

THE UNITED REPUBLIC OF TANZANIA  
**TANZANIA COMMUNICATIONS REGULATORY AUTHORITY**  
ISO 9001: 2015 CERTIFIED



**DETERMINATION NO. 6 ON COST BASED INTERCONNECTION CHARGES AMONG  
TELECOMMUNICATION NETWORK SERVICE LICENSEES IN THE UNITED  
REPUBLIC OF TANZANIA, ISSUED IN JULY, 2023.**

## **1.0 INTRODUCTION**

This Determination is made under the Tanzania Communications Regulatory Authority Act, Chapter 172 of the Laws of Tanzania (hereinafter referred to as the TCRA Act). In compliance with the requirements of Section 18(2) (b) and 18 (5) of the TCRA Act, 2003 an Inquiry was conducted by a Panel of Inquiry from 13<sup>th</sup> to 26<sup>th</sup> June, 2023 to obtain inputs from telecommunication networks operators and other stakeholders on the proposed new cost-based interconnection charges. The Panel of Inquiry considered among others the report on full cost of services study on telecommunications in Tanzania undertaken by M/S Incyte Consulting Ltd. The study used the Hybrid Long Run Incremental Cost Study Methodology (LRIC+).

This Determination shall be known as Determination No.6 issued in 2023 on cost-based interconnection charges among telecommunication networks service licensees in Tanzania (hereinafter referred to as the "Determination"). This Determination shall be effective from the 1<sup>st</sup> day of January 2023 and is binding to all networks service licensees in the United Republic of Tanzania.

## **2.0 CONSIDERATION OF THE FINDINGS OF THE PANEL OF INQUIRY**

After a thorough scrutiny of the Report of Inquiry on appropriate cost-based interconnection charges, the Authority concurs with the findings of the Panel of Inquiry that was appointed in accordance with Rule 6(1) of the Tanzania Communications Regulatory Authority (Procedure for Rules of Inquiry) Rules, 2004. The notice of Inquiry was published in the Government Gazette as Government Notice No.395A on 13<sup>th</sup> June 2023. The same was published in the daily newspapers namely; the Daily News, Mwananchi and Habari Leo on 14<sup>th</sup> June 2023. The Notice of Inquiry was served to all networks service licensees and other parties named in the Notice of Inquiry.

The inquiry was conducted as a condition precedent to the issuance of cost-based interconnection determination as required by Section 18(2) (b) and 18 (5) of the TCRA Act. The Inquiry process involved literature review, consultations, written submissions and public hearing to get views from networks service licensees, consumers and other stakeholders including the general public. Finally, the Panel of Inquiry produced the Report that was submitted to the TCRA Board on 26<sup>th</sup> June, 2023.

The Authority concurs with the Panel of Inquiry’s observation that all networks service licensees have monopoly on terminating calls on their networks. In order to promote fair competition, there is a need for regulatory intervention on interconnection charges. Also, the Authority concurs with the Panel of Inquiry’s recommendation to reduce interconnection charges.

The Authority has noted with satisfaction that the Panel of Inquiry satisfied itself that the Long Run Incremental Cost (LRIC+) methodology, which was used in conducting the cost study, is the appropriate basis for determining cost-based interconnection charges because it is forward looking and considers all relevant and efficiently incurred costs that are based on a Modern Efficient Operator (MEO).

Generally, stakeholders (Networks service licensees, Fair Competition Commission and TCRA-Consumer Consultative Council) demonstrated differing views on the proposed interconnection rate, with arguments that higher interconnection rate is needed to attract investment and maintain financial sustainability of networks service licensees whereas others were in support for lower interconnection rate to ensure services are affordable to consumers.

### **3.0 THE DETERMINATION**

In view of a foregoing the Authority hereby determines Interconnection charges to be applied among the networks service licensees in the United Republic of Tanzania as follows:

3.1 The appropriate cost-based interconnection charges and the glide path are shown in the Table 1 below.

**Table 1: Glide path for cost-based Interconnection charges (TZS/Minute) with effect from 1<sup>st</sup> January, 2023 to 31<sup>st</sup> December 2027:**

Year	1 <sup>st</sup> January 2023	1 <sup>st</sup> January 2024	1 <sup>st</sup> January 2025	1 <sup>st</sup> January 2026	1 <sup>st</sup> January 2027
Voice call Termination Charges	1.86	1.76	1.68	1.60	1.52

3.2 The interconnection charges shall be used for termination of domestic traffic of the telecommunication networks service licensees in the United Republic Tanzania;

3.3 All networks service licensees are free to negotiate and apply interconnection charges that are lower than those shown under this determination;

3.4 All networks service licensees are required to enter into new Interconnection Agreements and submit the same to the Authority by 31<sup>st</sup> July, 2023.

Dr. Jabiri K. Bakari  
**DIRECTOR GENERAL**  
**TANZANIA COMMUNICATIONS REGULATORY AUTHORITY**