

**Question 2.1: Do you agree with the stated scope of the review? If not, please provide your reasons.:**

Gamma does have strong views on the issues raised in this consultation. These views are set out in the UKCTA response (and its supporting documents) relating to this consultation. Please therefore treat the UKCTA documents as having been additionally submitted by Gamma, and apply the arguments in those documents as responses to these questions.

**Question 2.2: Do you agree with the proposed objectives for this review? If not, please provide your reasons.:**

**Question 2.3: Do you have any comments which you think are relevant to our equality impact assessment?:**

**Question 3.1: Do you consider that the general issues facing all UK defined benefit schemes are relevant for Ofcom's treatment of BT's pension costs?:**

**Question 3.2: Are there any other issues affecting UK defined benefit pension schemes that are relevant to this consultation?:**

**Question 4.1: Are there any other issues, relating to accounting for pensions, which are appropriate for us to consider in this consultation?:**

**Question 5.1: To what extent should our assessment of BT's pension scheme to date inform our final decisions for the future treatment?:**

**Question 5.2: Are there any other facts relating to BT's defined benefit scheme which are relevant to this consultation?:**

**Question 6.1: Do you think any of the decisions made by the other regulators, discussed above, are relevant to our treatment of BT's pension scheme? If so, which decisions and what are the reasons for this?:**

**Question 7.1: Do you agree that a large defined benefit scheme may distort a company's cost of capital, as set out in paragraph 7.8?:**

**Question 7.2: Do you have any comments on how material the impact of a DB pension fund on the cost of capital would be?:**

**Question 7.3: Do you have any comments on how accurately the impact of a DB pension fund on the cost of capital can be measured?:**

**Question 8.1: Does the '6 principles' framework provide a suitable framework for assessing alternative options for the treatment of pension costs?:**

**Question 8.2: To what extent should we consider the effect of previous regulatory decisions when assessing the various options?:**

**Question 8.3: Our framework does not currently provide for assessment of the impact on BT. How far, if at all, should our assessment framework take specific account of the impact on BT's financial position, both in the short and long-term?:**

**Question 8.5: To what extent should Ofcom take into consideration BT's future investment plans when considering the impact of the options?:**

**Question 8.4: Do you have any comments on what you consider to be Ofcom's overriding policy objective in this review?:**

**Question 9.1: Do you think that Ofcom's current approach, to disallow deficit repair payments when making regulatory decisions, remains appropriate? If you think deficit repair payments should be allowed in part or in full, please provide evidence to support your answer.:**

**Question 9.2: Do you agree with Ofcom's initial comments in applying the above principles?:**

**Question 9.3: Do you think the accounting charge remains an appropriate measure of the ongoing pension cost incurred in the year? Please provide explanations to support your answer.:**

**Question 9.4: How should pension liabilities relating to ongoing service costs be discounted in order to arrive at an economic cost for provision of new pension accruals?:**

**Question 9.5: Do you think a figure derived from actual cash payments would be an appropriate basis on which to establish the pension costs for the year? Please provide explanations to support your answer.:**

**Question 9.6: Do you think that the cost of capital should be adjusted to reflect the impact of a defined benefit pension scheme? If so, how should we reflect this? Please provide reasons and evidence to support your answer?:**

**Question 9.7: Please detail any other options for the treatment of pension costs which you think we should consider in this consultation.:**

**Question 10.1: Do you have any comments on how we intend to take this Review forward?:**