

## ABSTRACT

Along with the Constitution No. 36/1999 being published about competition system on Telecommunication Business in Indonesia, the interconnection service starting to change. Revenue sharing, the calculation method of interconnection which is applied until today, does not support the competitive environment. Therefore on this research will be discuss about cost for providing interconnection service based on cost using Top Down LRIC method according to KM no. 34/2002.

This research using 2003 financial report data, traffic data and PT. Telkom's network configuration. The calculation will be until the establishment of interconnection costs based on Top Down LRIC method and does not discuss tariff.

According to the calculation results of LRIC Top Down, cost for local and long distance interconnection services are as shown below:

Call Type	LRIC Top Down
Local	Rp. 249,16,-
Long Distance 1	Rp. 436,14,-
Long Distance 2	Rp. 525,61,-
Long Distance 3	Rp. 615,08,-

From the result above, there are some significant differences with revenue sharing tariff as shown below:

Jenis Panggilan	LRIC Top Down	Revenue Sharing
Lokal	Rp. 249,16,-	Rp. 125,-
Long Distance 1	Rp. 436,14,-	Rp. 1.096,5,-
Long Distance 2	Rp. 525,61,-	Rp. 1.542,75,-
Long Distance 3	Rp. 615,08,-	Rp. 1.929,5,-

The tariff differences will affect the revenue of PT. Telkom significantly, considering business of interconnection services are the essential business of PT. Telkom, because it can make the revenue tend to increased annually and have quite large revenue composition besides other revenue. This tariff still is the minimum tariff, so it still can't give profits for PT. Telkom. Therefore, determining tariff using cost-based LRIC Top Down method, can not directly based on cost however, there are still some factors that should be considered and calculated, especially for developing countries like Indonesia where the economic condition was relatively unstable. Those factors like costs calculation, Asset Deficit Contribution and national economic aspects, as factors that can generate realistic profits for PT. Telkom.