

Progress Report for Commission on VDSL Interference Plan and Dual-Feed

VDSL Interference Plan

Under the terms of the UCLL STD, Telecom is required to accommodate VDSL within the Interference Management Plan ('IMP') by 30 June 2008. Recent developments include:

- the Australian Communication Alliance VDSL2 Working group had planned to have a completed agreed draft of C559 incorporating VDSL by November 2007. This has not been achieved. The Australian VDSL2 Working Group has made material progress but has not yet achieved an agreed draft and no revised completion date has been proposed at this time;
- our expectation had been that, in updating the New Zealand IMP, we could leverage significantly from the Australian work. We are studying developments in Australia, but have not yet commenced substantive work ourselves;
- we do not yet have a fully functional peer reviewed VDSL tool for performance prediction modelling. The best alternative is to modify the Australian tool for the NZ 997 band if and when Telstra is able to make their enhanced tool available to the TCF;
- given the slippage in Australia, we have not yet engaged with the industry;
- the industry is discussing in the TCF the implications of dual-feed on cabinet launched DSL services. This aspect is also central to what is delaying agreement of the Australian updated C559 code.

The Australian C559 was used as the basis for developing the New Zealand IMP. We understand that the 30 June timeframe was set with the expectation that the Australian Working Group would conclude updating their code by the end of 2007, and Australian industry consultation would be completed early this year. Unfortunately, this has not occurred, and meeting the 30 June timeframe may mean pre-empting the final Australian outcome. It will certainly mean not fully incorporating the Australian outcome.

Modifying the Australian VDSL tool, and incorporating the Australian findings after they have reached a reasonable level of stability, is the key to a robust and settled accommodation of VDSL within the IMP. Given the unexpected slippage in the Australian process, we do not consider this to be likely within the 30 June timeframe. We would like to discuss with the Commission whether the 30 June timeframe is a term of the UCLL Standard Terms Determination which the Commission is willing to review under section 30R of the Telecommunications Act 2001.

Also, if dual-feed were to be adopted by the industry, we would need to seek a section 30R review by the Commission of the UCLL STD on several IMP related matters, including timeframes.

Our intention had been to follow the process set out below in updating the IMP – this would have been feasible if the Australian process had concluded as expected early this year. However, because of the slippage in the Australian process, it will not be possible both to follow this process in full and comply with the 30 June timeframe.

Practically, we will require three months after the finalisation of the draft Australian code to fully incorporate the Australian findings and follow the process set out below.

Our intended process was:

- complete our study of the Australian proposed approach for VDSL;
- develop, in concert with TCF consultation, a VDSL tool for performance benchmark prediction – ideally modifying the Australian tool, but otherwise building from scratch;
- conduct NZ specific copper network performance testing;
- present the Australian study’s proposed approach and performance testing data to the TCF and agree the approach to be adopted in NZ (A key factor is if dual feed provisions in NZ diverge from those currently proposed in Australia);
- draw up draft amendments to the IMP and present to the TCF;
- incorporate industry feedback and finalise the amendments;
- present to the Commission for approval.

Dual-Feed

On 25 February 2008, the sub-loop working party agreed to form a dual-feed working party (‘DF WP’) to study the factual implications of dual-feed, together with the parties’ external experts. The Terms of Reference for the DF WP are attached. The DF WP met on 25 February and on 5 March, and is scheduled to meet again on 13 March. Although the Terms of Reference do not include a report back date, we anticipate the DF WP will be in a position to report back on an agreed set of factual information within the next couple of weeks. At that point, the sub-loop working party will determine whether the DF WP should be commissioned to discuss potential dual-feed solutions or whether discussions on dual-feed should be discontinued.