



COMMERCE COMMISSION

4 August 2005

**Review of Designated and Specified Services under the  
Telecommunications Act 2001:  
Request for Comment on Procedural Matters**

**Background**

1. On 19 December 2006, the thirteen designated and specified services originally incorporated within Schedule 1 of the Telecommunications Act 2001 ('the Act') are due to expire.<sup>1</sup> The Commission may investigate whether or not to recommend to the Minister of Communications that the period of designation or specification of any or all of these services be extended for up to two years.<sup>2</sup> Should the Commission decide to initiate such investigations, these must commence at least one year prior to the expiry of the services.<sup>3</sup>
2. Additionally, at any time the Commission may initiate an investigation into whether to recommend that various aspects of a service in Schedule 1 of the Act be amended, including the service description, conditions of the service, and access and pricing principles.<sup>4</sup> If the Commission considers that there are reasonable grounds to investigate whether to amend any of the existing services, it may be appropriate to combine such an investigation with its review of extension of the service.
3. The Commission is considering how best to conduct the investigations and, given the potential complexity of the overall review process, has decided to seek comment from interested parties on procedural matters. The Commission notes that it must follow the procedure set out in Part 1 of Schedule 3 of the Act when conducting an investigation into whether to extend or alter a regulated service. Accordingly, it may only initiate an investigation where it is satisfied that there are reasonable grounds to do so.<sup>5</sup>
4. The Commission has not yet made a decision to investigate any of the regulated services, but for the purposes of this consultation it is to be assumed that all thirteen designated and specified services will be reviewed.

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<sup>1</sup> Section 65(1)(a) of the Act sets out that every designated or specified service expires on the expiration of 5 years from the date on which the designated service or specified service came into force unless the period is extended in accordance with this section.

<sup>2</sup> Refer to sections 65 and 68 of Act.

<sup>3</sup> Refer to clause 1(1)(b) of Part 1 of Schedule 3 to the Act.

<sup>4</sup> Refer to section 66(c) of the Act.

<sup>5</sup> Refer to clause 1(1)(a) of Part 1 of Schedule 3 to the Act.

## Issues for Consideration

### *Combination of Investigations*

5. The Commission considers that conducting thirteen separate investigations for the individual services in Schedule 1 of the Act is likely to be inefficient. Instead, the Commission is proposing to group similar services together and run a single process for each group of services. It should be noted that a separate recommendation would be required for each individual service, but the services could be grouped together for the purposes of requesting submissions, holding a conference or public hearing, and issuing the draft and final reports.
6. The Commission seeks comment on whether it is appropriate to group the designated and specified services together for the purposes of the investigations and, if so, how best to group the services. The following is an example of how the services might be grouped, but the Commission notes that other approaches could be adopted.

Interconnection Services:

- Interconnection with Telecom's fixed PSTN; and
- Interconnection with fixed PSTN other than Telecom's.

Retail Services:

- Retail services offered by means of Telecom's FTN;
- Residential local access and calling service offered by means of Telecom's FTN;
- Bundle of retail services offered by means of Telecom's FTN; and
- Retail services offered by means of Telecom's FTN as part of a bundle of retail services.

Multi-network Services:

- Local telephone number portability service;
- Cellular telephone number portability service;
- National toll-free telephone number portability service; and
- Telecom's fixed PSTN to mobile carrier pre-selection service.

Roaming and Co-location:

- National roaming;
- Co-location on cellular mobile transmission sites; and
- Co-location of equipment for fixed telecommunications services at sites used by Broadcast Communications Limited.

7. The Commission also seeks comment on whether it is necessary to prioritise the investigation of particular services and, if so, how.

### *Amendments to Services*

8. As indicated above, sections 66 and 68 of the Act provide that the Commission can conduct an investigation, under the process set out in Schedule 3, into whether certain aspects of designated and specified services should be amended. The Commission

considers it possible that for one or more of the services subject to review, there may be reasonable grounds to also investigate whether the service requires amendment. The Commission acknowledges that investigating whether to extend a service, and investigating whether to amend a service are separate processes under the Act. For reasons of efficiency, the Commission considers that it may be appropriate to combine the two processes in respect of those services that are subject to review and which it considers may require amendment.

9. The Commission is not contemplating that a review of every aspect of every designated and specified service should take place. Where there are reasonable grounds to investigate a particular aspect of a service, e.g. the service description, the Commission considers that it would be beneficial to conduct such an investigation at the same time it is considering whether to extend the service.
10. The Commission seeks comment from interested parties on whether it should also consider amendments to designated and specified services during its investigations into whether to extend the services. The Commission also seeks parties' preliminary views as to which services may require amendment. The Commission is not seeking substantive submission on this matter at this time, but an indication as to where there may be concerns with aspects of the designated and specified services.
11. As the Commission has the power to initiate investigations into whether a service should be altered at any time, it is not prevented from initiating such an investigation once the reviews into extending the services are underway. Information may come to light during the substantive investigation into whether to extend the service, which information suggests a need to consider amendment to particular aspects of the service. Where possible, the Commission will endeavour to initiate any investigation into altering a service at the same time that it begins its review of that service.

#### *Additional Procedural Matters*

12. Comment is also sought on any other issues relating to the Commission's process for conducting the scheduled reviews of designated services and specified services.

#### **Address for Submissions**

13. Please provide all written comment by 19 August 2005 to:

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14. Written submissions will be posted on the Commission's website.