

**DETERMINATION ON INTERCONNECTION BETWEEN SRI LANKA
TELECOM LIMITED AND THE WIRELESS LOCAL LOOP OPERATORS -
NOVEMBER 1998**

"SLTL, Lanka Bell and Suntel are licensed to provide fixed-access telephone services in Sri Lanka. In the Final Franchise Document of the Issue of WLL Operator Licences, dated 30 August 1995, the WLL operators were assured the Director General of Telecommunications (predecessor to the TRC) would intervene for a speedy solution in the event SLTL and the WLLs could not reach agreement on the terms of interconnection. Following the failure of the parties to reach agreement in 1996, the Director General of Telecommunications (DGT) made a determination for a one-year period which was subsequently extended by the TRC for a second year. In February 1998, action was initiated to assist the parties to reach agreement using Alternative Dispute Resolution (ADR) techniques and to replace the interim arrangement on SLTL-WLL interconnection with a permanent arrangement. A Mediation Team expert in telecommunication and interconnection issues comprising representatives of McCarthy Tétrault of Canada and selected staff of the TRC held discussions with the parties in May - June 1998. A process document was then negotiated and voluntarily agreed upon by all parties. At the end of the mediation process, the parties failed to reach an agreement. As set out in the process document, the Mediation Team (MT) submitted a report that would form part of the record of the TRC's proceedings on 01 September 1998. The parties submitted their responses to the report to the TRC on 10 September 1998 and were invited to orally clarify and expand upon their submissions before the TRC on 17 September 1998. At Lanka Bell's request, it was permitted to make oral submissions on 24 September 1998. Upon considering all the material placed before it by the MT and the parties, the TRC in exercise of the powers conferred by Condition 12 of the SLTL Licence, hereby makes the following determination:

1.0 Local Call Termination

1.1 Subject to the four conditions specified in 1.2 below being satisfied, the current Sender-Keeps-All (SKA) compensation arrangement shall be replaced by the Mutual Compensation arrangement set out in the table below (with the amounts set in nominal terms, i.e., in Sri Lanka Rupees - SLR - without adjustments for inflation or tariff changes):

| SLTL Tariff Time Band | Local Call Termination Charge (SLR/ Minute) |
|--------------------------|------------------------------------------------|
| Peak | 0.6 |
| Standard | 0.4 |
| Economy | 0.2 |

1.2 Activation of the Mutual Compensation arrangement is subject to the satisfaction of the following four conditions:

- 1.2.1 The names and other pertinent information of the WLLs' customers are included in the SLTL directory database for access by SLTL directory assistance operators.
- 1.2.2 The names and other pertinent information of the WLLs customers are included in a common directory to be distributed to all customers.
- 1.2.3 The surcharge on local calls placed by SLTL customers to WLL customers is eliminated.
- 1.2.4 Acceptable procedures and modalities for the measurement and recording of call data are in place and approved by the TRC.
- 1.3 Local call termination shall continue on the basis of SKA pending the implementation of the measures in 1.2.1 through 1.2.4 above.

2.0 National Call Transit and Termination

2.1 National call transit and termination shall be on the basis of mutual compensation at the following rates (set out in nominal terms, i.e., in SLR without adjustments for inflation or tariff changes):

| <i>Time Period</i> | <i>National Transit and Termination Charge (SLR/ Minute)</i> |
|--------------------|--------------------------------------------------------------|
| <i>Peak</i> | <i>1.50</i> |
| <i>Standard</i> | <i>0.75</i> |
| <i>Economy</i> | <i>0.38</i> |

Note 1: National Call Transit and Termination charge is payable only in respect of a national call that is handed over at a Point of Interconnection (POI), located in one transit exchange area, which requires the terminating operator to haul it over its trunk network and terminate it in another transit exchange area.

Note 2: A national call that is hauled over the trunk network of the originating operator and handed over at a POI within a transit exchange area for termination in a local exchange of the same transit exchange area, will not qualify for national call transit and termination charges as set out in 2.1 above. Local call termination charges will apply instead.

Note 3: In this determination 'transit exchange area' means a SLTL Tertiary Switching Centre area upto the end of year 2000, and a SLTL Secondary Switching Centre area thereafter.

3.0 International Origination and Termination

- 3.1 *WLLs will remit 80% of the SLTL collection rate to SLTL, for all international calls originated from the WLLs networks.*
- 3.2 *SLTL will pay a sum of SLR 9.50 per minute, (being the SLR equivalent of US \$ 0.147 set by the Commission for the period 01 December 1998 to 30 November 1999,) to the WLLs as a "National Extension Fee" for incoming international telephone calls terminated in the WLLs networks.*
- 3.3 *The Commission may recalibrate the SLR equivalent of US \$0.147 in November of each year, in the event the SLR equivalent deviates excessively from the US \$ 0.147 figure.*

4.0 Physical Interconnection Links

The physical interconnection links will be provided by the WLLs, who will also bear the full cost of installing and maintaining the apparatus upto the interface connection unit. The interface unit will be provided by SLTL. If SLTL is unable to provide the interface units, these will be provided by the WLLs and their costs set-off against payments to SLTL. The charges to be paid by the WLLs to SLTL on account of the physical interconnection will be determined by the TRC.

5.0 Points of Interconnection and Capacity

The WLLs will designate their preferred POIs to SLTL and indicate the required capacities as well as the technical specifications for the interface at each point of connection. They will also provide the physical interconnection links. SLTL will ensure that the required connection is provided within 90 days from the date of receipt of the notice of the WLLs

requirements. Failure to meet these deadlines, except on reasonable grounds, shall result in liability to pay liquidated damages as determined by the TRC. Disputes arising out of these requirements shall be submitted to the TRC for determination. Determinations by the TRC will be binding on all parties.

6.0 Effective Date

This Determination shall take effect from 01 December 1998 and the parties shall work cooperatively to achieve implementation of the new interconnection arrangements by that date. If technical considerations necessitate a delay in implementing these arrangements the existing commercial terms of interconnection shall continue in force beyond their December 01, 1998 expiry date.

7.0 Review

These new interconnection arrangements will be reviewed at the end of a period of 3 years, or at such earlier time as may be determined by the TRC."