

Annex 8

Glossary

This glossary contains definitions of terms used in this document. These definitions are for guidance only and have no legal standing.

ADSL (Asymmetric Digital Subscriber Line): a digital technology that allows the use of a copper line to send a large quantity of data in one direction and a lesser quantity in the other.

Analogue: the direct representation of a waveform, as opposed to digital, which is a binary coded representation.

Barriers to entry: an additional cost which must be borne by entrants but not by firms already in the industry; or other factors, which enable an incumbent to maintain prices above the competitive level without inducing entry.

BT: British Telecommunications plc.

Communications provider: a person who provides an Electronic Communications Network or provides an Electronic Communications Service.

Carrier pre-selection (CPS): A facility enabling customers to choose their carrier for certain defined classes of call, by selecting the operator of choice in advance (and having a contract with the customer), without having to dial a routing prefix or follow any other different procedure to invoke such routing.

Dial-up internet access: internet access that uses a dial-up connection over an analogue or ISDN telephone line.

Digital: the binary coded representation of a waveform, as opposed to analogue, which is the direct representation of a waveform.

Digital Local Exchange (DLE) and Local exchange: the telephone exchange to which customers are directly connected, often via a remote concentrator unit.

Direct Access: the situation where a customer is directly connected to a telecommunications operator's network by a fixed link.

DLE FRIACO: digital local exchange FRIACO. The provision of Flat Rate internet Access Call Origination via a wholesale unmetered internet access product from BT at the local exchange.

DMSU (Digital Main Switching Unit): a tandem exchange primarily used for connecting calls between DLEs.

DSL (Digital Subscriber Line): a family of technologies generically referred to as DSL, or xDSL, capable of transforming ordinary phone lines (also known as "twisted copper pairs") into high-speed digital lines, capable of supporting advanced services such as fast internet access and video-on-demand. ADSL (Asymmetric Digital Subscriber Line), HDSL (High data rate Digital Subscriber Line) and VDSL (Very high data rate Digital Subscriber Line) are all variants of xDSL.

DSLAM (Digital Subscriber Loop Access Multiplexer): apparatus sited in the same exchange building as is used to terminate DSL enabled copper loops, which comprises a bank of DSL modems and a multiplexer which combines many customer lines into one data path.

EPC (Erlang Per Circuit): Erlang is the unit of traffic volume corresponding to the number of simultaneous calls in progress at any given time or averaged over a period of time. The ratio of the traffic volume over a circuit is the Erlang per Circuit.

Exchange line: the telephone line that connects the customers' network terminating point to the local exchange.

Fully Allocated Costs (FAC): an accounting method for attributing all the costs of the company to defined activities such as products and services. Typically this method would follow the principle of cost causality.

FRIACO (Flat Rate internet Access Call Origination): the provision of Flat Rate internet Access Call Origination via a wholesale unmetered internet access product from BT.

HDSL (High data rate Digital Subscriber Line): one of the earliest forms of DSL services to be widely used. It is symmetrical, offering the same data rates upstream and downstream. The maximum data rate is however lower than that for ADSL.

Hull Area: the area defined as the 'Licensed Area' in the licence granted on 30 November 1987 by the Secretary of State under section 7 of the Telecommunications Act 1984 to Kingston upon Hull City Council and Kingston Communications (Hull) plc.

Indirect Access: where a customer establishes a connection with a particular operator's network by dialling a short code to switch through the network on which his exchange line terminates. Such calls are usually billed by the Indirect Access operator.

Integrated Services Digital Network (ISDN): a network evolved from the digital PSTN which provides digital exchange lines to customers and 64kbps end to end digital connectivity between them. Two or more 64kbps connections can be combined to provide a higher speed connection, e.g. 128kbps.

INCA: Interconnect Call Accounting system. BT's system used for accounting and billing for interconnect calls to third parties.

Interconnection: the linking (whether directly or indirectly by physical or logical means, or by a combination of physical or logical means) of one Public Electronic Communications Network to another for the purpose of enabling the persons using one of them to be able:

- (a) to communicate with users of the other one; or
- (b) to make use of services provided by means of the other one (whether by the provider of that Network or by another person);

IP (internet Protocol): the packet data protocol used for routing and carriage of messages across the internet and similar networks.

IP network: a network that uses IP; for example the internet is a public IP network.

Inter-tandem conveyance - Interconnection service that involves the use of a tandem switch and transmission between two tandem switches. It is sub-divided into three distance bands.

Inter-tandem transit - Interconnection service that involves the use of two tandem switches and one inter-tandem transmission link. It is sub-divided into three distance bands.

internet Service Provider (ISP): a company that provides individuals and other companies access to the internet and other related services.

Kbps (Kilo (thousand) bits per second): a measure of the speed of transfer of digital information.

Kingston: Kingston Communications (Hull) PLC – telephone company which operates in the Hull area.

Leased lines (also known as private circuits): a permanently connected communications link between two premises dedicated to the customers' exclusive use.

Local loop: the access network connection between the customer's premises and the local PSTN exchange, usually a loop comprised of two copper wires.

Local loop unbundling (LLU): a process by which BT's exchange lines are physically disconnected from BT's network and connected to other operators' networks. This enables operators other than BT to use the BT local loop to provide services to customers.

Long Run Incremental Costs (LRIC): The costs caused by the provision of a defined increment of output, taking a long run perspective, assuming that some output is already produced. The 'long run' means the time horizon over which all costs (including capital investment) are variable.

Modem: a device which converts digital signals into a voiceband form capable of being conveyed over an analogue connection, such as the public telephone network, and vice-versa.

Narrowband: A service or connection allowing only a limited amount of information to be conveyed, such as for basic voice telephony. This compares with broadband which allows a considerable amount of information to be conveyed. See also bandwidth.

Narrowband internet termination: a wholesale service allowing the conveyance of narrowband internet traffic between the end user and an ISP.

NRAs: the body or bodies, legally distinct and functionally independent of the telecommunications organisations, charged by a Member State with the elaboration of, and supervision of compliance with, telecoms authorisations.

Number Translation Services (NTS): telephone services using non-geographic numbers, where that number is translated to a geographic or mobile number for final delivery to the called party.

NTS calls: Calls to non-geographic number ranges used, for example, for access to call centres, information services and internet access.

Originating operator: the operator on whose network the call originates.

PPP: Product Management, Policy and Planning.

PSTN: Public Switched Telephone Network.

Remote concentrator unit: the part of the local exchange on which customers' exchange lines terminate. It is sometimes colocated with the main local exchange and sometimes located remotely from it.

Return on Capital Employed (ROCE): the ratio of accounting profit to capital employed. The measure of capital employed can be either Historic Cost Accounting (HCA) or Current Cost Accounting (CCA).

RPI: Retail Price Index.

Select Services: a set of supplementary services (including call waiting, call barring, ringback etc.) provided by BT as set out in the BT retail price list.

Service provider: a provider of electronic communications services to third parties whether over its own network or otherwise.

SME: Small and Medium Enterprise.

SMP: The Significant Market Power test is set out in European case law, the new EU Communications Directives and the Commission's SMP Guidelines. It is used by the national regulatory authorities (NRA) such as Ofcom to identify those operators who must meet additional obligations under the Access Directive.

ST FRIACO: Single Tandem FRIACO. The provision of Flat Rate internet Access Call Origination via a wholesale unmetered internet access product from BT at the tandem exchange.

Standard service: an interconnection service which BT is required to provide.

Substitutability: whether an increase in the price of one product would lead consumers to switch to other competing products or services (demand-side substitutability) or lead producers to switch rapidly into the supply of the good in question (supply-side substitutability).

Tandem exchange: A main exchange in BT's network which has the primary function of switching calls between other exchanges, rather than to and from customers' exchange lines.

Terminating operator: the operator on whose network the call terminates.

Unmetered service: a service that is provided on a flat-rate basis, where charges do not vary according to usage, in contrast to metered services.

Usage factors: expressions of network usage for the main conveyance components and show how often a component is used on average in the provision of services.

The 24-hour charge is calculated by multiplying the usage factors by the amount applied to the relevant components. The time of day charges are then calculated by multiplying the network tariff gradient by the 24-hour charge.