

Dear Ofcom,

On a recent call of the INCA Policy & Regulatory SIG, concern was expressed about some issues in the consultation on BT Regulatory Financial Reporting, hence this short response.

Level of Reporting

We note that Ofcom proposes to require cost reporting at the level of BCMR baskets or sub-baskets, but not at individual service level. This is a reduction compared to previous RFS requirements, where a breakdown by product speed was available (for example, 100M, 1G, 10G), and by EAD or EADLA. Whilst we recognise the benefits of keeping the information as simple as possible, INCA members have in the past depended on information broken down by product in order to make meaningful analysis of Ofcom's proposed remedies and BT price changes.

We therefore propose that Ofcom should continue to require BT to publish information at the product level for the BCMR baskets. As a minimum, this information should include internal and external revenues, volumes, average prices and FAC for EAD, EADLA, mainlink, EBD and WDM services broken down by speed and rental/connection.

Ofcom proposes that information on the PIM will be reported in the RFS as a single national market, whereas four geographic markets are specified in the PIMR. Ofcom's justification for this aggregation is that take-up is expected to be low in the 2-year review period. INCA believes that reporting for the PIM should be done in a consistent way to the BCMR, i.e. by separate geographic market, as this information is likely to be useful to competitive Ofcom as well as other operators in the analysis of BT's costs by market.

Ofcom proposes to require service level reporting for internal and external PIA rentals from 2020/21. This was not required in the 2018 WLA statement, but it will enhance the information around non-discrimination; it is a welcome addition which we intend to support. INCA is however not certain how BT will comply with this requirement as we understand that BT does not consume the PIA product itself.

Network Components

If the new dark fibre remedy is implemented then the INCA supports Ofcom's proposal to introduce two new dark fibre network components to the RFS (connection and rental).

Ofcom proposes to revoke the requirement set in the 2018 WLA statement to publish ten network components for PIA services, and to replace them with a single component. Under the proposal, this single component would be reported from 2019/20 onwards (compared to 2020/21 as specified in in the WLA statement).

INCA accepts that reporting on the ten components may not be possible until 2020/21, but strongly believes that the full and disaggregated information should be published from that date; the information is important in allowing competitive operators to understand BT's costs. In particular, the aggregated information would not allow a distinction to be made between underground and overhead costs, nor between access and long-distance costs. Given that BT will be required to provide the more detailed information to Ofcom in the

AFIs, we do not believe it would impose an undue burden on BT to make this information available as a part of the published RFS.

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