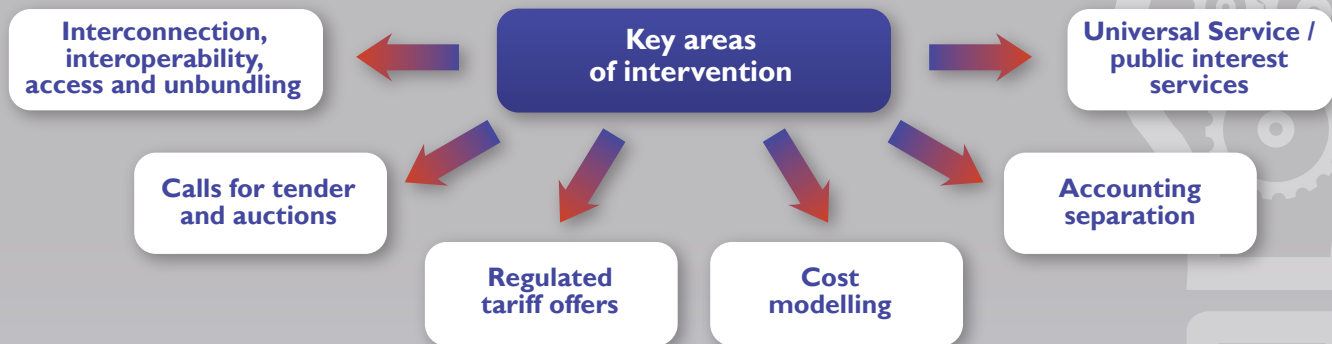


TERA Consultants assists and advises clients in implementing and overseeing sector regulations



TERA Consultants provides economic expertise:

- ➔ **For all regulatory issues:** access obligations, non-discriminatory and transparent tariffs, price controls (catalogue and approval), accounting separation, cost-based pricing, structural separation, general interest service obligations (Universal Service, various contributions, etc.), controlling market entry by attributing licences, authorisations, etc.
- ➔ **To all types of clients:** regulated or non-regulated undertakings, regulatory authorities or other administrative bodies, etc.
- ➔ **For all sectors:** telecoms, water, energy, postal services, broadcast, etc.

Interconnection, interoperability, access and unbundling

TERA Consultants helps clients implement interconnection and interoperability mechanisms, as well as unbundling. TERA Consultants has carried out the following missions for French and international clients: creating an interconnection catalogue, cost-based modelling (bottom up, HCA or economic), building tariffs based on accounting data or using specific models.

Examples of missions carried out

- Assessing Value Added Voice Services in interconnection services
- Developing bottom-up cost models for network access in unbundling
- Assisting clients implement CMILT or CLT cost models
- Analysing an operator's current costs to regulate interconnection tariffs
- Evaluating the value of an access to railway infrastructure
- ...

Calls for tender and auctions

Choosing which attribution methods to use for auctions or which procedure to apply when organising calls for tender entails complex economic stakes for both bidders and the regulatory authorities (or other administrations). Both bidders and host authorities rely on TERA Consultants' specific economic expertise.

Examples of missions carried out

- Drafting answers for operators' bids or auction bids for licenses
- Preparing a candidate to audition for a local loop radio license
- Providing expertise to the regulatory authority for cellphone license auction procedures
- Defining procedures to attribute public markets
- Implementing calls for tender and consultations to attribute broadcasting rights
- ...

Regulated tariff offers

TERA Consultants builds regulated tariff offers for clients, including interconnection prices or access to essential facilities for general interest services or Universal Service. The key issues in building tariffs are economic, methodology and accounting coherence and rigor. More, **TERA Consultants** ensures the transparency of underlying calculations and traceability of the tools used.

Examples of missions carried out

- *Modelling tariffs for call termination on telecommunications' operators (fixed and cellphones)*
- *Defining the "price cap" for regulated tariffs*
- *Providing arbitration assistance for operators' interconnection tariffs*
- *Analysing how changing calculation methods impacts the pertinent costs of regulated tariffs*
- ...

Cost modelling

Many public or private companies and several regulators solicit our cost modelling expertise and knowledge on regulatory issues. **TERA Consultants** has recognised experience in bottom-up cost modelisation of regulated business. This includes determining fixed and mobile interconnection costs, calculating cost-based tariffs for fixed local loop networks to set overall tariff unbundling, determining the cost of Universal Service (access deficit, social measures such as subscriptions, non profitable zones).

Exemples de missions

- *Cost modelling of local loop, mobile and fixed and mobile core networks*
- *Assist the regulatory authority in setting up CMILT cost models to control interconnection tariffs*
- *Audit cost calculation models for Universal Service*
- ...

Accounting separation

When an undertaking's specific business has regulated tariffs or has exclusive or special rights (Universal Service for example), an undertaking must separate its accounting procedures between this business and « competing » businesses. **TERA Consultants** has the recognised expertise to undertake and/or test compatible accounting separation methods which uphold the regulatory and competition authorities' requirements (common and joint cost allocation, defining incremental and avoidable costs, etc.).

Examples of missions carried out

- *Drafting a methodology to allocate costs between regulated and competitive activities*
- *Defining the allocation keys in fixed costs and common costs for a broadcaster*
- *Separating costs for a postal service's exclusive and competitive rights businesses*
- *Evaluating cross-subsidies between regulated and non-regulated activities for a telecommunications operator*
- *Assessing public service costs and non-regulated public service broadcasting*
- ...

Universal Service / general interest services

TERA Consultants applies its expertise to implement or change Universal Service or general interest services across all sectors (telecoms, postal services, water, waste, media...). **TERA Consultants** addresses all issues: defining specific or special rights (content, scope...), cost valuation, finance mechanisms (direct, indirect and induced revenues, public and private financing...) or an analysis of the social and economic impact of Universal Service or the impact any changes in Universal Service may entail.

Examples of missions carried out

- *Undertaking a Universal Service cost model in telecommunications*
- *Carrying out the economic analysis of funding mechanisms in broadcasting and movie production*
- *Analysing the selected allocation key to apply to Universal Service charges and cell phone operator contribution*
- *Assessing the cost of Universal Service in telecommunications in a European country*
- *Evaluating Universal Service obligations in telecommunications in a European country*
- ...