTATT/RegulatoryFramework/Disputes/Decisions.aspx

that the interconnection rates for fixed and mobile international termination, as set out in the relevant parties 2012 interconnection agreements, would remain in effect until, inter alia, the Authority determines the cost by benchmarks:

"The Panel further holds that these rates for fixed and mobile international termination access services shall remain in effect until-…

(2) The Authority determines the cost of fixed and mobile international termination access services by Benchmarks, as per the interim regime;"

In the circumstances, this also includes the sub-components of domestic termination and respective international carriage charges (see "G" and Table 1 below).

F. In keeping with regulation 15(2) of the Interconnection Regulations, the Authority conducted an Interconnection Benchmarking Study, 2021, (IBS) (previous studies were conducted in 2017 and 2019) that comports with internationally accepted standards for mobile and fixed domestic and international benchmarks. The IBS underwent two rounds of public consultation and was finalised.

G. In Trinidad and Tobago, the international mobile termination rate (IMTR) and the international fixed termination rate (IFTR) are each made up of two elements: an international carriage charge (ICC) and a domestic termination charge[4]. However, the ICCs associated with the IMTR and IFTR have been set at different rate levels and are, respectively, referred to as the mobile international carriage charge (MICC) and fixed international carriage charge (FICC).

H. The Panel Report included an analysis of, and observations on, the MICC and FICC and the IMTR and IFTR. The Authority considered the findings of the Panel Report in determining the recommended costing benchmarks for the MICC and FICC and, by extension, the IMTR and IFTR.

[4] In tariffing terms, the IMTR is typically referred to as "incoming international call termination to PLMN service" and the IFTR as "incoming international call termination to PSTN service".

IN THE PREMISES, THE AUTHORITY ISSUES THE FOLLOWING DETERMINATION:

A. DECLARATION OF INTERNATIONAL WHOLESALE MOBILE AND FIXED TERMINATION RATES TO BE CHARGED TO LOCAL OPERATORS FOR TERMINATING INTERNATIONAL TRAFFIC[5]

The Authority hereby determines that for the period 2021 – 2024, all relevant concessionaires shall offer international termination rates for fixed and mobile interconnection services to other operators in Trinidad and Tobago with reference to the recommendations of the IBS, as specified in Table 1 below:

Table 1. Maxima Rates for International Termination Rates

Interconnection Rates	**Currency***	**Determined Maxima Rates (maximum rate that can be charged)**		
		April 2021 to March 2022	**April 2022 to March 2023**	**April 2023 to March 2024**
International Mobile Termination Rate (IMTR):	**TTD**	**0.521**	**0.314**	**0.106**
	USD	**0.078**	**0.047**	**0.016**
• Domestic Mobile Termination Rate	TTD	0.200	0.134	0.063
	USD	0.0300	0.0200	0.0095
• Mobile International Carriage Charge	TTD	0.321	0.180	0.043
	USD	0.0480	0.0270	0.0065
International Fixed Termination Rate (IFTR):	**TTD**	**0.127**	**0.090**	**0.061**
	USD	**0.0190**	**0.0135**	**0.0092**
• Domestic Fixed Termination Rate	TTD	0.0367	0.0267	0.0180
	USD	0.0055	0.0040	0.0027
• Fixed International Carriage Charge	TTD	0.090	0.063	0.043
	USD	0.0135	0.0095	0.0065

[5] This Determination does not apply to international settlement tariffs which are the rates concessionaires may charge foreign carriers for bringing in international traffic. The rate for international settlement is determined by commercial negotiations between the relevant concessionaires and international carriers.

*Note: * The recommended costing benchmarks were calculated and determined in USD. The TTD equivalent values in this table is provided for "illustrative purposes" only and is based on the weighted average historical USD/TTD exchange rate used for benchmarking analysis (0.1497), as described in Section 3.4. The USD/TTD exchange rate may be different at the date of publication of this report and over the course of the three-year glide-path period. If so, at the start of each of the three glide-path years, interconnection rates could be restated in TTD, based on the TTD/USD exchange rate at that time.*

B. BINDING NATURE AND EFFECTIVE DATE

i. This Determination shall apply to all concessionaires authorised to provide international termination services.

ii. This Determination shall take effect on the day that it is published.

Chairman
Telecommunications Authority of Trinidad and Tobago

Date: