

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

Theme: Ancillary

Stakeholder	Condoc page no.	Condoc para. ref.	Stakeholder query	Ofcom response
Analysys Mason	A40	AFig 6.1	What is the detailed explanation for the differences between the 2009/10 volume figures from Ofcom and those in the BT RFS?	Please could you provide details of material differences.
Analysys Mason	A40	A6.7	For WLR / PSTN transfers and takeovers, how did Ofcom disaggregate into premium and basic, when RFS reports only premium (and shows a figure that is around the sum of Ofcom's basic and premium figures)?	For the 2009./10 base year BT provided disaggregated figures.
Cable and Wireless			On page 110 I can find table 7.18 which give me a summary of the basket. I would like some guidance to explain what internal cost of sale is? Why it is increasing as suggested? Then in the Annex page 40 Figure 6.1 shows the volume forecasts - again I can't find any discussion about the volumes or anything.	Information to be provided in due course. See also separate document, "Co-mingling rentals".
Frontier Economics	CA for Publish	Product_Revenue	Can you please explain how you have calculated forecast demand and how you ensured that movements in the number of subscribers was consistent with the	We did not undertake a specific review of these volumes which were derived from Openreach advice given the proposed volumes of rental products.

			total number of subscribers, for each product.	
Frontier Economics	CA for Publish	Product_metrics	Please explain what products are included in the line "WLR & LLU Other".	ISDN2, Network Features, Enhanced Maintenance and Enhanced Provision.
Sky	37	3.105	Can Ofcom explain how the mechanism for dealing with under-/over- shooting in the last year of the control will work?	See FAA4(A).9 on page 128 of the consultation annexes. See also FAA4(A).10 and FAA4(A).15
Sky	56	4.84	Has Ofcom considered that MPF expedite volumes are low because the price is so high?	We recognise that price is likely to influence demand for MPF expedite volumes. However, we have no evidence of the extent of this. Where stakeholders have views on this, we welcome evidence.
Sky	116	fig 7.24	Are key LLU migration services gliding to their individual FACs by 13/14?	No, a blended single Cap as set out in para4.106 - 4.107.
Talk Talk	44	4.24 et seq	Has Ofcom considered a separate basket for tie-cables which are effectively the only co-mingling product that is used by BT itself (since EOI does not apply to accommodation / space)?	We noted in consultation that we considered three separate baskets for MPF, SMPF and co-mingling as proportionate and appropriate to lessen the opportunity for gaming, while providing OR with some flexibility to efficiently adjust prices. Though we welcome evidence where you have views on the scope and design of the baskets, in respect of this point about a separate basket for tie-cables.
Talk Talk	53	\$4.70	Has Ofcom assessed the extent to which BT has gamed the use of 'prior year weighting' mechanisms in the past?	We have not seen any evidence of gaming use of 'Prior year weighting' by BT.
Talk Talk	54	footnote 74	Can we see this slide pack or can the relevant statement be revealed?	In the slide Openreach noted that that one of the problems with the basket structure was that where equivalent services were placed in different baskets prices were allowed to diverge creating potential distortions.
Talk Talk	54	\$4.76	The consistency checks / requirements	Many of the services are not analogous

			are only done between analogous MPF and SMPF services. Why are they not done between analogous MPF and WLR services?	between WLR and MPF. But if there are particular analogous services that you think we should compare, please set that out in your response (note we have already compared the rental prices for WLR and MPF).
Talk Talk	56	\$4.84	Is the expedite service referred to a new provide or a transfer?	Yes. The expedite service referred to is of a New Provide.
Talk Talk			Can we agree a single nomenclature for MPF connection / transfer and SMPF connection / transfer?	MPF Single Migration, SMPF New Provide and SMPF Single Migration are the product names We will do our best to ensure consistency in the statement, though when we referee to Openreach products we need to use their terms.
Talk Talk	108	Fig 7.13	Are these all Openreach costs, LLU and WLR or CRS (it is titled Openreach)?	Total Openreach Costs
Talk Talk	116	Fig 7.24	The column title 'LLU migration' ... is this correct? Is it simply the sum of the three baskets?	No, a blended single Cap as set out in para4.106 - 4.107 of consultation.
Talk Talk	141	\$9.22	The baskets have a 'carry-over' provision. Why is this needed (in a prior year weighting arrangement)?	While the weighting arrangements are based on the previous year it is still possible for Openreach to under or over achieve the percentage change on revenue limits in years 1 or 2 - hence the carry-over provisions. For example, if prices were only re-set annually, they may be based on a forecast of the full year revenues for the previous year, because there is not yet revenue data available for the last month or two of the prior year. You would generally expect any carry over to be relatively small with a prior year weight system.
Talk Talk	A40	Fig A6.1	There is a declining number of singleton migrations and ceases implying reduced switching between providers. Is this	We do not have a defined view of migration activity through the term. In the absence of clear evidence we have

			Ofcom's view of future volumes ?	relied on Openreach predictions of activity which is based on their customer interactions - we welcome the views of stakeholders.
Talk Talk	A40	Fig A6.1	Generally, what cross-checks has Ofcom done on the volumes of non-rental services?	We were unable to gain sufficient evidence on non-rental activity to offer an alternative view to the Openreach predictions of activity derived from their own planning algorithms. We welcome stakeholder views.
Talk Talk			Are there equivalent services to SFI, TRC for WLR?	TRCs are provided across Openreach's portfolio of products and could be taken for WLR. We are not aware of an equivalent SFI type service for WLR, as SFI generally relates to broadband