

2 April 2008

Dr Ross Patterson
Telecommunications Commissioner
Commerce Commission
PO Box 2351
Wellington



Re: Proposed study into Next Generation Network Issues

Dear Ross,

ISPANZ thanks you for this opportunity to provide feedback on the draft Terms of Reference and timeline in respect to the "Proposal to launch study into Next Generation Network issues".

We support the Commerce Commission's study and a proactive approach as opposed to reactive approaches of the past, so as to encourage more timely competition.

ISPANZ exists to promote a fair and fully competitive Internet marketplace where our members can deliver the full benefits of the Internet to the New Zealand public and our economy.

Interconnection

It is important to explicitly include discussion of IP interconnection. This is one of the most crucial aspects of the new environment. Industry consultation on IP peering is happening simultaneously to the NGN study and ISPANZ would welcome the regulator proactively giving us guidance as to its views rather than leaving it to bilateral commercial arrangements. This guidance helps to shape our commercial negotiations.

There is a grave danger of falling for the legacy view of the world from the incumbent telco. The new world is not a voice and data world. Voice over IP does not interconnect separately but interconnects as IP packets. To treat IP voice and data separately is a continuation of legacy concepts and could be used to game the situation.

Architecture

In formulating the scope of the study there needs to be consideration that through its architectural design decisions Telecom can impact interoperability and competition, for example through limiting technology selection and favouring vertical integration models.

There needs to be better transparency and Telecom should not be allowed to make changes that impact access seekers faster than the regulatory processes set up to deal with them.

Process

The Commission is commended in desiring to work alongside existing processes and attempting to avoid duplication of work in the industry.

However, the Commission should not assume that industry processes will proceed, nor conclude successfully in a timely fashion, nor include the breadth of stakeholders that the Commission would regard as appropriate to its own work.

While the TCF processes assist in getting an industry view, there is still significant asymmetry of information between the incumbent and others. A lot of the smaller players suffer from a dilution of focus as a result of the amount of regulatory and industry activity.

Whilst ISPANZ supports taking on board the TCF recommendations as inputs, we believe it is critical that these are treated as inputs only to the regulator's decision making process.

Timing

ISPANZ supports the points made by Michael Wigley in his submission, that the scope of the review should include and/or more clearly articulate the Commission's expected policy and regulatory settings for the NGN environment.

"Having restrained objectives is understandable, to reduce scope creep and to contain the review. However, not dealing with the actual or likely policy approach will lead to substantial shortfall in the outcomes of this review. It will negatively impact on optimal NGN roll-out, particularly in terms of delay and uncertainty."

PSTN legacy

ISPs would welcome some early guidance with respect to issues like emergency services. NGN is about the capabilities of a different world and we wouldn't want legacy approaches to be applied in this new world.

There should be recognition that with the advent of mobile phones and wireless home phones, power outages and location issues have been a reality for a decade. VoIP is not inherently geographic and regulation should not inhibit consumers benefiting from new technology.

Regards

Jamie Baddeley
President
ISPANZ