

## INFORMATION &amp; COMMUNICATION TECHNOLOGIES AUTHORITY



Level 12, The Celicourt, 6 Sir Celicourt Antelme Street,  
Port Louis, MAURITIUS

Ref.: ICTA/IUC/TD/2/2011

26<sup>th</sup> May 2011

**THE TELECOMMUNICATION DIRECTIVE (2 of 2011)**

In the implementation of its statutory objects and functions, and in the exercise of its powers conferred upon it under the Information & Communication Technologies Act 2001, as amended, (hereinafter referred to as 'the **Act**'), the Information & Communication Technologies Authority (hereinafter referred to as 'the **Authority**') hereby issues this **Directive** to determine the rates for interconnection, hereinafter referred to as the **Interconnection Usage Charges** or **IUC**, for mobile access networks in Mauritius.

**1. Short title, extent and commencement:**

- (i) This Directive may be cited as "The Telecommunication Directive 2 of 2011 - (TD2 of 2011)".
- (ii) The Telecommunication Directive 2 of 2011 shall come into operation on the **1<sup>st</sup> July 2011** (hereinafter referred to as 'the **implementation date**')

**2. Charging Principles**

- (i) Where an IUC has been determined in respect of a service by way of a Telecommunication Order/Directive, no other additional charges may be levied on the consumers, by the network licensee or public operator receiving IUC for the supply of interconnection, in respect of such service.
- (ii) The net IUC payable shall comprise origination and termination of calls, as applicable, in accordance with this Directive.
- (iii) The nature and routing of calls shall determine the applicability of origination and termination charges constituting the net IUC to be paid by one public operator to another, as specified in this Directive.

**3. Interconnection Usage Charges for inter network calls**

- (i) The IUC determined in respect of origination and termination of calls in mobile access networks, by way of previously issued Telecommunication Orders and Determinations by this Authority are repealed and replaced by the IUC determined under this Directive.
- (ii) A new set of origination and termination charges is determined in Annexure-I of this Directive.

**4. Impact on Tariff**

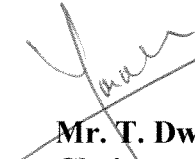
- (i) As a consequence of the IUC determined under this Directive a reduction in retail tariffs is envisaged in respect of calls from one mobile operator to another mobile operator (inter-mobile calls) and from fixed line to mobile calls.
- (ii) The Authority invites the operators to submit their proposals, in accordance with section 31 of the Act, to revise their present retail tariffs resulting from the reductions in the IUC so that consumers benefit from the reductions at latest by the implementation date. In case of insufficient response from the operators, the Authority may intervene in the interest of the general public.

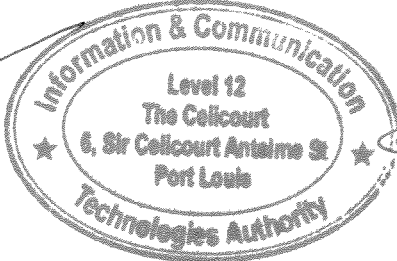
**5. Explanatory Memorandum**

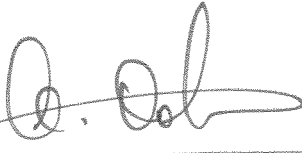
This Directive contains at Annexure-II, an explanatory memorandum regarding the Interconnection Usage Charges specified in this Directive, which shall form an integral part of this Directive.

**6. Repeals**

The Telecom Order/Directive **TO5 of 2004** is repealed

  
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Technologies Authority

  
**Dr. M. K. Oolun**  
Executive Director

To:

1. All PSTN Operators
2. All PLMN Operators
3. All International Long Distance Operators
4. All Internet Telephony Service Providers

**Interconnection Usage Charges applicable  
with effect from the 1<sup>st</sup> July 2011**

**Origination & Termination Charges**

I.

<b>Call Type</b>	<b>Prescribed IUC (per minute)</b>	<b>Payable by</b>	<b>Payable to</b>
Fixed to Mobile	<b>Rs.0.60</b>	Fixed (Originating)	Mobile (Terminating)
Mobile to another Mobile	<b>Rs.0.60</b>	Mobile (Originating)	Mobile (Terminating)
ILD to Mobile	<b>Rs.0.60</b>	ILD	Mobile (Terminating)
Mobile to ILD	<b>Rs.0.60</b>	ILD	Mobile (Originating)

**Notes:**

- (a) The payment of IUC shall be made directly between the operators concerned.
- (b) The rates are determined on a per-minute basis; the billing, however, shall be made on cumulative seconds.
- (c) The above uniform rate shall apply to all incoming and outgoing calls to and from the mobile network.

**Annexure-II**

**EXPLANATORY MEMORANDUM**

1. The ICT Authority determined the interconnection usage charge (IUC) for mobile access networks, in accordance with section 28 of the Act, for the first time in 2004 through its Telecom Order No 5 of 2004 with the introduction of the Calling Party Pays (CPP) regime. Since then the mobile market has shown significant growth both in terms of subscriber base and traffic volume.
2. On numerous occasions telecom operators have represented to the Authority that the prevailing rates of IUC for mobile access networks are above the actual cost. Having regard to the overall changes in the telecom sector and considering that sufficient time has elapsed since the last exercise was conducted, the ICT Authority in 2009 initiated the process for computation of cost-based IUC for mobile operators.
3. The Authority decided to determine the cost-based IUC on the historical cost using the Fully Distributed Costing (FDC) methodology as the forward looking would taken a longer period of time because of its complexity. The Authority is however of the opinion that the IUC needs to be based on latest costing principles like Long Run Incremental Cost (LRIC). The change over to LRIC will however require further consultation from stakeholders. As such, the Authority has proceeded with the present exercise based on the FDC, which is indeed a step towards the LRIC based IUC determination for which consultation will be launched at a later stage.
4. The cost determination for the purpose of this exercise is based on the annual accounts of Emtel and Cellplus for the year 2008 i.e. the Balance Sheet as on 31<sup>st</sup> December 2008 and the Income Statement for the year 2008, as these were the latest audited accounts available when the said exercise was initiated.