

**DECREE OF THE DIRECTOR GENERAL OF POST AND
TELECOMMUNICATION**

NUMBER ; 121/DIRJEN/2006

ON

**PROCEDURE OF EVALUATION OF INTERCONNECTION TENDER
DOCUMENT**

BY THE GRACE OF GOD THE ALMIGHTY

DIRECTOR GENERAL OF POST AND TELECOMMUNICATION

- Considering:
- a. that in the Decree of the Minister of Communication and Information Technology Number: 08/Per/M.KOMINFO/02/2006 on Interconnection, it was stipulated that an evaluation on Interconnection Tender Document of telecommunication network providers has to be carried out by the Indonesian Telecommunication Regulatory Body (BRTI).
 - b. that in order to implement the provision as stated in point a above, it is necessary to determine the Procedure of Evaluation of Interconnection Tender Document by the Decree of the Director General of Post and Telecommunication.
- Bearing in mind:
1. Law of the Republic of Indonesia Number 36 Year 1999 on Telecommunication (State Gazette of the Republic of Indonesia Number 154 Year 1999, Additional State Gazette of the Republic of Indonesia Number 3881);
 2. Government Regulation of the Republic of Indonesia Number 52 Year 2000 on Provision of Telecommunication (State Gazette of the Republic of Indonesia Number 107 Year 2000, Additional State Gazette of the Republic of Indonesia Number 3980);
 3. Decision of the Minister of Communication Number KM.4 Year 2001 on Establishment of the National Fundamental Technical Plan 2000 as amended latest by the Decree of the Minister of Communication and

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| Information | Technology | Number |
| 06/P/M.Kominfo/5/2005; | | |
4. Decision of the Minister of Communication Number KM.20 Year 2001 on Provision of Telecommunication Network as amended by the Decision of the Minister of Communication Number KM.29 Year 2004;
 5. Decision of the Minister of Communication Number KM.21 Year 2001 on Provision of Telecommunication Service as amended by the Decision of the Minister of Communication Number KM.30 Year 2004;
 6. Decision of the Minister of Communication Number KM.23 Year 2002 on Telephone Internet for the Public as amended latest by the Decree of the Minister of Communication and Information Technology Number 07/P/M.Kominfo/5/2005;
 7. Decision of the Minister of Communication Number KM.31 Year 2003 on Establishment of the Indonesian Telecommunication Regulatory Body as amended by the Decree of the Minister of Communication and Information Technology Number 25/P/M.Kominfo/11/2005 ;
 8. Decision of the Minister of Communication Number KM.33 Year 2004 on Supervision of Healthy Competition in the Provision of Fixed Network and the Provision of Basic Telephone Service;
 9. Decree of the Minister of Communication and Information Technology Number 01/P./M./KOMINFO/04/05 on Organizational Structure and Working of the Department of Communication and Information Technology;
 10. Decree of the Minister of Communication and Information Technology Number 03/P./M.Kominfo/5/2005 on Adjustment of Nomenclatures of a number of Decisions/Decrees of the Minister of Communication which regulate Special Material Contents in the field of Post and Telecommunication;

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11. Decree of the Minister of Communication and Information Technology Number 08/Per/M.KOMINFO/02/2006 on Interconnection;
12. Decree of the Minister of Communication and Information Technology Number 09/Per/M.KOMINFO/02/2006 on Procedure of Fixing Initial Rates and Revised Rates of Basic Telephone Service Via Fixed Network.
13. Decree of the Minister of Communication and Information Technology Number 12/Per/M.KOMINFO/02/2006 on Procedure of Fixing Revised Rates of Basic Telephone Service Via Cellular Mobile Network;
14. Decision of the Director General of Post and Telecommunication Number 73/DIRJEN/2006 on Procedure of Determining Telecommunication Network Providers whose Operating Revenue is equal to or more than 25% of the Total Operating Revenue of All Telecommunication Providers in their Service Segmentation;
15. Decision of the Director General of :Post and Telecommunication Number 75/DIRJEN/2006 on Guide Book and Software of the Formula for Calculating Interconnection Charges.

- Taking cognizance of
1. Agreement between the Directorate General of Post and Telecommunication and Telecommunication Providers on the Conduct of Study on Cost Based Interconnect of Indonesian Telecommunication Sector;
 2. Completion Certificate or Acceptance Certificate of the Study on Cost Based Interconnect of Indonesian Telecommunication Sector.

DECIDES

To ratify : DECREE OF THE DIRECTOR GENERAL OF POST AND TELECOMMUNICATION ON PROCEDURE OF EVALUATION OF INTERCONNECTION TENDER DOCUMENT

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CHAPTER I

PROCEDURE OF EVALUATION

Part One

Submission, Distribution and Publication of Interconnection Tender Document

Article 1

- (1) Providers of telecommunication network shall submit to BRTI documents comprising:
 - a. Financial report to the regulator;
 - b. Calculation documentation and software of the calculated amount of interconnection charges;
 - c. Allocation of charges as stipulated in the prevailing provision; and
 - d. Interconnection Tender Document (DPI).
- (2) The submission of documents referred to in paragraph (1) is done in accordance with the provisions of the prevailing regulations.
- (3) The documents referred to in paragraph (1) are submitted to BRTI c.q. Director of Telecommunication of the Directorate General of Post and Telecommunication (Ditjen Postel).

Article 2

- (1) The Director of Telecommunication shall submit the documents referred to in Article 1 paragraph (1) to the members of the Telecommunication Regulatory Committee (KRT).
- (2) The documents referred to in Article 1 paragraph (1) points a, b and c are used only for the sake of evaluation and are prohibited to be published to the public.

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Article 3

- (1) After having finished with the evaluation of the documents referred to in Article 2 paragraph (2), all parties that have received the prescribed documents shall return them to the Director of Telecommunication.
- (2) The Director of Telecommunication is responsible for filing the documents referred to in Article 2 paragraph (2).

Article 4

The publication of the DPI proposal from the providers of telecommunication network and the publication of the DPI of the providers of telecommunication network that have been approved by BRTI are carried out in internet websites of providers of telecommunication network, BRTI and or Ditjen Postel.

Part Two

Assignment, Functions and Authority of Experts

Article 5

- (1) BRTI may assign experts for conducting a DPI evaluation.
- (2) The composition and functions of experts referred to in paragraph (1) are determined by BRTI and incorporated in the Decision of the Director General of Post and Telecommunication.
- (3) The criteria for the experts mentioned in paragraph (2) are at least:
 - a. having expertise and appropriate competence in the calculation of interconnection charges;
 - b. understanding the structure and pattern of the Indonesian telecommunication industry;
 - c. not being engaged in undertaking work relating to interconnection charges and DPI composition of

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telecommunication providers or association of the relevant telecommunication providers.

- (4) The composition and functions of experts referred to in paragraph (2) must be published via internet websites of BRTI and Ditjen Postel at the latest five (5) work days counting from the assignment of the concerned experts.
- (5) The assigned experts as stated in paragraph (1) shall keep the confidentiality of the contents of the documents against other parties and are prohibited to recopy the documents referred to in Article 2 paragraph (2) which are incorporated in the confidentiality agreement.
- (6) In the event that the assigned experts referred to in paragraph (1) need to process data or information contained in the documents as stated in Article 2 paragraph (2), the results of the processed data are prohibited to be published.

Article 6

- (1) The experts referred to in Article 5 paragraph (1) have the duty to submit recommendations to BRTI.
- (2) The recommendations mentioned in paragraph (1) are used as consideration by BRTI for DPI evaluation.
- (3) The experts' recommendations mentioned in paragraph (1) are submitted in writing to each member of KRT and to the Director of Telecommunication of the Directorate General of Post and Telecommunication.
- (4) BRTI may ask for clarifications on the recommendations submitted by the experts.
- (5) The experts' recommendations referred to in paragraph (1) are prohibited to be published without the consent of BRTI.

Article 7

The experts referred to in Article 5 paragraph (1) shall abide by the provisions of the prevailing regulations.

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Part Three

Guideline and Consideration in DPI Evaluation

Article 8

- (1) In conducting DPI evaluation, BRTI shall follow the guidelines given in the provisions of the prevailing regulations.
- (2) In conducting the evaluation, BRTI may take other considerations as long as: such considerations:
 - a. are meant to protect the interest of telecommunication users;
 - b. are meant to stimulate healthy competition and development of telecommunication industry;
 - c. are not contradictory to the prevailing regulations.
- (3) The considerations referred to in paragraph (2) shall be submitted in writing to telecommunication network providers and form an integral part of Evaluation Record.

Part Four

DPI Evaluation

Article 9

- (1) DPI evaluation is conducted jointly by KRT members and Ditjen Postel.
- (2) In conducting DPI evaluation, BRTI shall draft an evaluation plan within five (5) work days after determining telecommunication network providers with operating revenue 25% or more than the total operating revenue of all telecommunication providers in their service segmentation.
- (3) A joint evaluation referred to in paragraph (1) shall be furnished with the formulation of Evaluation Record.

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- (4) The Evaluation Record must be signed by KRT members and the Director of Telecommunication.

Article 10

- (1) The evaluation towards DPI of telecommunication network providers that are not providers with operating revenue 25% or more than the total operating revenue of all telecommunication providers in their service segmentation is conducted to see the compliance with the current Systematics of Guideline for Drafting DPI.
- (2) The evaluation towards DPI of telecommunication network providers with operating revenue 25% or more than the total operating revenue of all telecommunication providers in their service segmentation is conducted to see the compliance with the current Systematics and Material of Guideline for Drafting DPI.
- (3) In the event that the DPI of telecommunication network providers that are not providers with operating revenue 25% or more than the total operating revenue of all telecommunication providers in their service segmentation does not comply with the current systematics of guideline for drafting DPI, the telecommunication providers in question shall improve their DPI at the latest ten (10) work days counting from the receipt of request for improvement from BRTI

Article 11

- (1) The evaluation towards DPI of telecommunication network providers with operating revenue 25% or more than the total operating revenue of all telecommunication providers in their service segmentation is conducted in the following manner:
 - a. Verification of DPI Systematics
 1. The DPI of telecommunication network providers must comply with the systematics of DPI stipulated in the current Guideline for Drafting DPI.

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2. In the DPI systematics, providers of telecommunication network must furnish the adoption of all statements, conditions and principles of interconnection obligation as laid down in the current Guideline for Drafting DPI.
3. In case there is an inconsistency in the data furnished, such inconsistency need to be noted in the Evaluation Record.

b. Verificatrion of DPI Material

1. Interconnection Agreement

- a) All the systematics and material of draft interconnection agreement must be evaluated based on the defined guideline for drafting taking into account the principles of providing transparent and efficient interconnection and the provisions of the prevailing regulations.
- b) The evaluation is focused on material by taking into consideration the procedure, commitment and time frame of the draft interconnection agreement offered.
- c) Evaluation of Supporting Document A :
Planning and operation offered are in line with the current guideline for drafting DPI.
- d) Evaluation of Supporting Document B :
Collection and payment offered are in line with the current guideline for drafting DPI.
- e) Evaluation of Supporting Document C :
List of Interconnection Services offered is in line with the current guideline for drafting DPI.
- f) Evaluation of Supporting Document D :
Technical specifications offered using matrix are in line with the current guideline for drafting DPI.
- g) Evaluation of Supporting Document E :
Definitions and interpretations offered are in line with the current guideline for drafting DPI.

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2. List of Interconnection Services Offered

- a) Evaluation of the List of Interconnection Services offered is conducted by taking into account the interconnection services already provided by telecommunication network providers.
- b) Taking into account the *routing factor* as a basis for calculating interconnection charges by BRTI

3. Amount of interconnection charges

- a) Evaluation of the amount of interconnection charges is conducted by examining the consistency in the following manner :
 - 1) Verification of costing data contained in the Financial Report to the Regulator with the data possessed by BRTI.
 - 2) Verification of all charges of entry data to the formula with the costing data contained in the Financial Report to the Regulator.
 - 3) Verification of the running calculation formula.
- b) In the event of examining consistency referred to in point a) figure 1) and figure 2), an interconnection charges calculation data is found to be inconsistent, BRTI shall conduct verification to the provider up to the lowest level of the data generation based on the determined method of cost allocation.
- c) In the event of examining consistency referred to in paragraph (1) point a figure 3, the running formula is found to be inconsistent, BRTI shall request the provider to undertake improvement
- d) Examining consistency as stated in point a) may be done in conjunction with the experts referred to in Article 5 paragraph (1).

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- e) In case the providers of telecommunication network are not able to clarify the inconsistency of the calculation data referred to in point b) and are not able to undertake improvement to the inconsistency as stated in point c), the reference data of BRTI is used in evaluating the amount of interconnection charges.
4. The DPI material having to do with quantitative value is evaluated by undertaking verification in the field and the need survey and planning of own use by telecommunication network providers.
 5. The telecommunication network providers shall provide data requested by BRTI for the sake of verification in the field and the need survey.
 6. The DPI material is verified in a quantitative manner at least consisting of :
 - a) the location of interconnection point of two exchange gates connected either in the location owned by the first telecommunication network provider or in the location owned by the second telecommunication network provider or In Span Interconnection/ISI which at least is evaluated in the following manner:
 - 1) Open the interconnection point between two providers if:
 - (a) Both telecommunication network providers that are connected already have economically sufficient traffic to open interconnection point with quality of service as determined in the National Fundamental Technical :Plan 2000.
 - (b) The number of interconnection points must not be less than the number of the existing interconnection points.
 - 2) Pay attention to the input of the public by conducting direct verification in the field.

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- 3) If the input is provided by telecommunication network providers, a request for written proof is to be made to them on their interconnection traffic forecast in the service area where the interconnection points are situated.
- b) Interconnection *Route* or *link* is evaluated at least in the following manner :
 - 1) Limit the interconnection *Route* or *link* at least the same as *routing factor* found in the calculation of interconnection charges.
 - 2) Pay attention to the input provided by telecommunication network providers that attach written proof on interconnection traffic forecast of the providers in the service area where the interconnection points are situated.
 - c) Advanced interconnection capacity order is evaluated at least in the following manner :
 - 1) Perform capacity details of every interconnection point furnished with own use, forecast of the need of historical data and fair treatment.
 - 2) Pay attention to the input provided by telecommunication network providers attached with written proof of interconnection traffic forecast of the providers in the service area where the interconnection points are situated.
 - d) Time frame is evaluated at least in the following manner :
 - 1) Pay attention to the following matters:
 - (a) Does not exceed the time frame for the implementation of the existing interconnection.
 - (b) Compare the global best practice with the capability of providers.

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- (c) Take into account the interest of users.
- 2) Pay attention to the input provided by telecommunication network providers attached with a written proof of the procedure and process that have been and will be performed by the concerned network providers in complying with the proposed time frame.
- e) Quality of service is evaluated at least in the following manner :
 - 1) Verify the level of quality of service provided with the amount of interconnection charges offered based on variables of changes of its derivatives as indicated in the submitted DPI.
 - 2) Use the guideline for drafting DPI, the provision in the National Fundamental Technical Plan 2000 and the current ITU-T standard.
- f) The technical Parameter Value is evaluated at least in the following manner :
 - 1) Use the guideline for drafting DPI, the provision in the National Fundamental Technical Plan 2000 and the current ITU-T standard.
 - 2) Assess the technical parameter in order not to become hindrance for access searcher in performing interconnection demand.
 - 3) Pay attention to the input provided by telecommunication network providers attached with a written proof that the technical parameter value is used without giving impact on the decrease of service quality.
- (2) The Director General of Post and Telecommunication submits the evaluation results, including request for DPI improvement if any, to providers of telecommunication network as referred to in paragraph (1).

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- (3) In the event that there is a demand for improvement from BRTI, the improved DPI must be resubmitted by telecommunication network providers to BRTI in accordance with the provision referred to in Article 1 paragraph (3).

Article 12

- (1) Before conducting survey and verification in the field, BRTI shall determine the location, mechanism and data of the survey.
- (2) Survey and verification in the field as stated in paragraph (1) may be done jointly with the experts.
- (3) BRTI shall submit in writing the plan of survey and verification in the field referred to in paragraph (2) to telecommunication network providers at least two (2) work days before the implementation of the survey and verification in the field.
- (4) The results of the survey and verification in the field referred to in paragraph (1) shall be formulated in the Record of Survey and Verification.
- (5) The Record referred to in paragraph (4) shall be signed by KRT members, representative of Ditjen Postel and the concerned telecommunication network providers.

Part Five

Evaluation of Improved DPI

Article 13

- (1) Evaluation of improved DPI is conducted by BRTI by determining the target of improvement of the respective DPI materials.
- (2) In case the materials of improved DPI are not in line with the target of improvement referred to in paragraph (1), BRTI may submit refusal towards the proposed improved DPI.

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Article 14

- (1) The approval of BRTI towards approved DPI shall take into account the materials of the proposed improved DPI and the determined target of improvement.
- (2) Approval of the improved DPI as stated in paragraph (1) shall be done by revised verification of all systematics and materials of the improved DPI by referring to the provision and regulation in force and the conditions in the field.

CHAPTER II

APPROVAL OF THE DPI

Article 15

- (1) The decision for the approval of the DPI by BRTI is taken by KRT members in a collegial manner.
- (2) The decision for the approval of DPI referred to in paragraph (1) shall consider:
 - a. written conclusions on DPI evaluation by the respective members of KRT;
 - b. written conclusion on the DPI evaluation by Ditjen Postel.
- (3) In the event that the written conclusions referred to in paragraph (2) form a recommendation of the experts, the KRT members and Ditjen Postel shall mention the source of the recommendation.

Article 16

The decision for the approval of the DPI of telecommunication network providers is defined by the Decision of the Director General.

CHAPTER III

FINAL PROVISION

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Article 17

This Decree shall come into force on the date of its ratification

Done at : JAKARTA

On : April 3, 2006

DIRECTOR GENERAL OF POST AND TELECOMMUNICATION

Signed

BASUKI YUSUF ISKANDAR

Copies of this Decree are sent to:

1. Minister of Communication and Information Technology;
2. Secretary General of the Department of Communication and Information Technology;
3. Inspector General of the Department of Communication and Information Technology;
4. Directors General of the Department of Communication and Information Technology;
5. Members of Telecommunication Regulatory Committee of the Indonesian Telecommunication Regulatory Body.

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