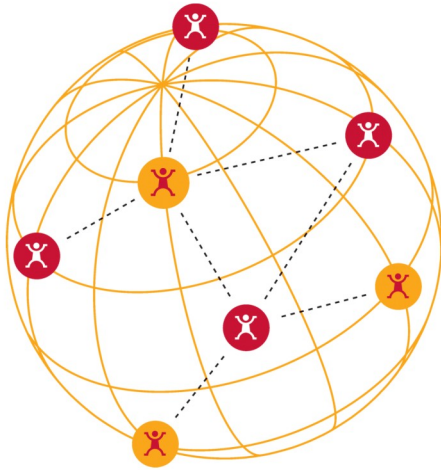


TRAINING PROGRAM OUTLINE



FIN-112E COST METHODOLOGIES IN TELECOMMUNICATIONS

DESCRIPTION

A 5-day Training Program to provide participants with the fundamental concepts and principles of cost methodologies in telecommunications.

OBJECTIVES

- Present an overview of interconnection regulation and the key concerns of regulators in evaluating the adequacy of cost methodologies
- Present the drivers, benefits and issues of cost allocation and costing
- Examine what telecommunications costs must be evaluated
- Define key costing terms and concepts
- Provide an understanding of the most important cost models used in telecommunications, including FAC and LRIC
- Discuss the pros and cons of different costing methodologies
- Review some real world examples of the application of cost methodologies in telecommunications



TOPICS

- Telecommunications regulatory environment
 - A brief history of telecommunications
 - Interconnection regulation
 - Regulator concerns
 - Non-discriminatory
 - Scorched node approach
 - Elaborate data gathering
 - Forward looking
 - Efficient operator
 - Significant Market Power (SMP)

- Cost allocation
 - Definition
 - Benefits
 - Issues

- What to cost – infrastructure and operating costs
 - Switching
 - Access
 - Interconnection
 - Incumbent versus other fixed and wireless operators

- Cost behaviour
 - Fixed costs
 - Variable costs
 - Joint costs
 - Common costs
 - Accounting separation
 - Principle of cost causality
 - Activity Based Costing (ABC)
 - Total element costs
 - Total service costs

- Costing methods

- Current versus historical costs
- Ramsey Pricing
- Efficient Component Pricing Rule (ECPR)
- Short/Long Run Incremental Costing (SRIC/LRIC)
- Fully Distributed Costs/Fully Allocated Costs (FDC/FAC)
- Incremental costing
- Other costing methods
- Discounting concepts
 - Weighted Average Cost of Capital (WACC)
 - Economic Value Added (EVA)
- Long Run Incremental Costing (LRIC)
 - Top-down
 - Bottom-up
 - Hybrid
 - Variations of LRIC
- Costing methodology issues
 - Pros and cons of costing methods
 - Future trends
- Real world examples of the application of cost methodologies

TARGET AUDIENCE

- Telecommunications managers and personnel responsible for evaluating costs and establishing prices/tariffs
- Managers looking to complement their skill-set by gaining a good understanding of costing methodologies in telecommunications



METHODOLOGY

Our Training Programs combine expert presentations, workshops, case studies and discussions on real-life situations faced by participants. Complete training material is provided to all participants for future reference and follow-up action plans.

LOCATION

Our Training Programs are held at regular intervals in selected cities around the world. Upon request, our expert trainers can lead Training Programs at the location of your choice. If interested, please contact us at training@neotelis.com.

EXPERTISE

Neotelis provides consulting and training services to telecommunications organizations worldwide. Its team of experts has trained thousands of executives and managers working for operators, regulators, policy-makers and governments in over 100 countries around the world.

