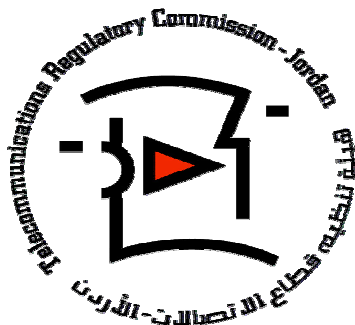


**HASHEMITE KINGDOM OF JORDAN
TELECOMMUNICATIONS REGULATORY COMMISSION**

**INSTRUCTIONS ON ADOPTION OF LONG RUN INCREMENTAL COST
METHODS
&
INTERCONNECTION RATE STRUCTURE**

Amman, June 14 2005



Telecommunications Regulatory Commission

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Article 1 AUHORITY

- 1.1. Issued pursuant to Article (12. a.2), of the Telecommunications Law No 13 for the year 1995 as amended.

Article 2 CITATION

- 2.1 These Instructions shall be cited as (Instructions on Adoption of Long Run Incremental Cost Methods & Interconnection Rate Structure) and shall come into effect as of the date of their approval by the board of Commissioners of the TRC.

Article 3 PURPOSE

- 3.1 The purpose of this document is to establish the specific requirements for the introduction of Long Run Incremental Costs (LRIC) by the Licensees for the purpose of applying the requirements of the Interconnection Instructions, as issued by the TRC on January 5, 2005.

Article 4 INCREMENTAL COST METHODOLOGY

- 4.1 The costing methodology to be utilized by the TRC to determine interconnection costs of licensed operators is Total Service Long Run Incremental Cost "Plus" (TSLRIC+)

Article 5 CAPACITY BASED INTERCONNECTION

- 5.1 All licensees shall be required to offer Capacity-based Interconnection pricing according to the following:
- a. A Licensee requesting interconnection from another Licensee may request that the interconnection be priced either by capacity or by the traditional usage approach.
 - b. All Licensees providing interconnection must offer a capacity-based interconnection tariff and a usage-based tariff based on its TSLRIC+.
 - c. A Licensee providing interconnection must also offer a "spot" price for usage in excess of the contracted capacity. This spot price is understood to be different than the ordinary usage tariff since the traffic involved occurs during system peaks and is thus more costly.
 - d. Capacity for the purpose of calculating cost is understood to be the utilized system capacity during the hour of peak usage, system-wide. This is understood to mean the sum of traffic both entering and exiting the system during the hour of peak usage.

- e. Capacity for the purpose of interconnection traffic is understood to be the capacity during the peak hour of interconnection traffic.

Article 6 DEVELOPMENT OF TSLRIC+ COSTING REQUIREMENTS

- 6.1 Pursuant to Section 7.1 of the Interconnection Instructions, the TRC hereby sets out the manner in which charges will be determined for interconnection prices under the LRIC costing methodology.
- a. The TRC will formally adopt a reference interconnection cost model for use by all licensees to establish costs that shall be applied in setting rates for interconnection between Licensees.
 - 1. The reference interconnection model will be developed according to principles known as “Total Service Long Run Incremental Cost Plus (TSLRIC+)”.
 - 2. The reference interconnection model will include variants for fixed and mobile networks
 - b. The particular details of the structure of the reference interconnection model, including model structure and logic and input value computation will be determined by the TRC in the course of detailed consultation and discussion with industry participants.
 - c. The TRC aims to complete the transition to TSLRIC+-based costs by July 2006.