DANISH BUSINESS AUTHORITY

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Issues related to the consultation of the revised LRAIC model

There are a number of issues that should be highlighted in relation to the consultation of the revised LRAIC model. These issues will be listed below.

Non-network cost
Non-network cost will not be calculated based on bottom up in the LRAIC model, but will be based on top down information. TDC has provided historical cost information on some non-network cost, but DBA does not believe that they are well documented. Therefore, DBA asks TDC to supply further documentation. Furthermore, DBA would like to have input from the alternative operators on non-network cost. This cost category can be found in the sheet "Non-network costs" in the core model and consist of the following sub-categories:

- Network management system
- Non-network resources
- IC specific and commercial costs

As a starting point, the cost level has been set to zero in the new access model.

OPEX related to maintenance of the access network
DBA aims to revise the OPEX calculations related to the maintenance of the access network. These calculations are called event driven opex and are placed in sheet "Events OPEX" in the new access model. DBA would like to receive comments from the industry on the level of OPEX related to maintenance of the access network for an efficient operator. As a starting point, the cost level has been set to zero in the new access model.

Total traffic in the modelled network
DBA has analyzed the traffic that the LRAIC model produces, and compared it to actual traffic number form TDC. DBA has askeds TDC for further information regarding actual traffic in their network.

Update of asset prices
Historically, DBA has updated asset prices in relation to the revision of LRAIC models (i.e. every third or fourth year). DBA has however recently received comment from the industry, that is it necessary is to update some asset prices on a more frequent basis. Therefore, DBA would like to have information from the industry on which assets should be updated more frequent, and how frequent they should be updated.

Yearly update of traffic in the model
DBA updates traffic data yearly in the LRAIC model. The data that will be required for the yearly update of the revised model will be in line with the data that was used in the previous model.

However, some call categories have been changed and some additional data will be required for the yearly update of the new model.

DBA has asked TDC to comment on the data required for the yearly update in order to ensure that:

- TDC can deliver the data required for the update of the model
- There is a precise definition of the data that is updated in the model
- There is a high level of transparency regarding the data that is updated.

DBA will at a later stage send out a draft document describing the data that will be updated in the model. This will include a precise definition of the traffic that is updated as well as where and over what period it is measured in TDC's network.

Prices of joints in the fibre network
DBA has received prices for joints in the fibre network. DBA does not believe that these costs are accurate, and have therefore used information from the previous model on joint cost. DBA has asked TDC to supply further information on joint cost. Furthermore, DBA would like to have information from the alternative operators on this issue.

Confidential information
DBA has discussed confidential information in the model with TDC. Based in this, DBA has redacted confidential information in the models. Redacted information has been marked with blue.

Active lines in the SQL calculations for all access technologies have been redacted in the SQL data.

For the cabel tv network only data from one postal code is included in the SQL data and the excel file.

Table 2 in sheet "Colo and other services" in the core model contains information regarding TDC's regulatory accounts. This information has been taking out of the model, as it is considered highly confidential by TDC. DBA has asked TDC to explain why this information is considered to be highly confidential.

The input unit cost in the model (for example unit cost for equipment) has been based on input from the industry as well as international benchmarks. Therefore it is not possible to trace unit cost to a specific operator. Input cost has not been marked with blue.

Installation of in house cabling
TDC has argued that in house cabling should be part of the wholesale cost in the LRAIC model.

DBA has asked TDC to clarify if in house cabling is always paid on wholesale level or it is sometimes is paid on retail level. If in house cabling is sometimes paid on retail level, DBA would like to know the proportion of in house cabling that is paid on retail level.

MDU
DBA has asked TDC to specify what is the typical number of flats in a building in which an MDU is installed.

Duct handling fees
It is not clear to DBA if duct handling fees are just incurred by TDC when trenches need to be modified or also for new trenches being built. As a consequence, DBA has asked TDC to provide invoices of new trenches being built where the duct handling fee also appears.

Distribution Points
TDC has provided a list of Distribution Points.
There is no DP size between 10 and 100 and 100 and 500 which seems very unusual compared to practices followed in other countries (with DPs of 20 or 50 or 200 pairs). DBA has asked TDC to verify the granularity of DPs.

Geo redundancy and resilience in the VoIP network
DBA would like to have the industry's views on the level of Geo redundancy and resilience in the VoIP network. The parameters used in the model can be found in sheet "Network dimensioning rules" table 2.