

Stakeholder queries on Ofcom's consultation of 31 March 2011 on charge control review for LLU and WLR services

Theme: TAMs

Stakeholder	Condoc page no.	Condoc para. ref.	Stakeholder query	Ofcom response
Analysys Mason	CF for Publish (empty) model	7.70	In the Cost Forecast model, in the sheet 7.Capex to COW, row 146, how significant is the operational capex programme "EVO TAMs" cost item compared to the LLU capex programme cost?	The amount is included in the subtotal in row 147.
Analysys Mason	CF for Publish (empty) model	7.70	In the consultation document, in 7.70, the total capex for LLU, 'Other volume driven copper', EVO TAMs and IT capex is shown, and decreases significantly between 2011/12 and 2013/14. What is driving such reduction? For LLU and 'other volume driven copper' this is linked to the amount of activity (through KMH allocated to activities in the Cost Forecast model) and originally by the product volumes. What is the reason of such variation in the volume of KMH allocated to these two capex programmes between 2011/12 and 2012/13?	a) Copper driven Capex falls due to lower forecast house building activity. B) LLU falls as less Capex required at exchanges to accommodate LLU roll out. These are both Complex activities rather than directly product driven activities.
Frontier Economics	CA for Publish	Activity_Allocaitons	How are costs allocated to 'Activity 18' ('use of evoTAMs')?	see 'Labour Allocations'
Frontier	CA for	ActivityHeading_Products	Based on a comparison between figures	Yes - see 'Labour Allocations'

Economics	Publish		9.3, 9.4 & 9.5 to the unit cost stacks from the CA model it appears that "Activity 18" = "Use of Evo TAMs". Can Ofcom confirm this?	
Sky	A68	SA8.114	Can the basis for this allocation split be explained.	Based on RFS.
Talk Talk	A85, A86		Line test and evoTAMs. For each of these, need to understand what they are used for (e.g. WLR only or SMPF only). How this fits with allocation to WLR as well as SMPF (Fig 9.16). What testing functionality included in linecard? Why is the TAM (which does same function) so much more expensive?	TAM s- MPF Only, EVO tams, WLR & SMPF. TAMs costs are higher due to the time profile of investment. We will be including further analysis in the Statement, 'TAM (TTG 26)'slide supplementary information show previous and current treatment
Talk Talk	A90	Fig 10.2	What activities / assets are included in 'Capex not driven by ops'?	Yes
Talk Talk	A90	Fig 10.2	Why are IT capex and evoTAMs redacted? If justified, can approximate figures be provided (and trend)?	Confidential, in broad terms IT Capex is flat meaning the movement is the fall in EVO Tam Capex.