



## **Response to the consolidated list of questions in the Commerce Commission's draft determination on the multi-party application for determination of 'local telephone number portability service' and 'cellular telephone number portability service' designated multinetwork services**

### **Introduction**

Ihug is fully supportive of the approach taken by the Commerce Commission in the draft number portability cost allocation determination. The Commission's classification of the costs and proposed allocation of these costs to relevant parties is both logical and fair.

It would be stating the obvious to say that true number portability is long overdue in New Zealand, and agreement on cost allocation has been perhaps the major hurdle to delivering this capability to the New Zealand market.

As a recent small-scale entrant to the local voice services marketplace, ihug has experienced first hand the impediment to competition caused by the lack of number portability.

### **Response to questions**

1. Has the Commission identified correctly the costs associated with number portability and who incurs them in the porting and subsequent porting process?

Yes, as listed in paragraph 47.

2. Is the Classification of costs appropriate?

Yes.

3. Are the cost drivers and the magnitude of individual costs accurate?

Yes, as per table 1 in paragraph 53.

4. Which mechanism could be implemented to provide an incentive for the minimisation of per-line set-up costs?

If minimisation of per-line set-up costs was the key objective, a case could clearly be established for each DNO to absorb its own per-line set-up costs. However ihug believes that on-charging these costs to the RNO is fair provided that charge is "efficiently incurred" cost-based and reciprocal.

Ihug believes that the Commission should prohibit DNOs charging porting-out charges on exiting customers. This could be a significant competition deterrent.



### **Our Recommendation**

That the Commerce Commission proceed with its final number portability cost allocation determination in a form fully consistent with this draft determination. The sooner the inception of the final determination occurs, the better for a market long handicapped by this significant impediment to competition.

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