



6 April 2008

Dr Ross Patterson
Telecommunications Commissioner
Commerce Commission
PO Box 2351
Wellington

Via email

Dear Ross

Proposal to Launch an Inquiry into Next Generation Network Issues

The TCF welcomes the Commission's proposed Inquiry and generally agrees with the intent and focus as outlined in the documentation of 6 March 2008.

We agree that there is a role for the Commission, the TCF and for commercial discussions, and that care must be taken to avoid unnecessary duplication of effort.

In simple terms, we see the boundary between industry activity through the TCF and commercial activity being self-defining, i.e. the TCF will progress those matters that the industry agrees makes sense to progress collectively, with the balance being progressed through bilateral/multi-lateral commercial discussions.

It is less clear how the boundary between the TCF's work and the Commission's work will be defined as there is potential for significant inter-relationships between the issues we each wish to progress. It is also unclear what processes and mechanisms should be used so that the different spheres of activity are synchronised and keep each other appropriately informed. By way of example, the industry will need guidance from the Commission on some of the regulatory and commercial issues to put our technical work into context, and it is likely that some of that regulatory and commercial context will be driven by fundamentally technical issues. It appears inevitable that some joint management and co-ordination of our respective activities will be required.

The TCF Board has agreed in principle to establish a Working Party to manage our NGN activity, and TCF members are considering a proposal submitted by Telecom in respect of matters arising from their Separation Undertakings (including IP voice and IP VPN interconnection).

In general, we believe that the TCF is best placed to consider the majority of the technical issues. There have been some discussions within our membership of the desirability of forming a “special interest group” to address specialist technical issues relating to interconnection and interworking between IP-based networks. The precise nature of this group and its connection to the TCF is a matter of ongoing discussion.

Overall, our main concern is one of resourcing and the capacity of the industry to engage with the Commission’s Inquiry. At the same time as the proposed Inquiry, we will be collectively progressing:

- Sub-loop unbundling STD and related commercial products (through to December 2008);
- Mobile co-location STD (through to October 2008);
- LLU and UBA Backhaul STD (through to mid 2008);
- Implementation of LLU, UBA and related backhaul (throughout 2008);
- A review of numbering administration (through to October 2008);
- Local-service TSO review and TSO Determinations (throughout 2008);
- a number of industry codes (Disconnection, Emergency Services);
- matters relating to Telecom’s Operational Separation.

This programme of work is already providing a number of members with a significant resource challenge.

We are conscious that the quality of the Inquiry’s outputs will be directly affected by the level of participation and the quality of the engagement of industry members. We are also mindful that a number of the matters that will be traversed by the Inquiry (and the TCF) have a degree of urgency. Consideration will need to be given to addressing the tension between the need to progress the high-priority issues and the industry’s capacity to meaningfully engage. This tension may be partially alleviated by making best use of available international resources and/or establishing formal connections to similar Inquiries in other jurisdictions.

If you would find it helpful, I am prepared to spend some time with the Commission developing an appropriate structure and working model for the Inquiry given the work we expect the TCF and the wider industry to be undertaking.

If you have any queries in relation to this letter, please do not hesitate to contact me.

Yours sincerely



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