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

Questions and answers

Condoc. ref.	Stakeholder query	Ofcom response	Follow up stakeholder question	Follow up and/or further Ofcom response
	Can we have a mapping of these cost categories versus the ones in Fig 8.10.	Figure 8.10 relates to the "frames" entry in Figure 8.12. See paragraphs 8.58 to 8.61 for more details.	Q asked on 23 June - - ofcom said we would ask BT for the schedule	We consider this is confidential
	Where are WLR cease costs in the model ? How much are they / where are they allocated ?	We are happy to discuss the location of this in the model with your consultants	- regarding WLR cease and WLR jumper removal costs – I have checked with Frontier and they got no sensible explanation of what has been done	In the CF model the KMH for ceases (row 320 of 3. Vol to KMH calc) is built up by applying the volume of products that generate WLR ceases (1.vol) to product usage factors (2. Vol to KMH col L). This KMH is then costed up and forms part of the aggregate Direct Pay and Agency Cost. The WLR cease KMH forms part of the 'MDF

				Hardware jumpering' KMH. In the CA model, Direct Pay is allocated to activities on Volume Driven Pay, Agency pay is allocated straight to the MDF jumpering activity (A026). Volume driven pay to allocated on a dynamic basis to a large number of activities, with a significant proportion (c20% - see 'Activity Allocation' tab col Z) going to the MDF Jumpering Activity. MDF Jumpering is then allocated to products as per row 35 of the 'Product_Cost' tab
	(TTG87) TTG 38: could Ofcom explain how SLG costs (internal and external) are calculated and how much they are.	See A8.11 to A8.15 of the Condoc	A8.11 to A8.15 don't seem to provide the answer you suggest	Onlly one number calculated, based on 10/11 budget. Forcast forward using ofcom efficiency and inflation assumption,
	Can you give clear / tangible examples of the	We are gathering our response for this and will update when	what 'diverse' product requirements	Following the March Consultation, in particular in light of

	'more diverse' requirements of MPF (versus WLR) and how/why these more diverse requirements drive added product management cost.	available	was	points arising out of that consultation, we have considered this in more detail. The LLU equipment used in exchanges varies between CPs and this is reflected in the wide range of different ancillary products bought for MPF services (as shown by the long list of comingling services). But the management costs of this diverse range of products should be captured in the cost of the ancillary services rather than the core rentals. It is not obvious that that the diverse requirements for full unbundling products tend to mean that the LRIC of product management costs for MPF Rental are higher than WLR Rental. We therefore recognise that the implication in the March Consultation

				that more diverse requirements of MPF tends to lead to higher LRIC may have been overstated. We are considering the implications of this, if any, for the statement