

PCC.I/RES. 75 (VI-05) ¹

**APPROVAL OF THE QUESTIONNAIRE ON THE PRACTICAL CASES FOR THE CAPITAL
COST ESTIMATION IN THE TELECOMMUNICATION SECTOR OF THE COUNTRIES OF
THE REGION**

The VI Meeting of Permanent Consultative Committee I: Telecommunication Standardization,

CONSIDERING:

- a) That Resolution PCC.I/RES.5 (I-02) mandated the Working Group on Economic Aspects and Tariff Principles to foster the coordination and exchange of information between Member States in relation to tariffs and economic aspects and to develop analyses on the economic aspects and tariff principles of telecommunication services;
- b) That the study on the cost structure of telecommunication services is closely tied to aspects referring to the selection of the capital cost that is most appropriate for the valuations of the telecommunications market;
- c) That these aspects bear special importance for developing countries as was concluded during the Workshop on Economic Aspects of Telecommunications which took place in the framework of the IV Meeting of PCC.I held in Quito, Ecuador, and
- d) That Resolution PCC.I/RES. 60 (V-04), resolves that questionnaires to perform the collection of information with the different administrations must be developed and applied with the purpose of complementing the methodological study for the capital cost determination in the region,

RECOGNIZING:

- a) That capital cost may be determined through a wide variety of models, and that this is comprised of variables implicit in the planning and evaluation of an investment project;
- b) That the mechanism and methodology to be applied for the capital cost determination is the decision of each of the countries;
- c) That it is relevant within the application of the regulatory policy;
- d) That it is useful to consider some of the assumptions of the financial theories, and to its effects when they are applied in countries with different level of development, and
- e) That the most important aspects will be the contributions that each one of the administrations can perform on the experience and advances in capital cost determination,

RESOLVES:

1. To instruct the Working Group on Economic Aspects and Tariff Principles with the application of the questionnaire on practical cases for the capital cost estimation in the telecommunication sector of the countries of the region.

¹ CCP.I-TEL/doc. 646/05 rev.1

2. To instruct the Administration of Venezuela to carry out the coordination of the study as indicated in *resolve* 1.
3. To instruct the Executive Secretary to send the questionnaire to the Administrations of CITEL, in order to give the proper compliance to what was established in the previous *resolve*.
4. To request the Administrations of CITEL to complete the questionnaire contained in the annex of this Resolution and send it to the Secretariat of CITEL before the next meeting.
5. To present a report on the results of the study during the VII Meeting of PCC.I.

ANNEX TO RESOLUTION PCC.I/RES. 75 (VI-05)

Estado miembro o Miembro Asociado/Member State or Associate Member:

Nombre del responsable/ Name of person responsible:

Correo electrónico del responsable/e-mail of responsible:

Fecha de respuesta/Date of answer:

1. ¿Have you carried out or are you expecting to carry out a study to determine the capital cost of Telecommunication services? In case of affirmative answer, please specify briefly.
2. ¿Which methodologies have you applied or expect to apply? Please explain briefly the calculations in the applied methodology.
3. Indicate if the used methodology is expressly signaled in the legal framework of Telecommunications in your country.
4. Indicate whether capital costs are estimated for each sector and/or for each Telecommunication service (e.g. fixed telephone service, mobile, Internet, long distance). In case of affirmative answer, indicate the results and parameters for each case.
5. Comment on the implementation process of these results.