

ANNEX 2: SCENARIOS ON THE CHARGING REGIME FOR O/T/T SERVICES

1 INTRODUCTION

- 1.1 This Annex illustrates the different inter-operator payment flows where a mobile operator is involved. The contents of this paper are extracted from IDA's information paper titled 'Charging Regime for Origination, Termination and Transit Services in a Multi-Operator Environment', issued on 21 November 2001. The purpose of the information paper is to give some guidance on areas where the Telecom Competition Code ("Code") does not cover, specifically, IDA's approach towards the charging regime between Non-Dominant Licensees.
- 1.2 For details of IDA's regulatory approach and more examples of possible interconnection scenarios, please refer to the information paper. The information paper¹ can be found on IDA's website under Policy & Regulation, Information Papers.

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<http://www.ida.gov.sg/Website/IDAContent.nsf/vSubCat/Policy+&+RegulationInterconnection+&+Access?OpenDocument>

2 ORIGINATION AND TRANSIT SCENARIOS

2.1 The diagram below shows a scenario whereby a customer of Non-Dominant FBO calls SBO's 15xx service transiting through Dominant FBO's network:

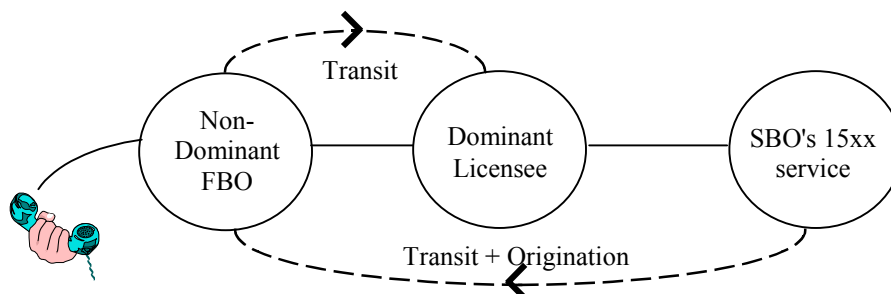


Figure 2.1: customer of FBO calls SBO's 15xx service

The responsibility for inter-operator charges is as follows: The Non-Dominant FBO will have to pay the Dominant FBO a transit charge. The Non-Dominant FBO may, however, recover the transit charge from the SBO, in addition to an origination charge, since the service is ultimately provided by the SBO.

2.2 However, if the Non-Dominant FBO is a Mobile Operator, that is, a customer of Mobile Operator calls SBO's 15xx service transiting through Dominant FBO's network:

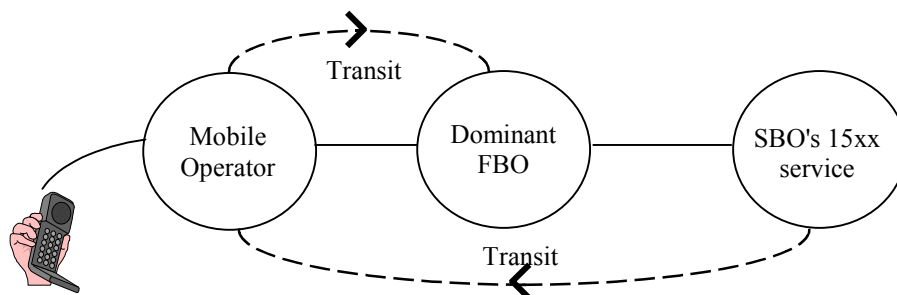


Figure 2.2: customer of Mobile Operator calls SBO's 15xx service

The inter-operator payment flow will be that the Mobile Operator will have to pay Dominant FBO a transit charge. Mobile Operator may, however, recover the transit charge from the SBO since the service is ultimately provided by the SBO. But no origination charge needs to be paid by the SBO to the Mobile Operator because of the current Mobile-Party-Pays (MPP) regime for Fixed-Mobile Interconnection.

2.3 For a scenario where a customer of Non-Dominant FBO1 calls SBO's 15xx service transiting through Non-Dominant FBO2's network:

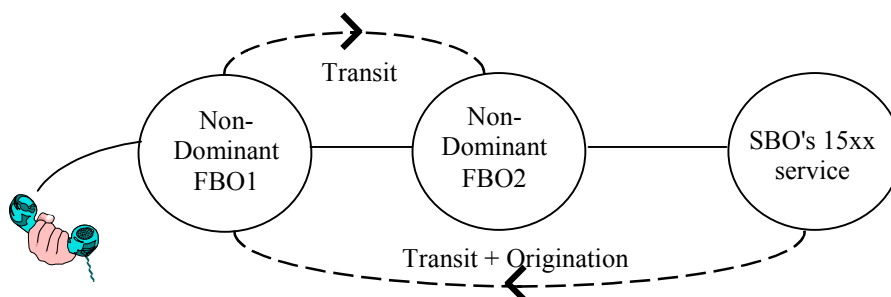


Figure 2.3: customer of FBO1 calls SBO's 15xx service

The payment flows will be that the non-Dominant FBO1 will have to pay Non-Dominant FBO2 a transit charge. Non-Dominant FBO1 may however recover the transit charge, in addition to an origination charge, from the SBO since the service is ultimately provided by the SBO.

2.4 But if FBO1 is a Mobile Operator, that is, the customer of Mobile Operator calls SBO's 15xx service transiting through Non-Dominant FBO's network:

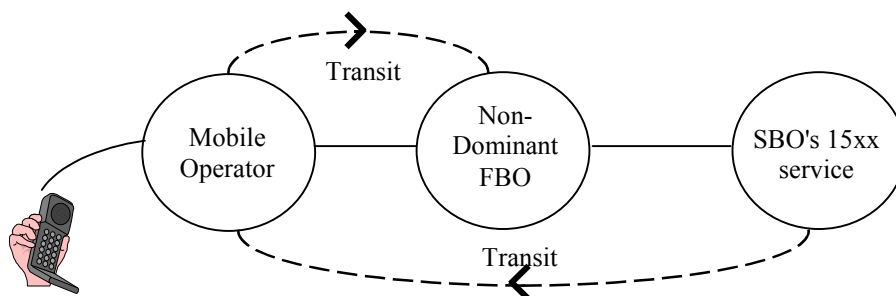


Figure 2.4: customer of Mobile Operator calls SBO's 15xx service

The Mobile Operator will have to pay the Non-Dominant FBO a transit charge. The Mobile Operator may, however, recover the transit charge from the SBO since the service is ultimately provided by the SBO. No origination charge needs to be paid by the SBO to the Mobile Operator because of the current Mobile-Party-Pays (MPP) regime for Fixed-Mobile Interconnection.

3 TERMINATION & TRANSIT SCENARIOS

3.1 The diagram below shows a scenario where a customer of Non-Dominant FBO1 calls Non-Dominant FBO2 transiting through Dominant FBO:

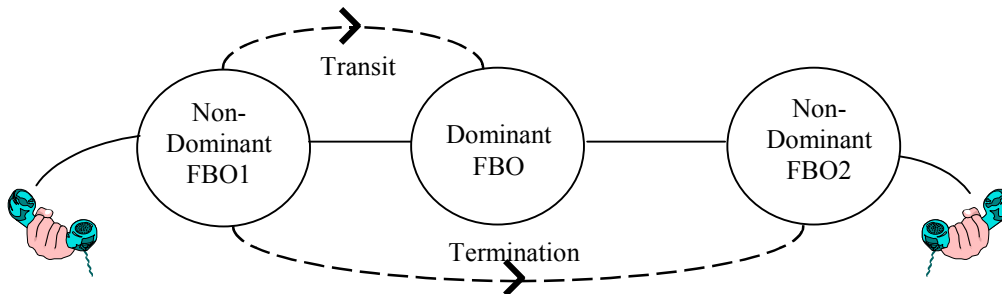


Figure 3.1: customer of FBO1 calls customer of FBO2

The responsibility for inter-operator charges is that Non-Dominant FBO1 will have to pay the Dominant FBO a transit charge and a termination charge to Non-Dominant FBO2.

3.2 However, if FBO2 is a Mobile Operator, that is, the customer of Non-Dominant FBO calls Mobile Operator transiting through Dominant FBO:

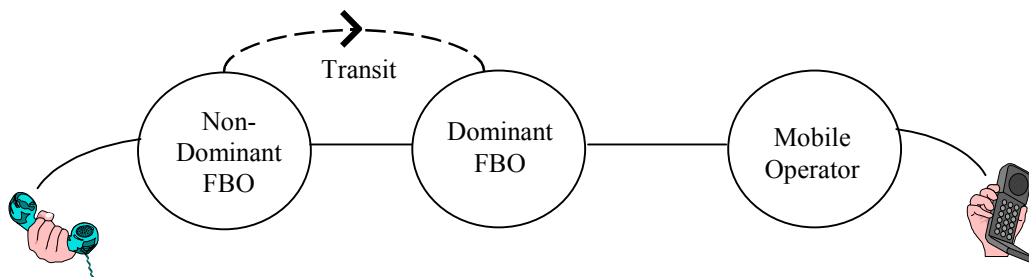


Figure 3.2: customer of FBO calls customer of Mobile Operator

The Non-Dominant FBO will have to pay the Dominant FBO a transit charge. No termination charge needs to be paid by the SBO to the Mobile Operator because of the current MPP regime for Fixed-Mobile Interconnection.

3.3 The following Figure 3.3 shows the scenario where a customer of Mobile Operator calls Dominant FBO's network transiting through Non-Dominant FBO:

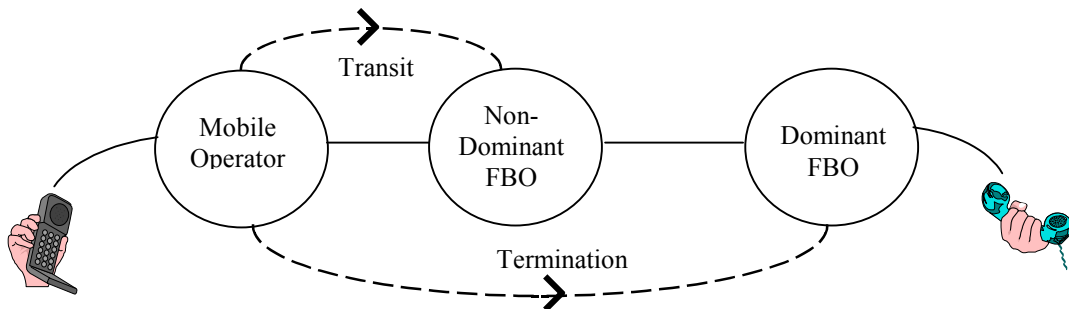


Figure 3.3: customer of Mobile Operator calls customer of Dominant FBO

The inter-operator payment flow will be that the Mobile Operator will have to pay a transit charge to the Non-Dominant FBO and a termination charge to the Dominant FBO.

3.4 However, if the Dominant FBO is a Non-Dominant Mobile Operator, that is, a customer of Mobile Operator 1 calls Mobile Operator 2 transiting through Non-Dominant FBO:

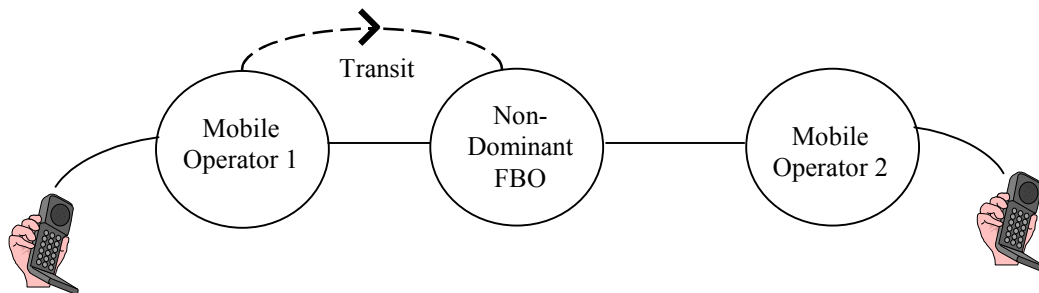


Figure 3.4: customer of Mobile Operator 1 calls customer of Mobile Operator 2

Mobile Operator 1 will have to pay a transit charge to the Non-Dominant FBO. No termination charge needs to be paid to Mobile Operator 2 because of the current MPP regime for Fixed-Mobile Interconnection.