

Issue of Delaying VDSL Provisions in the UCLL Interference Management Plan (IMP)

Original Telecom Report

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.

Access Seeker Submissions

Submitter	View
CallPlus	<p>CallPlus supports Orcon & Vodafones position that Telecom should be required to submit a VDSL interference management plan supporting band plan 997 on 30th June.</p> <p>Whilst CallPlus has not deployed any MSAN's itself it is looking to wholesale unbundled ports and VDSL is a key part of our strategy, particularly in the business market and we will be looking to rollout this service.</p>
Orcon	<p>I am writing in response to the Commission's request for views on timeframes for including VDSL provisions in the Interference Management Plan. As you know Orcon has launched our LLU service in 5 exchanges in Auckland and we will continue expanding our coverage as we roll out to further exchanges. End-users have seen significantly enhanced speeds already from our unbundled services. We anticipate significant additional performance improvements with VDSL which we intend to offer to customers as soon as possible. A delay in the timeframe as requested by Telecom reduces the effectiveness of competition. Overseas experience with LLU saw significant benefits to end-users because competitors to the incumbent were able to go to market quicker with ADSL2+ than the incumbent. New Zealand can achieve similar benefits because competitors will be able VDSL to market quickly. Orcon and other competitors to Telecom are ready to launch VDSL services. Differentiated services and entry to market for symmetrical services rely on the availability of a variety of technology, particularly VDSL. To encourage competition for the benefit of end users changes must be made to the Interference Management Plan without delay. Telecom claims that they must wait for the finalization of draft Australian code so the Australian findings can be included here. The Commission must note that Australia has elected to use band plan 998 while in New Zealand we will be using band plan 997. Therefore there are already significant modifications required to the Australian tool and findings. As such the benefit of waiting for Australia is significantly less than suggested by Telecom. Telecom has waited until now to raise the issue with the industry. It is almost six months since the Australian VDSL Working Group missed their expected completion date of November last year. Telecom could have put a contingency plan in place and engaged with the industry following the delays in Australia, and be well on their way to completing the required changes. Orcon is keen for our customers to see the benefits of VDSL as soon as possible. Differentiated, faster better services through VDSL will assist developing competition for the benefit of end users. The 30 June timeframe should remain in place and Telecom should urgently work with the industry to meet this deadline.</p>

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TelstraClear Limited	<p>TelstraClear considers that some extension to the 30 June 2008 deadline for including VDSL into the NZ IMP seems reasonable, given that Telecom NZ has not been able to leverage the Australian process as anticipated. However, in our view there should be a firm timeframe for VDSL being included in the IMP rather than an ongoing linkage to the timing of the Australian process. We consider that an extension of ~6 months should be sufficient to finalise the New Zealand VDSL deployment rules.</p>
Vodafone NZ Limited	<p>This letter is in response to the Commission’s request for Access Seekers’ views on Telecom’s request to delay providing the VDSL provisions of the Interference Management Plan.</p> <p>Background</p> <p>As part of the UCLL Standard Terms Determination the Commission instructed Telecom to submit a VDSL interference management plan (IMP) supporting VDSL band plan 997 on 30 June 2008. Telecom claims that:</p> <ul style="list-style-type: none"> • The June date was based on the assumption that Australia would have completed its VDSL tool by December 2007 • Telecom was expecting to leverage significantly from the Australian work - particularly the tool developed by Telstra. • Since Australia has not completed this work Telecom is not able to use the Australian tool for developing the plan for New Zealand. <p>Thus Telecom wants to delay the 30 June date.</p> <p>Vodafone’s view</p> <p>Australia is developing a plan for VDSL band plan 998 and New Zealand has chosen 997. While New Zealand leveraged the Australian work for the initial IMP, significant modifications have to be done to the current Australian VDSL tool for the 997 plan. Thus waiting for Australians to finish the work will not provide as much benefit as Telecom claim.</p> <p>Telecom was aware of the lack of agreement in the Australian working group last year and did not put in place any contingency plan. Until now Telecom has not raised this as an issue with the industry. Vodafone wanted to avoid waiting on Telecom and submit its own plan for VDSL. The consultant we used said that he could modify the tool provided by Telstra within two weeks to include VDSL band plan 997. In our view Telecom could have modified the tool provided by Telstra in 4-6 weeks rather than three months.</p> <p>Vodafone did not pursue this option because the time frame for Vodafone proposing an IMP for VDSL was not going to bring forward the 30th of June date significantly and this approach also had the risk of other parties not agreeing to Vodafone’s proposal. Going to the Commission at this late stage looks like delay tactic rather</p>

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	<p>than a genuine desire to resolve the issue.</p> <p>Consequences of delay</p> <p>Vodafone and a number of other ISPs are ready to take VDSL to the market and delaying the IMP will delay this.</p> <ul style="list-style-type: none"> • Vodafone is currently installing VDSL in all unbundled exchanges. • Vodafone has 1250 VDSL ports installed and ready for connection in the 5 trial exchanges in Auckland. • By our LLU launch in June we will have 4700 VDSL ports in 20 exchanges in Auckland ready for connection. • Before the end of the year we have 9000 VDSL ports across Auckland's 42 exchanges and will have begun rolling out in other centres. • Simulation tests have given real speeds of 50Mbps down and 20Mbps up within reasonable distance from the exchange <p>Vodafone is ready to offer high speed services for the very real and immediate benefit of end users. Consumers should not have to endure further further delay. What does the delay mean?</p> <ul style="list-style-type: none"> • Currently Telecom is the only viable nation-wide solution provider for symmetrical services to small and medium business (using SHDSL). VDSL allows ISPs to provide competition in this market which makes up around 85% of New Zealand's businesses. • VDSL band plan 997 was chosen to meet the growing demand for symmetrical speeds from businesses and consumers (ADSL is very asymmetrical and does not meet the more symmetrical demands of the current usage patterns e.g social networking). Delay will hold back progress in both the business and consumer markets. Delay essentially reduces the effectiveness of the competition in the broadband market. Delay should also be seen in the context of Telecom's fibre to the node rollout which reduces the addressable market for LLU and, therefore, increases the importance for Access Seekers of being able to roll out products at the soonest possible opportunity. <p>Vodafone's proposal</p> <p>The 30th June date should remain in place. The Commission should instruct Telecom to:</p> <ul style="list-style-type: none"> • Urgently modify the latest version of the Telstra's VDSL tool to include band plan 997. • Immediately start discussion with the industry in order to gain industry acceptance of the proposed IMP.
WorldxChange Communications Limited	WorldxChange has no problems with the requested delay

