

**APPROVAL OF THE METHODOLOGICAL STUDY ON CAPITAL COST FOR THE
TELECOMMUNICATION SECTOR OF THE REGION**

The V Meeting of the Permanent Consultative Committee I: Telecommunication Standardization,

CONSIDERING:

- a) That Resolution PCC.I/RES. 5 (I-02) instructed 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 analysis 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 evaluation 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 PCC.I Meeting held in Quito, Ecuador,

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 all investments made in the various economic sectors of a country are necessarily subject to such advanced planning; and
- c) That the risk of investment capital must be analyzed in detail in order to determine the capital recovery,

RESOLVES:

- 1. To mandate the Working Group on Economic Aspects and Tariff Principles with the development of a methodological study concerning capital costs for the telecommunication sector of the region.
- 2. To mandate the Administration of Venezuela to carry out the coordination of the study indicated in *resolve* 1.
- 3. To develop and apply questionnaires to gather information with the various Administrations.
- 4. To present a progress report on the results of the study during the VI PCC.I Meeting.

¹ CCP.I-TEL/doc.553/04 rev.2