



Media Release

Issued 06 03 2008/no 117

Telecommunications Commissioner launches study into Next Generation Networks issues

Dr Ross Patterson, Telecommunications Commissioner, today announced that the Commerce Commission intends to use its sector monitoring powers under the Telecommunications Act 2001 to proactively initiate a study into Next Generation Networks.

Next Generation Networks (NGN) is a broad term to describe changes to telecommunication core and access networks to provide for modern day voice, data and media services.

Dr Patterson said, “These new networks bring together the currently separate worlds of telecommunications, broadcasting and multi-media. They enable many different types of services to be delivered on a single platform or device.”

“For consumers, this can be seen in new mobile phones with cameras and music players built in and hand held and fixed internet devices with audio and video, with connections to a potentially endless array of services,” Dr Patterson said.

The OECD Foresight Forum ‘Next Generation Networks: Evolution and Policy Considerations’ held in Budapest in October 2006 concluded, “From the point of view of telecommunications operators, NGN is an attempt to take the best from the telephony world and the Internet World, giving an ‘order to the chaos’ by keeping the level of complexity low for users while increasing user value.”

The NGN study is the opportunity for the Commission to work proactively with New Zealand consumer and industry groups to identify commercial, technical and competition issues associated with migration to the next generation networks

In its 2007 -2010 Statement of Intent the Commission had signalled its intention to undertake the NGN study which will commence in April 2008.

“By using our sector monitoring powers, the Commission is seeking to work in partnership with industry to achieve the best outcome for consumers and industry, whether by commercial, technical or regulatory means,” Dr Patterson said.

As the first step, Dr Patterson has today sent an invitation to industry to comment on the proposed terms of reference of the study.

A copy of the draft terms of reference can be found on the Commerce Commission’s website www.comcom.govt.nz under

IndustryRegulation/Telecommunications/Inquiries,ReviewsandStudies

Submissions on the draft terms of reference should be sent to jane.hewitt@comcom.govt.nz.

Submissions close at 5pm 28 March 2008.

Background

Section 9A (1) (b) of the Telecommunications Act (2001) as amended in December 2006 empowers the Commerce Commission to proactively conduct inquiries, reviews and studies into any matter relating to the telecommunications industry or the long-term benefits of end-users of the telecommunications services within New Zealand. This new power enables the Commission to take a strategic view of any matter that relates to the telecommunications industry.

Next generation networks is the term used to describe the replacement of existing telecommunication networks such as Telecom’s PSTN (Public Switched Telephone Network) with new packet based all Internet Protocol (IP) networks, and the replacement of the copper access network with fibre either to the cabinet or the home.

A packet is a formatted block of data carried by a packet mode computer network. Computer communications links that do not support packets, such as traditional point-to-point telecommunications links, simply transmit data as a series of bytes, characters, or bits alone. When

data is formatted into packets, the bit rate of the communication medium can better be shared among users than if the network would have been circuit switched.

Media contact:

Felicity Connell, Senior Communications Adviser

Phone work (04) 924 3709, mobile 021 225 4454

Commission media releases can be viewed at www.comcom.govt.nz