



ITU EXPERT-LEVEL TRAINING FOR REGULATORY AUTHORITIES AND OPERATORS
ON NETWORK COST MODELING - LEVEL II
Damascus (Syria), 1-5 August 2010

AGENDA

DAY 1: Principles of cost modeling (wrap up)

Session 1	08.30 – 09.00	<i>Delegates registration</i>
	09.00 – 10.30	<ul style="list-style-type: none"> - Team building, introduction, expectations - Overview of retail and wholesale regulation – evaluating the adequacy of cost modeling methodologies
Session 2	10.30 – 10.45	<i>Coffee Break</i>
	10.45 – 12.30	<ul style="list-style-type: none"> - Drivers, benefits and issues of cost allocation and costing - Cost methodologies: FAC, LRIC - Types of models: Bottom-up, Top-down models; scorched earth, scorched node
Session 3	12.30 – 14.00	<i>Lunch Break</i>
	14.00 – 15.15	<ul style="list-style-type: none"> - Cost attribution (ABC and other methods, indirect and common cost) - Asset valuation (historic book values, current values, expected future asset values) - Comparison between the different available cost models - SWOT analysis
Session 4	15.15 – 15.30	<i>Coffee Break</i>
	15.30 – 17.00	<p>Working Group Exercise and discussion: Current situation of participant countries regarding the application of top-down and bottom-up cost modeling</p> <p>Self-evaluation on cost modeling principles (30 minutes)</p>

DAY 2: Basic elements of cost models

Session 5	09.00 – 10.30	<ul style="list-style-type: none"> - Cost models need to be considered in context and having regard to the purposes to which they will be put - Determination of the expected demand for services <ul style="list-style-type: none"> o Types of services o Demand predictions o Traffic distributions
	10.30 – 10.45	<i>Coffee Break</i>
Session 6	10.45 – 12.30	<ul style="list-style-type: none"> - Demand in Top-down and in Bottom-up models - Network elements <ul style="list-style-type: none"> o Fixed networks o Mobile networks o New technologies: NGN, NGA, 3G, LTE
	12.30 – 14.00	<i>Lunch Break</i>

Session 7	14.00 – 15.15	<ul style="list-style-type: none"> - Network elements in Top-down and in Bottom-up models - Network design and determination of the investment in telecommunication infrastructure - Data collection issues
	<i>15.15 – 15.30</i>	<i>Coffee Break</i>
Session 8	15.30 – 17.00	Working Group Exercise and discussion: Specifying cost models covering the topics of Day 2
DAY 3: Dimensioning a mobile network for a sample PC based bottom up model		
Session 9	09.00 – 10.30	<ul style="list-style-type: none"> - Introducing the cost model - Traffic predictions in minutes - Billed minutes vs. technical minutes - Busy hour and Erlang conversion - Coverage and capacity
	<i>10.30 – 10.45</i>	<i>Coffee Break</i>
Session 10	10.45 – 12.30	<ul style="list-style-type: none"> - Dimensioning of basic network elements <ul style="list-style-type: none"> o Quality of service parameters and network dimensioning o Switches, registers, BTS, BSC and TRX - Transmission o Other - Routing table - Technical background
	<i>12.30 – 14.00</i>	<i>Lunch Break</i>
Session 11	14.00 – 15.15	<ul style="list-style-type: none"> - Derivation of network costs of services
	<i>15.15 – 15.30</i>	<i>Coffee Break</i>
Session 12	15.30 – 17.00	Working Group Exercise and discussion: Data input into the cost training model and development and determination of specific data based on a case study

DAY 4: Cost allocation and tariff calculation

Session 13	9.00 – 10.30	Working Group Exercise and discussion: Data input into the cost training model and development and determination of specific data based on a case study(cont.) Special session: participants should have the opportunity to ask for any additional topics on costing not included in the agenda
	<i>10.10 – 10.45</i>	<i>Coffee Break</i>
Session 14	10.45 – 12.30	Working Group Exercise and discussion: using the cost training model and developing scenarios that reflect different costs and cost allocations
	<i>12.30 – 14.00</i>	<i>Lunch Break</i>
Session 15	14.00 – 15.15	Working Group Exercise Experimenting with different parameter values (case studies) Experimenting with deferent data sets (case studies)
	<i>15.15 – 15.30</i>	<i>Coffee break</i>
Session 16	15.30 – 17.00	Presentations by each Working Group to the plenary – Discussion/Critiques)

DAY 5: Exercises with the computer training cost model

Session 17	09.00 – 10.30	<ul style="list-style-type: none"> - Special aspects of WACC - determination of WACC of non listed companies, divisional WACC - Different depreciation profiles (straight line vs. tilted annuity vs. others) - Different capital maintenance concepts (FCM vs. OCM) - How to get replacement values (GRV and Modern Equivalent Assets)
	<i>10.30 – 10.45</i>	<i>Coffee Break</i>
Session 18	10.45 – 12.30	<ul style="list-style-type: none"> - Cost of network elements (direct, indirect, common and special costs) - Operating costs - Capital costs - Attribution of costs between services provided - Tariff calculation - Use of models for National Broadband Network (NBN), Next Generation Networks (NGN) and converged services
	<i>12.30 – 14.00</i>	<i>Lunch Break</i>
Session 19	14.00 – 15.15	<ul style="list-style-type: none"> - Open discussion and Wrap up - Closing ceremony and delivery of Certificates

Facilitator's Profile:

- Mr. Heinrich Otruba, former President of the Austrian Regulatory Authority RTR, now CEO of IRAC Est. specialized Agency for international regulatory questions, Professor at the Vienna University.
- Mr. Jim Holmes, Director, Incyte Consulting Pty Limited, developer of several cost models for telecommunication services.