

Commerce Commission - Discussion Paper on Next Generation Networks.
Response from the Emergency Telecommunication Services Steering Group
09 February 2009

Thank you for the opportunity to comment on your Discussion Paper on Next Generation Networks.

The Emergency Telecommunication Services Steering Group (ETSSG) was set up by Cabinet to provide a whole of government approach to the strategic development of emergency telecommunications services for public safety purpose including policy, regulatory, organisational, governance and operational aspects of emergency telecommunications services.

We have only provided our views in response to questions that we understand to have a direct relevance to Emergency services (i.e. the result will directly affect our area of responsibility).

Question 1

What are your views on the approach to development of the market framework and industry consultation that should be considered in New Zealand?

We agree that a strategic approach should be taken, incorporating consultation with major NGN stakeholders including affected user groups such as emergency service providers. We compliment the Commission on this initiative.

Question 2

Do these core principles provide a useful underpinning for considering NGN issues, or whether they should be modified or supplemented?

We believe it is important that all aspects of the “long term benefits of end users should be preserved and enhanced” not just competition aspects.

We therefore suggest that the phrase “the scope for competition for” should be deleted from the first dot point (Executive Summary, page 3 and Principles Section, page 10).

Question 3

Are there additional elements that have to be taken into account when defining NGN? If so, what are the additional elements, why should they be taken into account and what impact do they have?

No comment.

Question 4

What do you think IMS fulfils? Is it necessary, or are there other ways of fulfilling its function? What are the implications of this layer for the future of NGNs?

No comment.

Question 5

Where and how should the balance between coverage and speed be struck?

No comment, however the coverage and speed determination must not detrimentally affect the availability or performance of the 111 emergency calling regime.

Question 6

Is industry consultation necessary on network design for NGN?

No comment.

Question 7

How does the deployment of NGN change bottleneck characteristics?

Is access to the infrastructure still an issue? If not, what other elements could become important?

No comment, however the final network infrastructure environment must not detrimentally affect the availability or performance of the 111 emergency calling regime.

Question 8

Part of the BIF is targeted at deploying open access urban fibre networks and the Government has indicated that it will set aside \$1.5 billion for open access FTTH rollout that will reach 75% of the population. What is your understanding about what is meant by open access?

No comment.

Question 9

What are the areas that are not likely to be commercially funded?

No comment.

Question 10

What do you believe is needed to drive broadband penetration and speed in the future in New Zealand?

Do you agree that cost savings are one of the core drivers for NGN deployment in New Zealand?

How will competition enable innovation?

No comment.

Question 11

Many are of the view that the pipes should be built first and services will then follow. Others believe that a lack of services and demand for broadband services are an issue. What is your view?

No comment.

Question 12

Is content ownership or access to content a hindrance to the development of broadband in the New Zealand market?

No comment.

Question 13

How is the nature of New Zealand's subscription TV market likely to impact the development and take up of NGN in New Zealand?

No comment.

Question 14

Is the service scenario approach seen as a useful one for the purpose of studying the New Zealand NGN market, and if so what would be the elements of practical and relevant scenarios?

We believe that the transfer of fixed and mobile telephony services (the services used most often by the general public to contact the emergency services) to the NGN will significantly affect end users and that telephony services should be included in the service scenarios to be considered by the Commission.

Question 15

What other implications for the value chain of traditional operators and suppliers can be expected when moving towards an all-IP environment?

No comment.

Question 16

What other effects on the competitive environment could be expected when rolling out next generation networks?

No comment.

Question 17

How do these effects influence the roll out of next generation networks and innovative services?

No comment.

Question 18

To what extent is symmetric speed or capacity necessary to provide future services to customers?

No comment.

Question 19

What are the most important and significant drivers of bandwidth demand?

No comment.

Question 20

Is a differentiation of classes of services an appropriate approach for solving QoS degradation for end-to-end services?

No comment, however differentiation of classes of services must not detrimentally affect the availability or performance of the 111 emergency calling regime.

Question 21

What issues and effects could possibly arise due to a differentiation of services classes?

If appropriate services classes are used for each type of traffic, we do not see any issues with differentiation of services classes.

There is, however, the potential for operators to assign inappropriate service classes (e.g. assigning a “best efforts” service class for a voice service to reduce their input cost) and thereby reduce the quality of service provided to the end user. The end result could be that an end user is unable to contact the emergency services and/or the resulting call is of such poor quality that the needed service is not provided in a timely and effective manner.

Question 22

Will the approaches to pricing change for NGN, particularly where different classes of service are offered?

No comment.

Question 23

Beyond the costs for NGN core, access, CPE and drop lead, are there additional costing elements to be taken into account? If so, what is their likely impact?

No comment.

Question 24

Do you agree that in an NGN environment, a higher proportion of cost of the network is shared in common cost? What in your view is the best method for allocating costs, i.e., should it be based on volume, minutes or new drivers such as capacity?

No comment.

Question 25

What is your view on the benefits and constraints of PON (Passive Optical Network) and P2P (Point to Point)?

No comment.

Question 26

Do you agree with the generic definition of the terms interconnection and access? If not, what would be the alternative definitions?

No comment.

Question 27

Do you agree with the pricing concepts outlined for NGN? What other pricing mechanisms could be applied?

No comment, other than the provision of 111 services that utilise any NGN infrastructure must continue to remain free of cost for all callers.

Question 28

What additional factors have to be taken into account with regards to point of interconnection in an NGN environment and what is their effect?

No comment.

Question 29

What are the implications for these issues in New Zealand? Are there specific regulatory issues anticipated?

We are pleased to see that you have identified emergency services as one of the issues that needs to be considered in the move to an NGN environment.

From overseas experience we are aware that the introduction of IP-base telephony services has in some cases led to a significant reduction in the availability and quality of emergency call services.

We look forward to working with the Commission to ensure that, with the introduction of NGN technology: availability and quality of emergency call services is at or above current levels; ancillary features of the current service (e.g. the ability to locate fixed line callers and potentially callers using cellular networks) are preserved; and emergency call services are able to take advantage of any new functionality (such as wide band codecs) which is not available from the current PSTN.

Question 30

What additional factors have to be taken into account and what is their effect?

No comment.

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