

04<sup>th</sup> February 2005

The Telecommunications Commissioner  
The Commerce Commission  
P O Box 2351  
Wellington

Attention : Douglas Webb

Dear Sir,

**RE: Submission – Number Portability Cost Allocation Draft Determination**

WorldxChange has prepared this brief response to the questions detailed in the Draft Determination Report for Number Portability Cost Allocations.

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

We believe that the four categories of costs related to the implementation of number portability have been correctly defined by the Commission.

***Q2: Is the Classification of costs appropriate?***

We agree with the high-level cost allocation classifications as detailed in the report.

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

For the most part, yes, but we are concerned about what “Low” will translate to in real dollars for each per-line setup charge that can be recovered from the Recipient Network Operator.

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

We agree that the porting costs should be borne by the RNO but are concerned that if the Commission does not set an efficient DNO porting charge then the overall costs related to number portability may make it commercially non-viable for some carriers – in particularly the smaller ones.

Accepting the Number Portability is a regulated service, we would request that the Commission consider that the industry does not want number portability at any cost. The industry, in general, accepts that there is a cost to bear but each carrier has their respective break-even point where the commercial reality of perceived porting advantages has to be weighed against the cost.

In the case of fixed portability, the Commission needs to understand that if the average porting cost via the centralised IPMS solution (including setup costs and DNO charges) is greater than simply requesting a number to be ported on a one-off basis under a Telecom Wholesale Services Agreement, then some carriers may opt to provide number portability via the WSA.

Both types of porting rely on the augmented capabilities of Telecom’s network that will be available in June 2005 and therefore, if the costs are the same or similar, it would be remiss of a carrier not to consider the WSA option if that particular carrier deems that number portability is not core business.

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We believe that the Commission should determine the DNO port charge based on true efficient costs and make that rate effective across the entire industry.

WorldxChange would like to thank the Commission for the opportunity to comment on this Draft Determination.

Regards,

Paul Clarkin  
Director, Operations & Carrier  
**WorldxChange Communications Limited**