

**Notice of Modification – Consultative Document on the
Proposed Costing Methodology for the
Telecommunications Sector**

8 August 2007

The Telecommunications Authority of Trinidad and Tobago wishes to advise of the following modifications made to the Proposed Costing Methodology for the Telecommunications Sector, consultative document published by the Authority for comment on 23rd July, 2007.

Section of Document	Description of Modification	Previous Wording	Correction
1.1.4 Purpose and Applicability of the Proposed Costing Methodology (last paragraph)	Clarification on the applicability of the cost model to fixed and mobile networks.	After adoption of the costing principles and guidelines prescribed by the Cost Methodology, the Authority shall develop an appropriate cost model , in a subsequent consultation, that shall be used for the purposes of determining cost-based rates in the telecommunications sector. It is expected that the development of this model in consultation with stakeholders should take approximately 18 months.	After adoption of the costing principles and guidelines prescribed by the Cost Methodology, the Authority shall develop an appropriate cost model (with separate modules for fixed and mobile networks) , in subsequent consultations, that shall be used for the purposes of determining cost-based rates in the telecommunications sector. It is expected that the development of this model in consultation with stakeholders should take approximately 18 months.
3. Proposed Approach for Trinidad and Tobago	Clarification on the applicability of the cost model to fixed and mobile networks.	<ul style="list-style-type: none"> The Authority proposes to develop a telecommunications sector top-down long run average incremental cost (LRAIC) model within 18 months of the adoption of this Methodology. The Authority shall require all concessionaires who provide telecommunications and broadcasting services over telecommunications networks to adopt the Authority's top down LRAIC model after it has been completed. 	<ul style="list-style-type: none"> The Authority proposes to develop a telecommunications sector top-down long run average incremental cost (LRAIC) model (with separate modules for fixed and mobile networks) within 18 months of the adoption of this Methodology. The Authority shall require all concessionaires who provide telecommunications and broadcasting services over telecommunications networks to adopt the Authority's top down LRAIC model after it has been completed.

Section of Document	Description of Modification	Previous Wording	Correction
3. Statement on Cost Model	Clarification on the applicability of the cost model to fixed and mobile networks.	The Authority proposes to develop a telecommunications sector top-down long run average incremental cost (LRAIC) model within 18 months of the adoption of this Methodology. In this model asset values will be based on current cost accounting, CCA. In the absence of such a model, a benchmarking approach shall be used in the interim period. The Authority shall require all concessionaires who provide telecommunications and broadcasting services over telecommunications networks to adopt the Authority's top down LRAIC model after it has been completed.	The Authority proposes to develop a telecommunications sector top-down long run average incremental cost (LRAIC) model (with separate modules for fixed and mobile networks) within 18 months of the adoption of this Methodology. In these models asset values will be based on current cost accounting, CCA. In the absence of such models, a benchmarking approach shall be used in the interim period. The Authority shall require all concessionaires who provide telecommunications and broadcasting services over telecommunications networks to adopt the Authority's top down LRAIC model after it has been completed.
Decisions on Recommendations Matrix			
3. Proposed Approach for Trinidad and Tobago (Comments and recommendations by TSTT)	Clarification on the applicability of the cost model to fixed and mobile networks.	After the costing methodology has been finalized the Authority will also develop a generic top-down LRAIC cost model in accordance with the principles of the costing methodology that concessionaires will only be required to adopt after the completion of cost model.	After the costing methodology has been finalized the Authority will also develop a generic top-down LRAIC cost model (with separate modules for fixed and mobile networks) in accordance with the principles of the costing methodology that concessionaires will only be required to adopt after the completion of the cost model.