



Commerce Commission

Submission on Number Portability Draft Determination

2nd February 2005

Submission by CallPlus





Q1: Has the commission identified correctly the costs associated with number portability and who incurs them in porting & subsequent porting process?

Q2: Is the classification of costs appropriate?

Q3: Are the cost drivers & the magnitude of individual costs accurate?

CallPlus believes that the commission has identified these correctly and that the model proposed is fair and reasonable.

We agree that the allocation of industry common set-up costs have the potential to be a barrier to smaller players & new entrants aggressively competing with incumbents for existing customers & could neutralize benefits.

The approach of apportioning these based on market share, defined by number of subscribers to local access is the best approach and should be easy to implement. We assume that a local access subscriber would be a subscriber who is active and physically connected to that operators network - either fixed or mobile. This would not include subscribers where we “wholesale” the local service from Telecom, or be based on number allocated but not used.

In allocating the industry common costs between fixed and mobile, as there will be many common components, its unclear from the document how these are split. We are assuming that this will be done on the above basis of number of subscribers. There is a risk that the fixed line could bear an unfair proportion of the costs as the first service to become available.

Q4: Which mechanism could be implemented to provide an incentive for the minimization of per-line set-up costs?

The proposed method of the DNO charging the RNO is acceptable provided that the charge is set at a reasonable level. However to ensure that a reasonable level is applied we believe that the following should occur

- the charge to be applied inter-operators should be mandated to be the same for all operators in the market without prejudice.
- We do not believe that negotiating the charge will be effective for the smaller players, given that the incumbent has little incentive to minimize the amount or encourage the porting of numbers. We would prefer that a level was established by the commission.

We would expect that this level would be substantially lower than the one-off \$17.50 charge currently applied to ported numbers. In this instance we are



contributing to a substantial industry setup cost, meeting our operational costs and so we would expect to see a significantly lower charge than the current \$17.50.

- We would expect that there would be no per-line fee for any numbers that have already been “ported” and a charge of \$17.50 already levied by the DNO.