



**Telecommunication
Development Bureau (BDT)**

Ref. BDT/IEE/RME/DM468

Geneva, 5 August 2014

To: Administrations of ITU Members States,
Regulators, ITU-D Sector Members and
Academia in English-speaking countries in Africa

Subject: **ITU Advance Level Training on Cost Modeling and Pricing for Quad play/Next Generation Access (NGA) for English-speaking countries in Africa
Windhoek, Namibia, 6-10 October 2014**

Dear Sir/Madam,

I am pleased to invite your Organization to participate in the **ITU Advance Level Training on Cost Modeling and Pricing for Quad play / Next Generation Access (NGA) for English Speaking countries in Africa.**

This Training is organized jointly by the International Telecommunication Union (ITU) and the Communications Regulatory Authority of Namibia (CRAN). It will take place at the **Hilton Hotel** in Windhoek, Namibia, from 6 to 10 October 2014.

This training is part of a series of activities organized by BDT within the framework of the ITU Regional Economic and Financial Forum for Africa and the Study Group 3 Regional Group for Africa. It has been driven by the increasing prominence of a quad play and NGA business environment which requires key strategic decisions at policy, regulation and operational levels. The rising synergy as well as competition amongst the fixed, mobile, Internet and broadcasting players, bundled services being offered by both Broadcast Cable TV operators and Telecom service providers, the eminence of cloud based and content delivery networks and over-the-top (OTT) content players create opportunities as well as challenges in respect to costing, pricing and competition.

The training is therefore addressed to senior managers from policy makers, regulators, industry and academia dealing with economic, business, financial and strategic planning for telecom/ICT services. Prior knowledge of network costing is a prerequisite for the course.

All documents relating to the training are available and regularly updated at <http://www.itu.int/en/ITU-D/Regional-Presence/Africa/Pages/default.aspx>

This includes the provisional agenda (also attached hereto as Annex 1), the registration form (**to be completed no later than 20 September 2014**), the hotel reservation form and a practical information note. You are kindly invited to book your accommodation using the hotel reservation form available on the aforementioned website.

Participants requiring an entry visa to Namibia are requested to contact their local embassy for information well in advance. In addition to the entry visa requirements for Namibia, transit visa shall also be required for transiting through South Africa.

There is no training fee for this course as it is supported by ITU. However, participants should cover their own travel, accommodation and related expenses.

Ms Anne Rita Ssemboga at the ITU Area Office in Harare is at your full disposal for any further information or clarification you may need regarding this training (tel.: +263 4 77 59 40/39, fax +263 477 12 57, email: anne.rita.ssemboga@itu.int).

I look forward to your active participation in this course.

Yours faithfully,

[Original signed]

Brahima Sanou
Director

Annex: 1 (provisional agenda)



**ITU Advance Level Strategic Training
on Cost Modeling and Pricing for Quad-Play /
Next Generation Access (NGA)
for English-speaking countries in Africa**



Windhoek, Namibia, 6-10 October 2014

Brief Description:

With the advent of convergence, there is rising synergy as well as competition amongst the fixed, mobile, Internet and broadcasting players. Bundled services are being offered by both Broadcast Cable TV operators and Telecom service providers in a market where connected televisions grow in users home, cloud based and content delivery networks are rising and over the top (OTT) content continue to proliferate on fixed and mobile devices. As service providers plan to deploy quad play, key strategic decisions need to be taken by senior managers that require specialized skills. These relate to appropriate cost modelling and pricing, market and technology environment scanning and creating appropriate policy and regulatory environment.

This expert-level training aims to impart knowledge, provide analytical tools (based on cost models) and case studies for divisional heads and senior managers of telecommunication and broadcasting service providers as well as national regulatory authorities (NRAs) in better strategic planning for a converged quad play environment.

PROVISIONAL AGENDA

Monday 6 th October (Day-1)	
0830-0900	Registration
0900-0930	<p>OPENING SESSION</p> <ul style="list-style-type: none"> - ITU - LOCAL HOSTS AND PARTNERS
0930-1030	<p>Session 1: CONVERGENCE IN PRACTICE: TRENDS, ISSUES AND CHALLENGES</p> <p>Objective: To provide an overview of the existing scenario and trends in the telecommunication and broadcasting industry in an online converged environment, the underlying technology, business and regulatory issues.</p>
1030-1100	COFFEE BREAK
1100-1230	<p>Session 2: PRICE REGULATION AND COSTING STANDARDS</p> <p>Objective: To examine the circumstances under which NRAs seek to determine prices for services in telecommunications/ICT markets and the basis on which they do so. To provide a high level overview of the various approaches that may be applied to costing for telecommunications/ICTs services pricing including FDC, LRIC, LRAIC, Marginal costs, etc. At the end of the session participants will have a clear idea of the different situations in which the various cost standards might be best applied.</p>

1230-1400	LUNCH BREAK
1400-1530	<p>Session 3A: PRACTICAL EXERCISE ON QUAD-PLAY COSTING USING NEXT GENERATION ACCESS NETWORK COST MODEL</p> <p>Objective: A hypothetical but realistic scenario in which an over-the-top service provider seeks access to an incumbent's broadband access network. To assist the negotiations participants have to work with the ITU's NGA Training Cost Model. In this first part the scenario is explained and the cost model is introduced.</p>
1530-1545	COFFEE BREAK
1545-1700	<p>Session 3B: PRACTICAL EXERCISE ON QUAD-PLAY COSTING USING NEXT-GENERATION ACCESS NETWORK COST MODEL</p> <p>Objective: A hypothetical but realistic scenario in which an over-the-top service provider seeks access to an incumbent's broadband access network. To assist the negotiations participants have to work with the ITU's NGA Training Cost Model. In this second part participants split into teams in which they manipulate the cost model and prepare their negotiating positions.</p>

Tuesday 7th October (Day-2)	
0900-1030	<p>Session 3C: PRACTICAL EXERCISE ON QUAD-PLAY COSTING USING NEXT GENERATION ACCESS NETWORK COST MODEL</p> <p>Objective: A hypothetical but realistic scenario in which an over-the-top service provider seeks access to an incumbent's broadband access network. To assist the negotiations participants have to work with the ITU's NGA Training Cost Model. In this third and final part the negotiations are conducted and decisions reached; learning points are then discussed in plenary session.</p>
1030-1100	COFFEE BREAK
1100-1230	<p>Session 4: NGA AND NGN INTERCONNECTION TRENDS</p> <p>Objective: To examine the extent to which regulation of Next generation Networks, including Next Generation Access, is necessary and sufficient to achieve national broadband policy goals. To illustrate the main current and emerging issues involved in establishing interconnection charges for NGN through a review of international experience and practice.</p>
1230-1400	LUNCH BREAK
1400-1530	<p>Session 5A: PRACTICAL EXERCISE ON QUAD-PLAY NEGOTIATION</p> <p>Objective: A hypothetical but realistic scenario in which an over-the-top service provider seeks to negotiate a quad-play offer with non-dominant fixed and mobile operators. In this first part the parties prepare their offers based on defined commercial objectives and business modelling.</p>
1530-1545	COFFEE BREAK

1545-1700	<p>Session 5B: PRACTICAL EXERCISE ON QUAD-PLAY NEGOTIATION</p> <p>Objective: A hypothetical but realistic scenario in which an over-the-top service provider seeks to negotiate a quad-play offer with non-dominant fixed and mobile operators. In this second part the negotiations are conducted and presentations made to the industry regulator seeking regulatory approval and/or mediation.</p>
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Wednesday 8th October (Day-3)

0900-1030	<p>Session 6: TRENDS IN NGA and NGN REGULATION</p> <p>Objective: To examine the extent to which regulation of Next Generation Networks, including Next Generation Access, is necessary and sufficient to achieve national broadband policy goals. To illustrate the main current and emerging issues involved in establishing interconnection charges for NGN through a review of international experience and practice.</p>
1030-1100	COFFEE BREAK
1100-1230	<p>Session 7A: PRACTICAL EXERCISE ON QUAD-PLAY COSTING USING NEXT GENERATION CORE NETWORK COST MODEL</p> <p>Objective: A hypothetical but realistic scenario in which service providers seek to acquire regulatory approval for a quad-play offer by demonstrating that it is not anti-competitive because it covers all relevant network costs. In this first part the scenario is explained and the ITU NGN training cost model is introduced.</p>
1230-1400	LUNCH BREAK
1400-1530	<p>Session 7B: PRACTICAL EXERCISE ON QUAD-PLAY COSTING USING NEXT GENERATION CORE NETWORK COST MODEL</p> <p>Objective: A hypothetical but realistic scenario in which service providers seek to acquire regulatory approval for a quad-play offer by demonstrating that it is not anti-competitive because it covers all relevant network costs. In this second part the participants split into teams in which they manipulate the cost model and prepare their negotiating positions</p>
1530-1545	COFFEE BREAK
1545-1700	<p>Session 7C: PRACTICAL EXERCISE ON QUAD-PLAY COSTING USING NEXT GENERATION CORE NETWORK COST MODEL</p> <p>Objective: A hypothetical but realistic scenario in which service providers seek to acquire regulatory approval for a quad-play offer by demonstrating that it is not anti-competitive because it covers all relevant network costs. In this third part participants make their presentations to the regulator, after which lessons are learned in plenary session.</p>

Thursday 9th October (Day-4)

0900-1030	<p>Session 8: WEIGHTED AVERAGE COST OF CAPITAL – THEORY AND PRACTICE</p> <p>Objective: To explain the theory behind the various elements those from the Weighted Average Cost of Capital (WACC) and detail the methodologies for estimating them in practice.</p>
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1030-1100	COFFEE BREAK
1100-1230	<p>Session 9A: PRACTICAL EXERCISE ON QUAD-PLAY COSTING USING MOBILE NETWORK COST MODEL</p> <p>Objective: A hypothetical but realistic scenario in which a mobile network operator seeks regulatory approval for a quad-play offer by demonstrating that it is not anti-competitive because it covers all relevant network costs. In this first part the scenario is explained and the ITU mobile training cost model is introduced.</p>
1230-1400	LUNCH BREAK
1400-1530	<p>Session 9B: PRACTICAL EXERCISE ON QUAD-PLAY COSTING USING MOBILE NETWORK COST MODEL</p> <p>Objective: A hypothetical but realistic scenario in which a mobile network operator seeks regulatory approval for a quad-play offer by demonstrating that it is not anti-competitive because it covers all relevant network costs. In this first part participants prepare their case with reference to ITU's NGN and mobile network training cost models.</p>
1530-1545	COFFEE BREAK
1545-1700	<p>Session 9C: PRACTICAL EXERCISE ON QUAD-PLAY COSTING USING MOBILE NETWORK COST MODEL</p> <p>Objective: A hypothetical but realistic scenario in which a mobile network operator seeks regulatory approval for a quad-play offer by demonstrating that it is not anti-competitive because it covers all relevant network costs. In this final part participants make their presentations to the regulator, after which lessons are learned in plenary session.</p>

Friday 10 th October (Day-5)	
0900-1030	<p>Session 10: THE QUAD-PLAY ECOSYSTEM</p> <p>Objective: To understand the business environment of quad play, its revenue drivers and ecosystem, including an industry case study. What are the main drivers and constraints on quad-play success, and where are the likely competition issues likely to arise?</p>
1030-1100	COFFEE BREAK
1100-1230	<p>Session 11: APPROPRIATE EX-POST RESPONSES TO BROADBAND MARKET FAILURES</p> <p>Objective: Interactive case studies based on international experience and practice that demonstrate how to respond to anti-competitive practice in broadband and quad-play markets.</p>
1230	LUNCH AND CLOSE OF TRAINING