

1 **MOBILE CO-LOCATION SERVICE SCOPING WORKSHOP**
2 **HELD 31 JANUARY 2008 AT WELLINGTON**

3
4 **[9.32am]**

5 **CHAIR:** Good morning ladies and gentlemen. Welcome to the Commission's workshop on
6 mobile co-location. In this workshop we're seeking a discussion with you to inform our
7 decision-making process. My name's Bruce Officer, on my left is Matthew Bailey, on
8 my right is Ross Young. We're collectively here to manage the workshop. The
9 workshop will be recorded and a transcript will be available on our website as per
10 normal practice.

11 Can you please identify yourselves so that Rawinia, our stenographer, can
12 associate our names with our voices. Perhaps if we can move around the table, can
13 you state who you are and basically where you're from.

14 **Richard York:** Richard York, Regulatory Manager, Vodafone.

15 **Juliet Jones:** Juliet Jones, Legal Counsel, Vodafone.

16 **Mike Parker:** Mike Parker, Implementation Manager, Vodafone.

17 **Chris Abbott:** Chris Abbott, TelstraClear.

18 **Shane Barber:** Shane Barber from New Zealand Communications.

19 **Greg Fowlie:** Greg Fowlie from New Zealand Communications.

20 **Ron Slade:** Ron Slade from New Zealand Communications.

21 **John Wesley-Smith:** John Wesley-Smith from Telecom.

22 **John Kliffen:** John Kliffen from Telecom.

23 **David van der Zouwe:** David van der Zouwe from Telecom.

24 **Mark Larsen:** Mark Larsen, Telecom.

25 **Tonia Haskill:** Tonia Haskill, Telecom.

26 **Bruce Harding:** Bruce Harding, TeamTalk.

27 **Ernie Newman:** Ernie Newman, TUANZ.

28 **Ralph Chivers:** Ralph Chivers, TCF.

29 **Osmond Borthwick:** Osmond Borthwick from the Commerce Commission.

30 **Brendan Dempsey:** Brendan Dempsey from the Commerce Commission.

31 **Tom Forster:** Tom Forster from the Commission.

32 **Ross Paterson:** Ross Paterson, Commission.

33 **Ross Young:** I've been introduced, but it's Ross from the Commission. There we go.

1 **Chair:** The outcomes we're seeking from this workshop are not necessarily answers,
2 we're trying to raise issues and set a process by which we the Commission can move
3 forward.

4 Major things that we're looking for is to identify when the Standard Terms
5 Proposal is going to be provided; it's one of the last items on the discussion. We're
6 also looking for an identification of factors which are needed in the Standard Terms
7 Proposal. We need to locate - I'll be more specific. We need to identify what an STP
8 would look like. We've got the issue this time with the process that we're doing of
9 potentially having a number of access providers. We need to figure out what the
10 process is looking like but we will address that a bit more later.

11 We need to identify at the end of this information that the Commission can take
12 away and consider who's going to provide the standard terms proposal; one party,
13 multi-parties.

14 The emphasis I've got on my notes here is that we're here to identify the issues
15 and not necessarily solve them. So, if the discussion tends to focus too much on
16 issues resolution as opposed to the nature of the issue itself then I will attempt to
17 refocus it on identifying what the issues are and moving the workshop on.

18 Before we start, just to make sure we're on the same page, Matthew, can you
19 give us an overview of the STD process.

20 **Matthew Bailey:** Thanks, Bruce. Hopefully you would have seen the information
21 regarding the STD process that was included as part of the letter that the Commission
22 sent out last week, but for the benefit of those of you who are new to the process I'm
23 going to quickly run through some of the key steps.

24 Following today's Scoping Workshop the Commission will give notice to one or
25 more access providers requesting them to submit a Standard Terms Proposal for the
26 service by a specified date. This written notice will include a number of requirements,
27 many of which will be discussed in today's Scoping Workshop.

28 As Bruce has already mentioned, two of the important items for discussion later
29 today will revolve around which party or parties the Commission should request to
30 submit an STP and a reasonable period of time within which the STP must be
31 submitted.

32 After the Commission has issued the notice and the Standard Terms Proposal
33 has been submitted, we will then begin a fairly standard consultation process.

1 Parties will have the opportunity to provide submissions on the STP. The
2 Commission will then consider these submissions and release a draft STD. Following
3 the release of the Draft STD there will be another round of submissions followed by
4 cross-submissions and then possibly a Conference, and then finally the Commission
5 will release its Final Determination.

6 As for timing, an indicative timeline for the STD process was included with the
7 material that was provided last week, but obviously we're fairly early on in the process
8 so no firm dates have been set at this stage.

9 **CHAIR:** Now, the process that we're following which has just been outlined has been set
10 up basically so that we can gain the best chance of understanding what the issues are
11 and having the parties submit a number of times on the issues. The Commission will
12 be following the process to promote competition for the long-term benefit of end-users,
13 and that's what the Commission's role is in this.

14 Now, where possible and appropriate, we'll be seeking to re-use any intellectual
15 property from previous Standard Terms Determinations. So we're not out to re-invent
16 the wheel as it were but we're out to re-use the parts of it that, where we can, that work
17 well.

18 Now, I have passed out a revised agenda, there's some minor alterations to it, I
19 hope everyone's got a copy of it now and, if there are any suggested changes to it,
20 now might be a time to suggest them. **[Pause]**.

21 I do note at the end there's provision for any other matters at 4.30, but I'm not
22 quite sure we're going to take that long.

23 Now, to progress this we need to have some sort of order about this. I was
24 going to suggest that in each of these issues that perhaps Telecom takes the lead, we
25 have a discussion - where we're going to go into at the moment about technical issues.
26 I was going to suggest that perhaps Telecom might like to speak first, perhaps followed
27 by Vodafone, NZ Comms, and then other parties that have got particular issues they'd
28 like to discuss. Once we've had that, we can then have a discussion to see whether
29 we want to go around again if the parties would like to have another round of
30 discussion.

31 The first issue we've got are the technical issues; the scope and description of
32 the service. Now, to provide some shape to the discussion I have given you a copy of
33 the page of the Act, which I don't have in front of me, but you should all have in front of
34 you there; that outlines the Act's description of the service that we're talking about.

1 Now, what we're out to ascertain is any other issues that the parties feel should
2 be added to this. So, Telecom, could you please take it away.

3 **John Wesley -Smith:** Yep, we are supportive of the service description being within the
4 scope of the notice. We don't have anything in particular that we would add to the
5 Service Description today, but we're open to suggestions from other parties in
6 considering them through the process.

7 **Chair:** So, in itself, you feel the Service Description as has been provided is complete?

8 **John Wesley -Smith:** From our perspective, yes, it's sufficient.

9 **Chair:** Vodafone, would you...?

10 **Mike Parker:** Yes, I think this adequately covers the description from our perspective as
11 well.

12 **Chair:** New Zealand Comms.

13 **Shane Barber:** Our view is that it's adequate. It doesn't cover some of the sites that may
14 arise in co-location circumstances, such as, common facilities on rooftop environment,
15 like cable trays and so on, but the view from NZ Comms is that this is sufficient.

16 **Chair:** Any other parties? Woosh?

17 **Nick Clarke:** Sorry I was a bit late. I guess we come here probably with the longest
18 history of trying to procure co-location with Telecom and Vodafone since 2002, but
19 there's certainly nothing in this description of the service in itself that's caused issues
20 over that time.

21 **Chair:** The Commission will have to take a view as to who the access providers are and
22 who the access seekers are. Could we again move around the table in the same order
23 and discuss that; Telecom, your view as to who the providers and the seekers are?

24 **John Wesley -Smith:** Well, we don't want to take a firm view on other parties, whether
25 they meet the definition or not. We consider that we are and should be an access
26 provider. I think it would be pretty obvious that Vodafone meets the definition as well.

27 Woosh Wireless, I would imagine, would as well and a question mark over
28 New Zealand Communications as to whether they're - the network that they plan to
29 operate is currently being operated. But we don't wish to take a firm view on any other
30 parties' position today.

31 **Chair:** Vodafone?

32 **Juliet Jones:** We're of a very similar view. We're of the view that Vodafone is an access
33 provider under the Act as well as access seeker, and we also believe that Telecom is
34 both. And similarly, we note the definition of access provider says it's a person who

1 operates a cellular mobile phone network, so we don't have a firm view as to whether
2 NZC meets that definition or not.

3 **Chair:** NZ Comms?

4 **Shane Barber:** NZ Comms is clearly an access seeker, it operates or is likely to operate,
5 but on the basis that this is a discussion about the longer term interests it clearly is
6 going to be, or if it's not already, an access provider.

7 **Chair:** Woosh.

8 **Nick Clarke:** We certainly agree that Vodafone and Telecom are currently. Certainly in
9 respect of ourselves, we don't today operate a cellular mobile telephone service but
10 have every intention to, that's very much central to our medium-term goals, so we
11 would certainly see ourselves as an access seeker who's likely to operate a cellular
12 mobile telephone network but is not an access provider at the moment.

13 **Chair:** The next issue, going on to the technical parameters of the STP. Now, the
14 technical parameters are very important as part of the service. We've got to look for
15 what may be additional parameters and to what is defined in the Act.

16 Could we go around the table again, starting again with Telecom, and identify
17 what you consider to be the technical parameters. Now, I've got some parameters
18 which I've taken a note of, for instance like tower, wind loading, spectrum interference,
19 tower space. So perhaps you might like to take it off from a technical point of view as
20 to what you see as being the issues that should be considered.

21 **John Kliffen:** So, yes, the interference isolation is a key technical parameter that needs to
22 be considered. Wind loading has been a factor and structural rigidity of the mast, and
23 the space availability on the mast as you mention. They're the key ones that need to
24 be considered. Any others?

25 **Chair:** There's no other factors like security, or perhaps the height of the tower itself? Are
26 there any other factors that are important?

27 **John Kliffen:** So that's where the access seeker needs to be assured that they can
28 achieve the coverage that they require from where they can get a location on the mast.

29 **Chair:** So these are the issues that you see should be covered? Vodafone?

30 **Mike Parker:** I think, as just discussed, also areas that we would be looking at would be
31 power capacity, and also equipment shelter space within the leased area. We tend not
32 to have shelters as such nowadays, we tend to just have equipment cabinets.

33 **Chair:** New Zealand Comms?

1 **Greg Fowlie:** We've got a couple of comments to make on that. Just with respect to
2 available space on towers: What we would be looking for in a standard terms provision
3 would be a requirement for access providers to optimally utilise the antenna head
4 frame space that's available on any particular tower. By that, we would be looking for
5 both access providers and access seekers to use the most efficient antenna
6 technology available to maximise the number of operators that can co-locate on any
7 single tower.

8 **Chair:** So, to that extent, you're looking at the resource, the resource should somewhere
9 be optimised?

10 **Greg Fowlie:** Yeah. We look at it very much similar to the way that the Commission has
11 treated DSLAM spaces in a telephone exchange.

12 When you fundamentally look at co-location, all that the access provider is really
13 selling you is the right to occupy a piece of steel on a tower somewhere. The capacity
14 of any tower, any given tower, is obviously limited by its, you know, structural capacity,
15 so therefore the number of antenna slots available on any given tower are limited, so
16 it's a - you know, it's a precious resource. What we're asking for is that in any Code
17 that may be developed, that there's a requirement for those slots to be optimally
18 utilised.

19 To be specific about that, what we're looking for is, you know, a commitment to
20 use multi-banded antennas to support more than one technology on an antenna.
21 We're looking for operators to be using cross-polarization diversity antennas which is
22 another technique for reducing the number of antennas on a tower.

23 In terms of the NZ Comms roll-out, we are very much a low cost operator and
24 we have a high degree of standardisation across our sites. We are planning to operate
25 three technologies in our network: GSM 900, GSM 1800 and UHF 2100. We plan
26 to do that using a single antenna per sector or three antennas per site. Anyone that's
27 familiar with cellular technology, your typical base station is in actual fact three
28 separate cells. So, in a sense we're using one antenna per cell with three cells making
29 up a site, so we're using the absolute minimum number of antennas that we can use.

30 We see examples nationwide throughout New Zealand where there are towers
31 that would have sufficient structural capacity to support a number of operators if an
32 efficient antenna technology was used.

33 **Chair:** Thank you. Woosh?

1 **Nick Clarke:** For us, in terms of our experience to date as to the - from the primary
2 limitations around co-location, addressing the technical parameters has really got to
3 be, or is the key hurdle to be addressed through this process and going onwards.

4 In our experience the structural conditions of the tower and RF are the two sort
5 of limiting factors that are given back to us for preventing co-location or for having sub-
6 optimal co-location.

7 We're sort of very interested through this process that the Commerce
8 Commission has, and the industry has a whole, has an interest not just in developing
9 processes that can be worked through, but are much more focused on the outcomes
10 which are having more users on single facilitating infrastructure competition, having
11 more providers on towers.

12 I don't know if now's quite the time to go into it, or whether you've got intentions
13 for later in the day, but we have examples over time where we've been given technical
14 issues as a reason for preventing certain activity which, when the shoe's been on the
15 other foot, some of the technical issues have not been quite the same.

16 **Chair:** We're not going into the implementation of it, but we've noted those points. I did
17 mention before that we've got the chance of going around again. We're not necessarily
18 looking for a solution at this stage. The issues which have been raised, if either
19 Telecom or Vodafone would like to perhaps raise some other issues, some other
20 factors that should be considered in relation to it. Would either one of you like to
21 comment on that?

22 **John Kliffen:** I'd just like to make a point responding to New Zealand Communications'
23 raising of the issue of optimisation of antennas. We also need to consider that
24 operators have multiple bands and we need to optimise antennas across the different
25 bands, so that does limit how we optimise those, so that needs to be taken into
26 consideration, but we do accept that that's an issue that needs to be included.

27 **Chair:** But that's just spectrum management we're really talking about there, isn't it?

28 **John Kliffen:** And optimisation of the systems and the coverage that they provide within
29 the different bands themselves.

30 **Chair:** Vodafone? No comments? **[No comments].**

31 Interference management, I suspect, is one of the major areas as we've alluded
32 to already. The co-location of radio transceivers has the potential for creating
33 interference, that can affect either receivers on the site or perhaps even on other sites.
34 It's a classic problem for interference.

1 How will this be managed? Perhaps if we could start by talking about; the
2 factors that I felt should be looked at are things like timing, responsibility. Also
3 perhaps, what would happen if a transceiver's been tested but some time later it
4 proves to be interference causing, who carries the risk for these things? Telecom,
5 could you perhaps talk about interference management and some of the factors that
6 we should be considering?

7 **John Kliffen:** So, through our experience there's a number of issues that we need to, I
8 suppose, address before we agree to a particular proposal. So, we need to be
9 assured that the interference from an access seeker's system will not interfere with our
10 system and vice versa. So, there are a number of technical standards that we can look
11 at and calculations that can be made, and we need to determine what are the isolation
12 requirements between the systems.

13 You base those calculations purely on what's available in the standards; they
14 tend to be quite conservative, which would lead to a large isolation between the
15 antenna systems. So, we tend to go through a process of doing some interference
16 testing based on some typical configurations and that's what we've done with a number
17 of operators to determine what a practical isolation separation between antennas
18 would be.

19 That does add to the time, and also, you can only test a certain range of
20 configurations; you can't test for all particular scenarios, so there is still a degree of risk
21 around that, and to provide some margin around that risk you need to have some
22 prudent avoidance of sort of building on the edge so that, if interference does occur in
23 the future, that it's still at a manageable level.

24 Also, when you do that initial testing, it's with brand new equipment and
25 everything is in quite an optimal sort of condition, whereas sort of 5 years down track
26 things can corrode and, sort of, additional interference can - additional levels can
27 increase, so that also leads us to need to have a prudent level of margin that we
28 include in both the calculations and also in the testing.

29 **Chair:** What would you see as, perhaps this is not in the right place, but how would you
30 see it as being that something's set up, works quite nicely, if something corrodes over
31 time, it can cause some intermodulation interference, it knocks out a receiver; how
32 would you see are the risks of that? Is this something that we should be looking at as
33 one of the areas in this work?

1 **John Kliffen:** Yes, we definitely should be including that in what - how we assess and
2 what we include in the scope of this.

3 **Chair:** Vodafone?

4 **Mike Parker:** Our RF team would do a desktop exercise to consider interference with any
5 co-location arrangement. The key thing for us is how - the protocol for dealing with
6 interference in the event it arises. Do we have the ability to switch off equipment that is
7 perhaps causing that interference, and the protocol around that would be a key one.

8 **Chair:** Elaborate on that just while we're - I'm just thinking.

9 **Mike Parker:** I think it's easy to say, you know, have a clause in any agreement which
10 says in the event of interference you can switch our equipment off, but when you get
11 live networks it's a lot more difficult to do that than it sounds. So I think, when you're
12 developing processes it's key that, how we go about dealing with interference needs to
13 be addressed in the scoping exercise.

14 **Chair:** New Zealand Comms?

15 **Greg Fowlie:** The observation that we would make with respect to interference is that this
16 is of course a completely separate statute, the Radio Communications Act, which deals
17 with the licensing of radio transmitters in New Zealand and the process by which
18 interference, if it occurs, is investigated and resolved and establishes who's at fault or
19 essentially who is the interferer and who is the victim. So, there is a high level of
20 protection that is given to anybody operating any radio transmitter in New Zealand by
21 virtue of that Act.

22 The second observation that I would make about interference generally is that
23 this is not a special problem for the telecommunications industry. Co-location of radio
24 transmitters started probably a couple of years after Marconi invented radio. There are
25 a large number of radio sites in New Zealand that have very very complex
26 architectures, many numbers of different types of transmitters, all located in close
27 proximity, and engineers find a way of making that work. In that context, the issue of
28 locating a couple of cellular operators in proximity to one another is not a particularly
29 big technical challenge.

30 As far as the argument with deterioration over time goes. Again, anybody
31 operating a radio transmitter is given protection under the Radio Communications Act
32 by way of the licensing regime, and that protection is fairly stringent.

1 There are obvious issues with trying to deal with the whole subject of
2 interference in a Code when, to my mind, it's essentially dealt with as part of the Radio
3 Communications Act.

4 **Shane Barber:** I think a useful observation that I would have is that a lot of this stuff is not
5 new, and in the case of interference for instance, in the 1999 Australian Code Section
6 5.4 there deals with the parameters quite successfully for dealing with interference, and
7 certainly any suggestion that there can be any unilateral decision to turn off networks is
8 an extremely dangerous one and really one that ought not even be on the table.

9 In that provision, in 5.4, there are time periods prescribed for identification and
10 for negotiation and, to the extent that it's required, for some independent experts, all
11 very tight times, and in my experience of working on these networks for 15 years or so
12 they've always been a successful arrangement to deal with those things.

13 So I think, in relation to what Greg is saying, there is some practical things that
14 are quite easy to do, and in terms of coming up with a regulation, a lot of this
15 experience is on the table for the Commerce Commission to use.

16 **Chair:** My experience in these radio areas is that transmitters, yes, have been co-located,
17 receivers have been co-located, generally have been co-located perhaps kilometres
18 apart, but perhaps that's something that would have to be looked at as part of what the
19 Act says and as part of what the requirements are for this technology. But Telecom
20 and Vodafone, any more...?

21 **Nick Clarke:** This is one area where I think as an industry, and the tone in this room, is
22 really an opportunity to change. Co-location, solving technical issues, they're real
23 problems but there's real solutions and New Zealand doesn't sit here, we're not the
24 only country in the world with two or three or four mobile networks.

25 Sprint in the US is overlaying TTD solution with their CDMA, we've got Crown
26 Castle in Australia who make their living out of hosting everybody on their network, the
27 [inaudible] Wired who are again a TTD network, one of the - TTD/FTD supposedly
28 don't live particularly in harmony and yet we seem to find that there's plenty of solutions
29 for them. I think this is one of those areas where we need to say, there will be
30 technical issues and we'll address them.

31 Plus, we've experienced with VCL as they then were desktop studies suggesting
32 that our wideband CDMA network was going to interfere with their services. The action
33 went to the High Court because of the - and then when push came to shove there was
34 an incentive on VCL at the time to resolve things and we found that we had a whole list

1 of solutions how to solve them; filters, coordination, planning, and the issue's gone
2 away, we have not had any issues between us at all in the last 3 or 4 years.

3 So this is one that I think, very careful that we don't sort of say that there's an
4 onus on - that there will be no co-location unless these new entrants can prove there
5 will be no interference; we should say co-location is the norm and we're going to solve
6 the problem, and there's plenty of solutions out there.

7 **Chair:** Thank you Nick. Still open to Telecom/Vodafone.

8 **Juliet Jones:** Can I just say, while the Act does deal with interference, we'd prefer to have
9 something in a more detailed level between the parties because, when it actually
10 comes to a problem arising, the Act isn't really going to help solve that problem. I think
11 we would like to see protocols in place so we know, if a problem does arise, what's
12 actually going to happen because the Act I don't think helps solve the problem. We're
13 all about solving the problem but I don't think that just relying on the Act is actually
14 going to help deal with it. We need better protocols in place so the parties know how
15 it's actually going to work itself out.

16 **Greg Fowlie:** Yeah, but I think the important thing is the methodology by which the
17 problem is solved. NZC has a co-location deal with Woosh Wireless and essentially
18 the way that we have agreed to deal with interference is, you know, a couple of lines in
19 that agreement which basically says that we will install our equipment and if any
20 problem arises we will work together mutually to fix it. It's that simple.

21 **Ross Young:** Can I just ask you a question on that. Do you find something more general
22 like that useful, or do you find something more detailed and prescriptive useful?

23 **Greg Fowlie:** What I'm concerned about is that, you can go through a very long process of
24 running desktop studies that prove that there is - that demonstrate that there is a
25 problem, and as Nick's illustrated in actual fact there is in actual fact no problem in
26 reality. So, the way that I would tackle this is just again by taking co-location as the
27 norm, the access seeker installs their equipment, starts it up, you know, in other words
28 completes the co-location; if there is an issue on that particular site then both parties
29 work together to resolve it.

30 These are always solvable problems, there is always a solution; there just has to
31 be a willingness on both parties' parts to find it.

32 **Ross Young:** So, it seems to me that an issue here seems to be a sort of a distinction
33 between a preventive approach or a more sort of, well, let's go with it and then have a
34 process to deal with problems as they arise. Is that an appropriate characterisation?

1 **Greg Fowlie:** That is an appropriate characterisation.

2 **Nick Clarke:** I can give a slightly different answer to your question. I don't think this is
3 solved by words, it's solved by a mindshift. We have examples where we were
4 seeking to co-site antennas on a roof in which one of the - well, Vodafone was there,
5 and we were told it wasn't possible, we were too close and it would cause interference,
6 and we got a no. Several months later Vodafone sought to site antennas on a roof
7 where we were and there was no space for them to go further away than within the
8 sphere that we were looking at before, and at that point we decided, well, we got the
9 okay that we could go ahead on the basis that they could go ahead on our site.

10 Now, I don't think - it's not words in a document necessarily that fixed that, and
11 we got to a point where we had to trade one or two minor exchanges like that. What
12 we need is a shift to say that, it's not one or two trades, these things can be fixed and
13 we'll find answers.

14 **Greg Fowlie:** I think there's also an issue, particularly with Telecom and Vodafone, that
15 there's a lack of engineering experience in working in what you would commonly call a
16 heavy co-location environment where there are a large number of operators attempting
17 to share a tower, and we would very much advocate the approach of just going ahead
18 and doing it and sorting out any problems if and when they occur.

19 **John Kliffen:** From Telecom's perspective, we see it's a prudent thing to do testing prior
20 to the design being completed. So that, you have an understanding of what the
21 isolation requirements actually are rather than it being based purely on a desktop
22 study. The desktop study is useful for an initial evaluation, but you still need to
23 determine what the practical isolation requirements are between antennas.

24 **Shane Barber:** Can I just make one observation. In terms of the two scenarios that Ross
25 has raised, do you have a process at the beginning or a process at the end where you
26 install and then you would deal with problems after installation. Certainly we'd be
27 advocating the latter. Certainly that's the experience that works in other jurisdictions,
28 that's the one reflected in 5.4, and we would say that's the one that's consistent, most
29 consistent with the requirements in Section 18, the long-term interests of end-users.

30 **Chair:** Thank you for that.

31 **Ross Patterson:** Shane, you would say that desktop studies or any other prior testing
32 shouldn't be necessary?

33 **Shane Barber:** In terms of interference?

34 **Ross Patterson:** Uh-uh.

1 **Shane Barber:** Certainly it would be part of that process, and to the extent that it can be
2 dealt with at that stage, then that's a prudent thing to do, it shouldn't be exclusive of
3 that, but it shouldn't be - having circumstances like the one that's been described by
4 Woosh is not - I can understand culturally how it's happened, but it's not something
5 that really ought to be tolerated as part of the way these things are rolled out, so it may
6 be prudent to go with the latter, and certainly in our experience the latter has been a
7 very efficient way to proceed.

8 **Osmond Borthwick:** If you have desktop studies that reveal a problem, what would you
9 say should be the outcome of that?

10 **Shane Barber:** Certainly, if they genuinely reveal a problem, bona fide problem, then they
11 should be dealt with up-front. That's my personal opinion. But I don't think what we're
12 saying is inconsistent; I think the point that both Woosh and NZ Communications is
13 making is that there really needs to be a real sort of bona fide and a culture of wanting
14 to get these co-location things up and running for the sake of the Section 18
15 requirement.

16 **Tonia Haskill:** It's a good discussion, but my suggestion would be that the notice isn't
17 prescriptive in how we deal with that, but that it sets out that we should --

18 **Chair:** That's the intention.

19 **Tonia Haskill:** -- discuss it, but I would like to encourage us not to take a position at this
20 early stage.

21 **Chair:** I think we've perhaps exhausted the discussion too, thank you.

22 The next item on the agenda was operational delivery. As part of this there is
23 an Operations Manual that has to be produced. The issue I see with the Operations
24 Manual in the past in other Standard Terms Determinations, there has been one
25 Operations Manual simply because there's been one provided; in this case we're
26 talking about a multitude of providers.

27 The sort of issues that we've got; are we looking at one generic manual with
28 perhaps appendices on it stating how each of the individual suppliers will be interacted
29 with, or alternatively are we looking at say a number of separate manuals?

30 Generically in this operations delivery we'd be looking at things like ordering,
31 provisioning, billing, fault management, and I've got a note here to myself of what else
32 because I think it's important for us to at least raise what else should be there.

33 So perhaps Telecom, if you could talk to this subject.

1 **Mark Larsen:** I suppose our view on that is, it could really be either approach. I mean,
2 again we don't want to take a view on it at this stage in that it would be possible for
3 everyone to have their own operations manuals if you like. We do believe though that
4 it would be possible to have a single Operations Manual for everyone provided it wasn't
5 overly prescriptive and that a lot of the processes and procedures we use now are
6 paper based anyway, and based on standard forms and so, provided it wasn't too
7 prescriptive, it may be possible to have one Operations Manual at that level. As I say,
8 we don't take a view on that at this stage.

9 **Chair:** So, it would then be one generic manual that you you've got that you'd see that all
10 the parties could use?

11 **Mark Larsen:** Yes.

12 **Chair:** Anything beyond that, it's just the way it's done. Vodafone.

13 **Juliet Jones:** I think we've got a similar view on that. Until now the dealings between
14 operators has worked where say for example co-location it would be, if Vodafone
15 would be applying to Telecom, it would be Telecom's ops processes and vice versa, it
16 would be Vodafone's ops processes and that's actually worked quite well.

17 But again, we don't really have an issue with combining, coming up with one
18 providing it's acceptable to everybody. I think there's a balance between obviously, if
19 you do that, as Mark said you perhaps are not going to get something that's too
20 prescriptive, so you balance that against having something each and having it more
21 prescriptive, so I think it's a weighing up of those two things and working out what's
22 best and we don't have a view on either.

23 **Chair:** I do note that some of these manuals are quite prescriptive to the extent of, if you
24 want this done contact this person type thing, so it's a pretty generic solution.

25 **Juliet Jones:** It could be that you have a double-layered approach where you have a
26 generic set of, for example fault management processes that everybody agrees on that
27 we can do similar, and then as a second layer underneath that you have the more
28 prescriptive things that are individualised between the parties.

29 **Chair:** Yep. New Zealand Comms?

30 **Tex Edwards:** Our position on this is that it must be prescriptive. The context of this
31 inquiry and workshop is that there has been a failure to activate co-location, timing is of
32 the essence. Our industry colleagues' comment from Woosh was that there needs to
33 be a sea change in attitude and the willingness; that can only be done by prescription
34 in this case to generate that delivery chain.

1 **Greg Fowlie:** If I could just also add, I'm curious about the comment that Telecom and
2 Vodafone find each other's operational procedures to be working well. My
3 understanding is, is that there's only a handful of co-locations that actually occur
4 between Telecom and Vodafone.

5 **Chair:** That's beyond the scope of what we're having a look at but, Woosh, do you have
6 some comment?

7 **Nick Clarke:** Yes, we'd favour a single manual just to the extent that we think it's fair. If
8 everyone is dealing with each other on the same terms there can be no acquisitions of
9 bias that one party has more onerous provisions over another one, on whichever side;
10 that just causes certainty.

11 **Chair:** Can we go around the table again and see what the contents might be of that
12 manual? Telecom?

13 **Mark Larsen:** I mean, if you start here in the agenda in terms of forecasting, ordering,
14 provisioning, billing, fault management, so I would imagine they would all need to be
15 included.

16 As I say, some of them - the issue is that with some of them you may be able to
17 be a lot more prescriptive if you're going for one party approach than the other, but
18 again that can be worked into. I think they're the main headings, if you like; there may
19 be little things under there but I think that's a fairly good summary of what would be
20 required to proceed.

21 **Mike Parker:** From Vodafone's perspective, I think to have generic - a generic manual
22 covering most of those points would be fine. I think fault management, each company
23 probably would have some fairly well defined processes around fault management, so
24 it's probably in that area that being generic may not work.

25 Certainly for Vodafone, forecasting requirements would be key to getting things
26 done together. Like, if we could see a year in advance what someone's plans were,
27 we could build that into our own plans, and that would make the whole implementation
28 process a bit easier for the parties I think.

29 **Shane Barber:** The NZ Communications observations are these: In terms of timing for
30 the drafting of this, my understanding is that the one that was used in the unbundled
31 copper local loop network co-location code was one that had pretty much already
32 existed and was able to be adapted for that purpose. It's quite a lengthy document.
33 So, A) it might have an implication for the people who are going to draft this.

1 The other observation I'd make is, there needs to be discipline in the way that
2 it's drafted to ensure that it's consistent with the general terms. Looking at the contents
3 in the existing Code, there are some items in there, in the Operations Manual, that you
4 would have expected I think to see in the general terms. Things that relate to
5 prioritisation and tenure really aren't things that are Operational Manual things, they
6 are rights as between the parties, and those are the kind of things that should be
7 moved into the general terms and the operational things that are consistent should be
8 included in the Operations Manual.

9 Having read the Operations Manual, there are a lot of good things in there that
10 can be used in this process but I have a feeling that - I was surprised to see some of
11 the things in there that should have been earlier on I think.

12 **Nick Clarke:** From our experience, it's very much a process of two halves if you like.

13 Once the site is built we see very few instances of any material conflict at all, and I
14 can't think of any areas of conflict that we've had. Once the sites are up and build and
15 running, really the processes seem to resolve themselves very well, and really what
16 needs the focus is the application, the response to the application and getting the site
17 defined and built. That's where the conflict between the conservatism is the plague
18 that caused the problems, so we'd sort of favour - we'd favour - I think the topics there
19 are fine and we'd favour putting the effort into getting that right, the application process
20 right.

21 **Chair:** Just going to the issue of forecasting, forecasting would have to be done with some
22 sort of reasonable accuracy basically to ensure that access seekers are not in
23 particular kept out. We've also got to be aware of what happens so that gaming
24 doesn't appear to occur. Let's say one group is looking to use a block of frequencies,
25 some asset on the site.

26 Is there any - can we go around the table and has anyone got comments on
27 how we might best achieve that as this has to be part of the process we go through.
28 Has anyone got comments? Telecom?

29 **Mark Larsen:** I'm just trying to clarify, Bruce. Are you talking about a similar regime where
30 we have under the existing STPs where forecasting, or incorrect forecasting is linked to
31 consequences, you know, to ensure there's no gaming?

32 **Chair:** Yep.

33 **Mark Larsen:** In that case we would agree that any requirement for forecasting does have
34 to be linked to some sort of consequence to ensure that forecasts that are being

1 provided are as accurate as possible, and enable all parties to properly act on those
2 forecasts.

3 **Tonia Haskill:** UCLL also has the concept of a firm order, which would be a good thing to
4 bring into this process.

5 **Greg Fowlie:** I just don't quite understand what we're actually trying to forecast?

6 **Chair:** My intention of raising this was that we are forecasting reasonable and likely - we're
7 not prejudging any words or anything like that, but we're just trying to see what
8 behaviour we can look at to make sure that some group doesn't come along and say,
9 we're going to use this block of tower space or whatever, we've forecast that we're
10 going to use it, and after X period of time it hasn't been used. So we're just looking to
11 make sure that, in my words, the marketplace works efficiently.

12 **Shane Barber:** I think, if there's hole here, and I think it's what you may have identified, is
13 that if you look in the limitations, the clause 6 limitations, there is in reasonableness
14 concept in relation to the access provider's own use. But then you go to C, (6)(1)(c)
15 and it doesn't have any kind of qualification like that. It simply says that you can deny
16 to the extent that there is existing legal duties.

17 So I think one of the areas where there may well be exposure here, and that's
18 why maybe a consideration should be given to a use-it-or-lose-it approach like you see
19 in the other one; is that, there are two things, one is unreasonable requirements of the
20 access provider.

21 The issue that's already been raised by Greg in relation to inefficient
22 requirements of the access provider and, you know, an objection may be there, well,
23 we're an incumbent network so why should we need to reconfigure? The answer is
24 that clause 18 requires the long-term interests of the end-users to be taken into
25 account, and we would say that means co-location needs to occur so we need to
26 facilitate co-location in that way.

27 The third aspect of course is, access seekers are imposing onto the access
28 provider unrealistic requirements for their future use. The difficulty with the way 6(1)(c)
29 is drafted I think needs to be counter-measured if you like in this Code and a use-it-or-
30 lose-it approach put in there that has some realistic timeframes; I don't know what
31 those timeframes are, but the ones that are in the existing Co-location Code are quite
32 long I thought.

33 **Chair:** Woosh, Vodafone?

1 **Juliet Jones:** I'd only say that at the moment the Code obviously does provide for a
2 queuing policy where you have a place in the queue and you lose your place if you
3 don't use it, so there is sort of a use it/lose it in this provision. I'm not commenting now
4 on whether that's sufficient or not, but a queuing policy is something we need to
5 consider in this issue that you've raised.

6 **Chair:** I notice we haven't talked about operational support systems, integration.

7 **Matthew Bailey:** I think that's already been kind of covered as part of the generic specific
8 Operations Manual discussion.

9 **Chair:** Nobody disagrees, okay.

10 Talking about service levels, this is clause 12(g). 12(g) is referring to the
11 document that we've sent out to you, the Draft Proposal.

12 **Ross Young:** Draft Notice.

13 **Chair:** Draft Notice, thank you. Looking at the Draft Notice. What aspects of service
14 should service levels be set for, what penalties should be set?

15 Telecom, could you please take it away.

16 **Mark Larsen:** I did actually have a quick question before I answer that, if you like. Once
17 of the points in the notice was, it also talked about quality. In terms of, at the start of
18 the sentence looking at service levels to do with quality and I was wondering what the
19 Commission was alluding to by quality of co-location, or whether there was anything
20 specific on your mind there or not?

21 **Chair:** Sorry, could you give us the reference to the document?

22 **Mark Larsen:** In (G), start of G, "Must include service levels and specify the quality and
23 performance levels in relation to the supply of mobile co-location service ". Obviously
24 performance levels made perfect sense, but we just wondered whether there was
25 anything specific meant by quality or anything along those lines?

26 **Matthew Bailey:** I can't think of anything off the top of my head, sorry. Have you got any,
27 Brendan?

28 **Brendan Dempsey:** [Shakes head].

29 **Chair:** What I was looking at when I saw that, I saw that quality was part of - the generic
30 part of the service level.

31 **Ross Young:** I think it's capturing the same concept as a performance level, so quality
32 relates to that. I don't think there's anything in particular that is unique to that word.

1 **Mark Larsen:** In terms of answering the original question, our position is, I think obviously
2 we need to include service levels and they should relate to those aspects of the
3 processes if you like that are essential to access seekers and access providers.

4 So, we wouldn't obviously like to determine what those are now because it will
5 obviously involve further processes, but it is something that's an integral part of the
6 current STPs and we see that that works and it should work in the same way.

7 **Chair:** You will have other opportunities to raise it. Just moving around the table...

8 **Juliet Jones:** I think Vodafone has a similar view in that we're open to considering having
9 service levels, I think as long as they're measurable, and I think as long as they're
10 subject to the limitations on access, for example Resource Management, things like
11 that, [inaudible] consents, those sorts of things but, yeah, as long as they're
12 measurable and robust, then we're fine with that.

13 **Shane Barber:** Certainly NZ Comms is very supportive of service levels. Looking at the
14 way they've been drafted in the existing Co-location Code those concepts would be
15 useful. It's difficult to talk in this meeting about how you would construct them without
16 having the process drafted out for the co-location process.

17 The Vodafone observation is that there are probably more external factors, such
18 as the RMA considerations that need to be taken into account if they can be managed
19 in a way that in a sense both access providers and to an extent access seekers are to
20 comply with the requirements. It's a very useful way to go about the problem rather
21 than going straight to dispute resolution, and we're very supportive of it.

22 **Nick Clarke:** We see that the primary SLA is how many applications are accepted now is
23 really the only - like, the 99% meaningfulness in the process. I mean, it would have
24 been inconceivable that Ihug and Orcon that applied to go into the Ponsonby exchange
25 to start LLU and been turned down and told it wasn't possible, and met a similar frame
26 of mind for co-location.

27 Telecom are rolling out their UMTS network and doing it very quickly, showing
28 that issues such as wind loading, there are solutions to these things. So, that's really,
29 the focus for us that timing is an issue, but the number one area that needs to have
30 SLAs built around it is acceptance of applications.

31 **Shane Barber:** We'd certainly want to see more than that. I mean, each step of the
32 process needs to have its SLA, but certainly that's the overriding, getting them
33 accepted and getting them up and running.

1 **Chair:** It strikes me that this is one of the key bits of the final material that's produced
2 about how the service levels, how this is going to be managed.

3 We've managed to go around the table and we haven't come up with a list of - a
4 comprehensive list of what they should be. Is there any way that the process could be
5 enhanced, is there any way that we can come up with that list so that the group or
6 groups that hold the pen on providing the proposal can make a more credible job of it?
7 Perhaps I shouldn't use the word "credible", but making a comprehensive job of it?

8 **Tonia Haskill:** I was involved with the drafting of the UCLL Co-lo Code and NZ
9 Communications are exactly right; first you have to establish what steps would go into
10 the process of application and actually doing the co-location at the time, and then you'd
11 put the service levels around each step of that process. So each are measured, each
12 has a performance indicator and a tolerance put to them, and then they're ranked in
13 terms of what's most important to the access seeker and that's how the penalties are
14 applied.

15 So, as has been said, it's almost impossible to put that together now without
16 actually agreeing a process, and then you work through that process to attach the
17 service levels to them.

18 **Chair:** So, to that extent, it's got to be iterative, you're suggesting that we just work with
19 the STP that's produced, then parties get submitting on that will then flesh this out?

20 **Tonia Haskill:** So you work out the end-to-end process, chunk it into sensible bits and
21 those bits around which the service levels sit.

22 **Shane Barber:** So you would anticipate that the SLA requirement discussion be the key
23 discussion in the next iteration, I suppose. We could spend time today workshopping if
24 you wanted to what the actual processes were, but I don't think that's your intention for
25 today.

26 **Ross Young:** I think the question is essentially, are there any burning service levels that
27 you think should be added to (g) there where it lists quite a few. Now, the purpose of
28 the notice here is to really draw these important additional requirements out. I take the
29 point that it's an iterative process, but if there are particular important issues there that
30 you think is important for the Commission to put into a notice now's the time to let us
31 know.

32 **Ron Slade:** I think, from a very practical point of view, each of us should maintain
33 accurate and up-to-date site information because if we don't know that, that's going to
34 undermine the whole SLA process; if we don't know what's on our sites how can you

1 actually follow through with and SLA? It's difficult to benchmark it, it's difficult to
2 measure it, so we do need accurate information.

3 **Shane Barber:** It's an example of the SLA applying to every step of the process, it's the
4 very initial step, so it's not even around your particular application, it's around the way
5 that you construct your infrastructure, your intellectual infrastructure to be able to have
6 an efficient co-location process, and that should be subject to SLA as well.

7 **Chair:** Do you see this up-to-date database as something that's shared between the
8 different Telcos or just something that's available?

9 **Shane Barber:** Absolutely. The carriers in Australia all have access to this one database
10 and it's a very efficient process. The motivations in the Australian environment are
11 different. There's an overriding political difference there that incents them to do this
12 and that of course is their carrier powers and immunities. Those came out - the carrier
13 powers and immunities, which are now sort of 11-12 years old, really do incent the
14 carriers to have a greater sense of co-operation and unity I suppose, and that has
15 turned out to be a good thing in the longer term. It's meant that you get better design,
16 but it also means you get a greater level of co-operation.

17 So, there is no prescribed requirement to have a central database, there are
18 some information requirements in Schedule 1 of the Telco Act there, but they have built
19 this database themselves and that's the kind of spirit that you kind of want to see in a
20 market like this as well. To the extent that it needs to be prescribed because that
21 motivation may not be there, then it should be, and it should be measured.

22 **Tonia Haskill:** We have no problem with that, but I would consider that would be better
23 placed in an Operations Manual rather than a Service Level Agreement; something like
24 that.

25 **Matthew Bailey:** Do the parties envisage there being financial penalties associated with
26 failure to comply with some of the service levels similar to the previous STDs?

27 **Greg Fowlie:** Yes.

28 **Shane Barber:** Presumably structured as some kind of credit; my understanding is, that's
29 how they're structured in the current Co-location Code, they're a credit, yeah.

30 **Chair:** Going on to site security. Site security to me was the fact that people got access to
31 it, the fact that people managed it, they can terminate the security rights. Can parties
32 talk about site security. Are there any aspects of site security that we should take a
33 note of for the order?

1 **Mark Larsen:** We wouldn't see anything significant. Most of the issues around site
2 security we think can be dealt with in the Operations Manual in a similar way to the way
3 it has been through the LLU co-location where you have arguably even more issues.

4 **Mike Parker:** Vodafone is much of the same view. You know, it's really addressed on a
5 site-by-site basis and defined on the risk, I guess, to equipment in the area. So, that's
6 generally how we evaluate the type of security we would provide.

7 **Shane Barber:** It's not necessarily a co-location issue. If The security is the integrity of
8 the infrastructure as against the world, then that's not really a co-location issue, except
9 to the extent you get to practical issues such as creating new gates and fences and
10 those kinds of things, but as between carriers it's stuff that's dealt with in the
11 Operations Manual I would presume.

12 **Chair:** I'd suggest that, as you can see, we're well ahead in the agenda. I suggest we
13 actually break for half an hour for morning tea.

14

15 **Adjournment taken from 10.31 am to 11.03 am**

16

17 **Chair:** By my notes we're up to standard reporting from the access seeker, but before we
18 start I'd like to just reflect for a moment on what we're doing.

19 We've given a draft notice for the parties; the intention the Commission's got is
20 that we can get input from you so that we can alter that Draft Notice so that we can
21 create - so that the party that's holding the pen to create the Standard Terms Proposal
22 will provide something that's closer to what the final outcome will be, something that's
23 essentially improved the process. So what we're looking for in going through these is
24 any comments that you've got that will help us refine that notice. So, perhaps if we
25 keep that in mind.

26 For instance, one particular thing, as staff were discussing the work that we're
27 doing, we're talking about co-location but at no time have we decided specifically co-
28 location of what. The question was raised, what if one of the parties wants to co-locate
29 in some way that the group that's holding the pen to provide the proposal is unaware
30 of? I'm not sure if that's likely to happen, but I just perhaps before we restart on the
31 remainder of the agenda, perhaps if we could have an informal discussion on that? Is
32 that worthwhile for any of the parties who would like to start on that? For instance
33 Telecom, can you give us some comments on that. Is it worthwhile having a look at
34 that?

1 **Mark Larsen:** I think it's an interesting point. We hadn't envisaged that purely because we
2 haven't come across a with a situation yet where a co-location application hasn't been
3 in a form or in relation to something we haven't envisaged.

4 In relation to the Service Description in the Code; I mean, it's a reasonably
5 broad Service Description and we've had that in mind the whole time if you like, so
6 that's been what's in our mind, and we haven't envisaged anything that would surprise
7 us at this stage.

8 **Chair:** So, to make it more concrete, what flavours of co-location, and what do you mean
9 by co-location?

10 **Mark Larsen:** In terms of Service Description, I suppose we're talking about, the Service
11 Description talks about mobile cellular co-location. But, you know, we also include
12 within that, if you like, some of the border areas around that. Like, it talks about voice
13 whereas we'd see, whether you're running a voice network or not, that may be co-
14 location for us, it's very similar. We don't see a distinct boundary there, if you like, as
15 long as it's of the same, of the same mobile telecommunications nature, then we're
16 happy with it.

17 **Chair:** So in co-locating, you're sharing the tower, what else would you be sharing?

18 **Mark Larsen:** Sharing the tower, if possible you'd be sharing the equipment shelter or
19 Cabinet, you'd be sharing the lease area or the property rights, potentially the
20 telecommunications cables or 2 megs, access track, power, all those components of
21 the facility.

22 **Chair:** Vodafone? What would you be looking at principally for co-locating; what does co-
23 locating mean to you?

24 **Mike Parker:** I think all those things but for us shelters would be difficult in that they're not
25 big buildings and they're largely filled with our own equipment. But I guess, if there
26 are - is room for others to come into our shelters, we would consider it. But, as I said
27 earlier, largely all our new sites don't have shelters, we just have mounted cabinets,
28 outdoor cabinets.

29 **Shane Barber:** I suppose this does have an impact for the drafting. When we discussed
30 Service Description at the beginning I mentioned that there would be examples, for
31 instance on rooftops, where you may want to share cable trays, is the likely thing. I
32 suppose the dynamic here in the market is, you don't have the concept of perpetual
33 tenure for these things.

1 In the absence of that, if you are going to co-locate to a large extent on a site, I
2 mean, it can happen, but it's probably less likely to happen. As an access seeker you
3 would be reliant on the tenure that's been secured from the landowner by the access
4 provider. There may be circumstances where it's in your interests to do your own
5 arrangements.

6 So, for instance, in the case of NZ Communications there is less shelters and
7 more pillar arrangements. It's easier or relatively easy to find a space outside of a
8 leased area. It would be easy to find a space inside of a leased area as well but the
9 strategic decision about the extent to which you want to have that autonomy probably
10 means that there's a greater likelihood that you'd want to do it outside of the space, but
11 that doesn't mean the Service Description should be constrained.

12 So when we look at the Service Description in the Act, it deals with being on the
13 tower and being on land that is adjacent to the tower, or that relates to the facility on
14 the tower, so those things makes sense.

15 It probably also is wide enough to deal with cable tray going to an from the
16 leased area to the tower if they're on noncontiguous areas, but it doesn't deal with
17 rooftops and maybe it ought to deal with rooftops because, while there may not be a
18 commercial likelihood that it will happen, we're looking at a set of terms that need to
19 have a life beyond the configuration now. I mean, 10 years ago setting up the
20 arrangements in Australia there, the way networks are configured now was in vague
21 contemplation but certainly nothing like what was anticipated.

22 I remember having a discussion back then about the likelihood of two carriers
23 sharing the one antenna, and that was a revolutionary idea, but of course now it's done
24 all the time. So, I think we need to ensure that, in the Service Description, that maybe
25 it does need to be expanded a little to include other non-tower type sites like rooftops
26 and elements that could be used there.

27 **Chair:** You've also raised the issue as antenna; is presumably feeder and transceiver also
28 shared as well?

29 **Shane Barber:** I think co-location, to me, isn't using the same piece of equipment. Using
30 the same piece of equipment in terms of the service that goes over it; it's really using
31 the piece of infrastructure to run that service. So, using the same line, I wouldn't
32 personally say is co-location or is what's meant by co-location. Using the cable tray,
33 that would be co-location. Greg, is that...?

34 **Greg Fowlie:** Yeah, that would be fundamentally correct.

1 **Nick Clarke:** The reason we're having this discussion is because we don't have
2 necessarily two willing parties to co-location; we've got people seeking it and people
3 not necessarily wanting to give it.

4 Our approach in this is that the regulation should be trying to seek to replicate a
5 situation where you have two willing parties who are doing a deal together. We have
6 some experience with that with Vodafone for example, a tower that we hadn't yet built
7 that they wanted to go on, we got together and shared whatever was necessary, and
8 we're now in a situation with New Zealand Communications where we have a number
9 of sites where we've both built and not built and we're looking at ways to work together.

10 The beginning of the conversation is, to the engineers, reduce costs as much as
11 you can, be as absolutely efficient as you can and at the end of that we'll sort out
12 commercially who gains, and do we split the benefit 50/50 or how do we split it, but the
13 first engineering principle is to try and re-use everything that we can.

14 That's a comment I think Paul Reynolds made in one of his recent statements,
15 that we should be trying to get together and share infrastructure as much as we can,
16 limit our investment and put our money into our services and let's compete in the
17 market and co-operate at an infrastructure level.

18 It's a great invitation to widen the scope of what we're looking at, really to
19 anything on a site that the parties can reasonably share. And it might be in time that
20 you end up with, you know, tri-mode base station units that can do, you know, might
21 not be dual node WiMax UMTS and we might find between Woosh and Telecom that it
22 makes sense, for the same cost of buying separate units, we can buy a joint unit. I'm
23 looking further down the line but there's no reason why we shouldn't try and leave the
24 door open as much as we can to saving as much many as we can.

25 **Chair:** Carrying on to the next item that I've got in my notes here; standard reporting from
26 the access seeker and from the access provider.

27 As part of the additional requirements can we determine what the parties' view
28 would be on what standard reporting should be required from these parties.

29 **Mark Larsen:** Based on my experiences with UCLL and the other STDs again, most of the
30 reporting is around the KPIs or milestones and we'd see that as being appropriate and
31 inclusive as well. The other issue probably is supply of information on all existing sites,
32 and again we think that should be something that's included in the scope of the STP.

1 **Chair:** So, to that extent, it just reflects the process that you're setting up and you'd be
2 happy that the draft that the parties that are holding the pen, what they come up with
3 you'd be happy with?

4 **Mark Larsen:** Yeah, I think it builds on the process Tonia was talking about earlier, where
5 you've got to develop the process first, then match the KPIs around it, then match the
6 appropriate reporting to those processes and KPIs.

7 **Matthew Bailey:** You mentioned reporting information regarding existing sites. What
8 specific type of information would you be looking for there?

9 **Mark Larsen:** It would be - again, it's matters probably to be determined, but information
10 that's relevant to the access seekers in relation to the site. You know, about what's on
11 the site or, you know, information that you can reasonably disclose regarding any
12 arrangements you have with the landowners or vice versa, so preparatory type
13 information prior to application.

14 **Chair:** Thank you. Vodafone?

15 **Mike Parker:** The area in the post implementation performance reporting that we'd want
16 covered would be as build documentation so that we know what was agreed was
17 actually built, and also EME compliance, particularly on rooftops. Electromagnetic
18 Energy Compliance.

19 We put together a landowner handbook which shows the hazardous area
20 around antennas, so that if they've got window cleaners or anyone else accessing the
21 site they have the information they need from a Health and Safety perspective. So, we
22 would hope that part of this post implementation reporting would cover off that aspect
23 of any new antennas that would be on the co-signed arrangement.

24 **Shane Barber:** I suppose from the point of view, with the access seeker's hat on; if we
25 presume that an access provider, let's make the presumption, is going to make the first
26 draft, then in terms of reporting information the observations that have been made
27 about the database is one thing we'd like to see. Of course the motivation for us is to
28 see reporting up-front so there's accurate information about what's there already just
29 as there would be a concern to ensure that construction diagrams were prepared at the
30 end.

31 In the current TCF Code there is provision for information packages and those
32 kinds of things, and you see that in 3.1 and 3.2 of the ACCC's Code as well. The way
33 those things are drafted though is a more side-by-side information thing; we'd want to
34 see the database as part of the information reporting requirements as well as more

1 detailed information, once it's requested, in relation to particular sites, including
2 construction diagrams of what's there.

3 **Chair:** Thank you.

4 **Nick Clarke:** I guess our focus is again on making sure sites are built, looking at the
5 process prior to build, but the other piece of really that the Code doesn't address, as
6 we've discussed earlier, was the kind of overarching change in culture, so what we'd
7 look for was reporting that would help to assist with that process.

8 So, it might be for example where claims are turned down, you know, the
9 reasons for that and that can be used - for example, if one operator is consistently
10 turning down others for RF reasons, there's really an opportunity for naming and
11 shaming to say, well - you know, that's the - in the LLU world, LLU became the front
12 page of the paper and there became no room for Telecom to do anything other than to
13 make sure that LLU happened, and the same with other operators, they couldn't - the
14 incentives were there to get it done and we need to somehow achieve a similar state
15 with co-location. Now in itself it hasn't quite got the headlines, but these sorts of
16 mechanisms could be a way for perhaps the Commissioner to make a statement
17 around someone who's - an operator who's been belligerent, for a new entrant to go to
18 the media and say, look, this has been our experience, but really all focused on
19 bringing about the right behaviour up-front.

20 **Shane Barber:** Just on that point, our expectation would certainly be that the level of
21 prescription in this document would be such that the menu for saying no would be a
22 fairly small one, and that there wouldn't need to be any kind of - there certainly wouldn't
23 need to be reporting and clear reasons as to why that is, but the scope for saying no
24 unreasonably would need to be very narrow, so we would expect that to be sort of
25 prescribed and what are those reasons; how do they relate to the clause 5 and clause
26 6 and the Service Description limitations, and even then as we've observed earlier on,
27 we think some of those are too wide.

28 **Ross Young:** As you're probably aware, in the existing STDs there's a good faith
29 obligation existing as well.

30 **Chair:** Now, I'd like to go on to implementation plan if we've finished that area.
31 Implementation plan, the first item to look at is the timeline for delivery of the mobile co-
32 location service.

33 What would be the major milestones and timings? Essentially, when is this
34 likely to become business as usual?

1 Remembering, we're not specifically looking for an answer, we're looking for -
2 we're not looking for an answer for this, we're looking for a process by which we can
3 determine the major milestones and timing.

4 **Ross Young:** We're looking primarily again at the Draft Notice. You will see that there are
5 a set of seven draft requirements for an implementation plan. This is pretty much
6 modelled on prior notices, and we'd welcome your views on that. That's 12(h), the last
7 page.

8 **Shane Barber:** Can I just ask a question at this point? There's mention in the Draft Notice
9 of "soft launch". Before we talk about this, because that's part of that process, can we
10 talk about what that means to people? Maybe even what it means to the Commission?

11 **Matthew Bailey:** I think from our point of view it's the delivery of the service on a small
12 scale for the purposes of testing. I don't know if everyone else has similar views to
13 that?

14 **Juliet Jones:** Whether this is what the Commission views as being a soft launch once the
15 site has been built, Vodafone would test that site ordinarily before it was "go live", and
16 that's already done on a site-by-site basis once it's built, so I'm not sure whether that
17 meets what you intended by soft launch.

18 **Ross Young:** I think we should make sure there's a clear distinction here. The
19 implementation plan we're talking about here is for the entire co-location service, not
20 for individual co-location sites, and that's I think an important distinction that we need to
21 work under. So when we're looking at implementation plan here we're looking at, for
22 the entire service, how will that be implemented and brought into effect, and then there
23 will be obviously individual implementations of co-location that may occur. But when
24 we talk about an implementation plan here, we mean the entire process in the STD.

25 **Ross Patterson:** So you may not need your soft launch.

26 **Chair:** Indeed.

27 **Ross Patterson:** That's the question, maybe a soft launch isn't needed in this service,
28 seeing it's more or less operating. Unlike LLU.

29 **Tonia Haskill:** It depends entirely how much it changes from the current Code, because
30 we are providing a service currently. If there are a lot of changes then we may want to
31 test those on a process basis, in which case we'd have a soft launch. So you might
32 just want to put in a "if necessary" but otherwise I think this covers it.

33 **Mark Larsen:** Our view is, as I say, we expect there will be some changes so therefore
34 some form of implementation will probably be necessary to test those processes but,

1 as Tonia says, it depends on the nature of those changes really as to how significant
2 that implementation plan is if you like.

3 **Shane Barber:** I suppose my question really was, is it anticipated that after the process is
4 complete, that there would be a soft launch then on a number of sites, or does this idea
5 reflect an experimentation during the process of preparing the terms? So I suppose
6 that's what I really need to understand. Is it anticipated that during this process, over
7 the next few months presumably, that there will be some kind of experimentation there
8 to see whether a particular view works, or draft, discuss, negotiate, settle, then do a
9 soft launch and then do a complete; that's I suppose my question.

10 **Tonia Haskill:** That would be how it would go. You'd settle what the service is, and then
11 you'd apply it, and then you'd test it which we're commonly calling a soft launch in this
12 process, with a live customer.

13 **Chair:** So what do we see as being the milestones of this process? We've agreed that
14 we've got the soft launch, we've also got to have as one of the milestones, we've got to
15 have the draft STP, we've got to have the Standard Terms Proposal; what other
16 milestones would we see as being a part of this process?

17 **Mark Larsen:** In terms of the implementation plan itself I think it's a little bit hard to say at
18 this stage until we've worked through the process and worked out what's different.
19 Two things that occurred to us, covered in the list but might need to be covered more
20 specifically along the lines of our discussion today are things about possibly providing
21 information and also about forecasting. I mean, I imagine it will take all parties a little
22 bit of time to gather that information and to deliver it to each other, so there will need to
23 be some milestone around I think those measurables at the least.

24 **Juliet Jones:** I wasn't sure, when you've listed KPIs there, whether KPIs are going to be
25 different from what you've got for service levels, because service levels in this context
26 are about timeframes and KPIs, are we talking, are they the same as those service
27 levels or are we talking about something different?

28 **Ross Young:** It's interesting, when you look at the existing STDs there, there's a
29 distinction between the way the service levels - well, not presumably the way, but it
30 must be the penalties that occurred during the implementation period as opposed to
31 once you hit BAU, and that's a conscious decision because you're at different stages.
32 Whether that's valid here or not, you know, is something we've got to examine, you
33 know, given the issues you've talked about of what's different.

1 I think the other point of forecasting also puts me in mind of the firm order
2 concept that you might see in the existing STDs as well which came up in the
3 implementation plan. So again, it's very early stage and, yeah, I can understand that
4 idea.

5 **Greg Fowlie:** From the NZ Comms perspective, we would advocate running a soft launch
6 process in parallel with the development of the standard terms. We see that setting a
7 target of say achieving 50 co-locations with Telecom and 50 with Vodafone or some
8 other such arbitrary number as being a very good way of shaking the tree, so to speak,
9 to identify what the issues are. In my experience nothing identifies the issues like
10 actually going out and doing it on a number of sites.

11 **Chair:** So to that extent it's a milestone, the fact that you've got so many of them actually
12 rolled out and then the plan becomes mature as it were?

13 **Greg Fowlie:** Yes, that's correct. The timeframes, if we're talking about agreeing standard
14 terms and then going out and doing it, we're obviously in the process of actively rolling
15 out a network now, and one point I would like to make is that, as far as what we know
16 is our Tier 1 markets, Auckland, Wellington and Christchurch, from our perspective
17 they are virtually done. There will be very little co-location in Auckland, Wellington and
18 Christchurch in the New Zealand Comms network other than with Woosh Wireless
19 where our co-location rate is pretty close to 100%. We are now looking at our Tier 2
20 roll-out and we're starting to look at that over the next few months, so we would be very
21 strongly advocating a soft launch process to run in parallel with this process.

22 **Chair:** Ernie?

23 **Ernie Newman:** Just adding to the point that's been made earlier about one or two of the
24 access seekers about timing, and TUANZ is very concerned at the amount of time that
25 we've taken so far to get to this process for reasons that we all know, and we would
26 just like to urge the Commission that as you are working through the process over
27 these next few months that you keep the industry really well informed so that, if
28 possible, we can get to the point that the day after this process is resolved there are
29 spades in the ground rather than that being the start of, you know, the start of yet
30 another cumbersome commercial process. So anything that can be done to dovetail
31 what the Commission needs to do with what the access seekers and providers needs
32 to do will gain quite a lot of time I sense.

33 I'd also just like to underline the point that Nick Clarke made earlier on, that the
34 best outcome from this is to make co-location attractive to both parties so we have

1 willing access providers as well as willing access seekers, and that's going to mean a
2 focus on carrots as well as sticks.

3 **Shane Barber:** I think an observation, we agree, and an observation to make is, this is not
4 a leisurely process. It's now over a decade since you had this kind of environment in
5 other jurisdictions. It's 2008. You know, we need to sort of get on with this, and I think
6 the key point in time that the market is at is that there is another carrier with intent, with
7 a bucket of money, with plans and with a network in the roll-out commencement stage;
8 it really needs to be done as a matter of urgency.

9 So, I know that's a very general statement, I'm sure you're after more specific
10 things here, but we'd certainly want to make that point absolutely clear.

11 **Ross Young:** Shall we cover that a bit later?

12 **Chair:** I was actually going to approach it in the next question. Is there a chance at least -
13 at the moment we're looking at when can the service become mature. Is there any
14 ability - can we have a discussion on what parties thoughts are of the timing, when this
15 may happen? Telecom, you're in the hot seat.

16 **Mark Larsen:** Is this in relation to the service or in relation to the STP process?

17 **Chair:** The service itself. We've gone through the soft roll-out and we've actually got the
18 service up and running; how long do the parties think this is likely to take?

19 **Mark Larsen:** Again, it probably depends a little bit on what changes come out of the
20 process. There is - co-location does already occur in the market, so it's there to some
21 extent already. As I say, once we've come out with a Determination and worked out
22 the differences then we get a good idea of actually what we need to do to implement
23 that particular variation of the service, if you like, but it's kind of hard to say until we
24 know what changes might come out of it.

25 People can still apply today and go through the co-location process and get
26 approved, so that's happening in parallel already so, you know, it really just comes
27 down to what changes come out of the process and what changes we need to make to
28 those processes to implement that STD if you like.

29 **Juliet Jones:** I guess we'd say a similar thing, and just also like to clarify that on Ernie's
30 point; Vodafone has been working in parallel with this process with NZC on disclosing
31 sites and details about site fails and things like that. So, you know, as soon as we get
32 those rest applications in the process will start and, in terms of how long it will take
33 from then, will depend on what comes out of this process. But you know, certainly the

1 timeframes that were inserted in the Code, I guess that's a starting point, but as to
2 whether it's shorter or longer, that will depend on what comes out of this process.

3 **Tex Edwards:** We're at the position that, similar concept to unbundling, where there was a
4 parallel process where there was some co-location executed in the Ponsonby
5 Exchange by Orcon and VodaHug(sic). We would advocate that our NZ Comms
6 position is that approximately 50 cell sites should be co-located with Telecom and 50
7 with Vodafone during this process. So by the time that we have a signature and
8 industry agreement on the co-location process we actually have 100 co-locations built
9 and all the problems resolved.

10 There's no reason why there isn't the case for a simultaneous soft launch as this
11 process is worked through, and I refer to the June the 20th Commissioner Webb's
12 letter to the industry saying rapid multi-access co-location, which is different from sort
13 of, the bare spoke one or two co-locations here. So our position, 100 co-locations
14 should be built by the end of this process.

15 **Shane Barber:** So, what does that mean in practice? Well, you need a document to start.
16 So it's really taking the first draft of this thing and using it almost as an experiment to
17 get these things rolled out and using the information from that to refine the process.
18 Now, that may seem unnecessarily cumbersome but it's a prudent way to go so you
19 get the best outcome. It also means that the key access seeker is able to do things
20 which it, even though we have a TCF process at the moment and there's a lot of good
21 things about it, it's clearly had limited results so far for a whole host of reasons.

22 **Tonia Haskill:** I'd like to speak to that point, and it comes to the heart of this matter. For
23 UCLL one of the reasons we were able to execute early was, we'd agreed the Service
24 Description with the TCF. So, we had a process agreed and outside of the STD
25 process.

26 **Shane Barber:** And had an Operations Manual and all those things as well?

27 **Tonia Haskill:** No, that wasn't in place. Right, it was actually outside the STD process, an
28 agreement was made with TCF and we had locked down to the extent possible the
29 Service Description for UCLL via the TCF. So, if that's underway then it's easier, we
30 can't put the cart before the horse, we can't implement something until we know what it
31 looks like.

32 **Tex Edwards:** If I might make an observation there; the difference, the structural
33 difference between the unbundling co-location protocol and this is, the incentives were
34 different. The incentives placed before Telecom to unbundle and co-locate in a few

1 exchanges to get a pyrrhic outcome to show visible change of protocol with Telecom
2 was the threat of structural separation and ownership separation in the entire
3 organisation, where the entire shareholder value at Telecom was at stake.

4 I put it to the chairperson that in this protocol, in this discussion of co-location
5 there isn't the same incentive on the incumbents to activate a quick fix.

6 **Chair:** I'm trying to see how that can inform our drafting of the draft document; the notice.

7 **Richard York:** Is a practical time, if you were to do a soft launch, after the draft STD is
8 produced?

9 **Shane Barber:** That's what we're suggesting, yes.

10 **Mark Larsen:** Can I suggest there's two processes we're talking about and getting
11 confused about here, and Tonia touched on it. In the UCLL process there was work
12 done at exchanges prior to the soft launch even and it was done outside of the
13 process. In this case we already have a Co-location Code, applications are being
14 lodged under it and processed, co-location is occurring; in a way that is a soft launch
15 and we're all going through that and learning lessons from it now, we're not holding that
16 up with this process, that is actually happening in parallel.

17 As I say, the key point in relation to today's discussion is the soft launch itself
18 and as I say the real issue there in terms of the timing of that is the significance of the
19 changes between the current process and the STD. So I think we need to bear in mind
20 that there is nothing to stop that work continuing now with the current Code and
21 everyone learning from it, and I suspect it will help inform the person drafting the STD
22 as to what works and what doesn't, but we need to focus too on the issue which is
23 really the soft launch of the STP which does relate to the nature of the changes itself
24 that come out of the process.

25 **Chair:** Thank you. Perhaps if we can carry on, I guess in a sense we flow on from that,
26 the key performance indicators. Part of the draft notice clause 12(h)(ii), it refers to the
27 key performance indicators. Now, without relitigating some of the material we've just
28 been through, can we have a view on what the key performance indicators should be?
29 These are the key performance indicators that are used as part of the implementation
30 plan.

31 **Mark Larsen:** I suppose, trying not to sound like a broken record, our answer's going to
32 be a little bit like it was for the carrays(?) in that a lot of them are going to be process
33 related and we need to determine the process first, but we do think that it's an essential
34 element of the implementation plan and we do note that there are already some

1 starting points within the current Code in terms of what are appropriate measures, and
2 again, we just reiterate the point made earlier that we're very supportive of measures
3 as long as they are appropriate measures and they are measurable and robust.

4 **Chair:** Vodafone?

5 **Juliet Jones:** The only thing I'd say about that was just query whether we need the two
6 different regimes, the KPI regime and the SLA regime if they're all going to be about
7 timeframes. I realise that we did have two different regimes for LLU, but there's no
8 reason to have two if we can have one.

9 **Matthew Bailey:** I think, as Ross touched on earlier, the SLA is more business as usual
10 and the implementation KPIs are just that, for the implementation period before you get
11 to the business as usual stage.

12 **Ross Young:** I think the reason it was drafted that way was because the implementation
13 plan almost falls away once you go into a BAU mode, and so we thought it would be
14 easier to have that distinction going forward but, you know...

15 **Chair:** NZ Comms?

16 **Shane Barber:** I suppose I share the confusion. I'd presumed when you mentioned KPI
17 here you were really talking about those measures that kick the SLA into effect; in the
18 SLA that we have in the current standard terms, you have that column that has your
19 90% and your 99%, and I'm presuming there is a direct relationship between those
20 things? Telecom's made the point that until we have that process set out it's hard to do
21 that, but the KPIs really have to measure both number and speed but also other things
22 such as the reporting requirements and the database management as well.

23 But are you saying, sorry, that there should be separate KPIs for the
24 implementation process?

25 **Ross Young:** Yes.

26 **Matthew Bailey:** And the types of things we consider are, as you've already mentioned,
27 are the number of sites to be co-located during that implementation period. So, you
28 mentioned 100 sites; that could be a KPI.

29 **Tom Forster:** That is, if there's a soft launch.

30 **Shane Barber:** I think maybe we should avoid the temptation to over-engineer it. Picking
31 up on a point that Mark has made; there is some co-location experience in the market
32 anyway. We say it's not working efficiently because the incentives on the parties are
33 different to the model that the TCF Code was based on, which was the Australian

1 model, there were different incentives there. It was a good experiment, it's worked to
2 some extent, but it does need to be prescribed up, and quickly.

3 I don't know that there, you know, there necessarily needs to be sort of a long
4 implementation process. I think really the implementation process is the drafting
5 exercise. Our view is there should be, after the initial draft has been prepared, move
6 from the TCF process to that process on a number of sites to have this soft launch, use
7 that to inform part of the next two steps, the comments backwards and forwards, the
8 preparing of the Determination by the Commission and then, to the extent you have
9 them, the workshop again, but after that thing is settled there doesn't need to be an
10 implementation period afterward.

11 **Ross Young:** Yeah, I think we've got the essential point that, given a pre-existing service,
12 given the similarity of that pre-existing service to whatever occurs afterwards with the
13 STD service, if that's relatively similar a large implementation period is less necessary.
14 I think that's understood.

15 I think also it's important for us to focus back again here that we're not trying to
16 resolve these issues, we're simply trying to look at what additional requirements are
17 necessary for the obligation that is then placed on the organisation or organisations
18 drafting the proposal.

19 **Brendan Dempsey:** Maybe if you could think about KPIs as being the kind of measures
20 overall that would make the service a success. The service levels themselves are
21 more about parts of the service; for example, faults are resolved within, I don't know, 4
22 hours with a 90% tolerance level, that would be a service level, but a KPI would be -
23 how we've done it in the past anyway with the UCLL co-location was that, there were
24 maybe 15 builds done each quarter and the implementation plan was maybe four
25 quarters long. So, we would expect to see that a success measure would be that, at
26 the end of the implementation plan 60 co-location sites had been established.

27 So, if you could maybe put your minds to, what would the parties think would be
28 a success from this process, that once the Determination date comes into effect, given
29 a timeframe, whatever that is, that's really for this process to establish, what would be
30 the success measures for the different parties. That would be what we would look to
31 have as KPIs.

32 **Shane Barber:** Setting up a KPI on the basis of outcome is difficult in co-location because
33 it's lumpy, it's not like infield work that goes in all the time, like microcells and those
34 kinds of things where you can do that. Here you've got people rolling out networks with

1 a frenzy of activity in a small amount of time, and then you've got maintenance and
2 infill and expansion and those kinds of things. So, what is a KPI for actual sites now
3 won't be the same next month or the month after necessarily; I think that's the difficult
4 thing. I think it's better to have a process where you have an SLA with KPIs in relation
5 to each individual - the way each particular site is used.

6 I can't help thinking and maybe I'm detecting that Vodafone and Telecom and
7 Woosh probably think the same thing, that a lot of the discussion we are having here
8 really does require an understanding of each of us about how this process is going to
9 work, each step is going to work, and one of the things that the draft is going to have to
10 do if we don't have that discussion today - and we're probably not prepared for that
11 discussion today - is that they're going to have to make up that process.

12 If we're talking about a soft launch happening straight after that it becomes a bit
13 risky because it's just the process that that person has put forward and it may not
14 necessarily reflect some of the access seekers' kind of view as well.

15 **Ross Young:** The process does require, once the proposal's up, you know, you have the
16 chance for submissions there and other submissions in relation to drafts and things.

17 **Shane Barber:** Going back to the existing terms, there's a little chart, a great little chart
18 there that says, you do this, we do this, you do it in this order, these are the days that
19 you do it. That tool is sort of the key tool that really somebody needs to take away to
20 do this first draft, and we have information to inform that, we have our experiences and
21 we have the TCF Code, we have the Australian experience to do that.

22 I just think that some of these conversations are difficult to have if we don't do
23 that exercise. I don't know whether we can do that today because we weren't
24 necessarily prepared to do it, but maybe a useful thing is to workshop up ideas and say
25 that will or won't work.

26 **Nick Clarke:** I could very much agree that the focus is on outcomes not process here.
27 We've not really had an issue to date - the issue with the Code is not the step-by-step
28 process, in our view the fact is that it doesn't generate quick outcomes. Particularly if
29 we're looking at a phase that's say 12 months long, and if it was to involve equal
30 numbers of Telecom and Vodafone sites, the beauty of the KPI process could be to
31 compare the behaviour of the two parties and get best practice.

32 So, the things I've written down here; so time from first application to final
33 approval, the height of antennas of the new entrant versus the existing operator.

34 We've had issues with not being able to go on the head frame and been forced to go to

1 a lower height which has coverage implications. What facilities are being shared; I
2 mean, if Telecom are willing to say we'll share power in all situations and Vodafone's
3 never willing to share, that starts to give a behaviour that can perhaps be fixed over
4 time, and then overall approval or not approval.

5 So, there's some really important things there and I think the value of having the
6 implementation phase for me isn't necessarily a go-slow phase as so much as to a
7 review point, and the importance of it is, once these processes get going and the
8 outcomes start coming through they end up being set in stone. So, if for example one
9 party won't the power for the first 50 sites, how are we going that, or if one party is
10 always going to force you to go lower down on the pole than is necessary, how do we
11 change that? And we've got a mechanism there where we can sit down at a point and
12 review it, I think that would really be the best outcome.

13 **Ernie Newman:** Given that we're looking for win/wins here --

14 **Chair:** Yeah, we are.

15 **Ernie Newman:** I would have thought that the real ultimate KPI and the test of this
16 process would be if eventually we have a market where access providers are actually
17 competing against each other for access seekers to co-locate in order to collect back a
18 share of their overheads.

19 **Chair:** I think we've gone through this - nobody want to comment on that?

20 **Tex Edwards:** I would want to comment - clarify something because there could be
21 construed confusion after industry comment from Telecom mentions existing
22 arrangements and our own declaration of ambition of what we're doing in Auckland,
23 Wellington and Christchurch.

24 We do not acknowledge that rapid multi-access co-location is taking place.
25 NZ Communications has the position that the existing Co-location Code doesn't work
26 for rapid multi-access and we want the Commission in its study and guidance in this
27 process to understand the difference between rapid multi-access and pyrrhic solution
28 of co-location where there's a few co-locations.

29 **Chair:** Can we put that in some words that we could use in the notice? What do you
30 mean by rapid co-locations?

31 **Tex Edwards:** Rapid multi-access; rapid multi-access means that we have standard
32 cellphone types; for ease of conversation the whole universe of New Zealand
33 cellphone towers is approximately 3,000 towers, and within that approximately 2,000 of
34 those towers are six or eight standard sites or thereabouts. And, rapid multi-access

1 means approvals on similar cell tower types. For ease of conversation we've got
2 type 1, type 2, type 3 cell towers from an access provider, and rapid multi-access
3 means simultaneously designing and approving 10, 20, 50 cell towers in one shot of
4 the same type. And, rapid multi-access is a sea change in different attitude from what
5 might be confused in this Conference of a co-location here or a co-location there.
6 Rapid multi-access means a definition of tower types; and we all know as we drive past
7 towers they all look slightly familiar but there's three or four different types, and the
8 access seeker can capture from the access provider a block of protocols so they can
9 discuss the deployment on 50 of type 1, type 2.

10 **Shane Barber:** So there the KPI measure is not, how many sites did we get out this
11 month, it has to be 60 plus because that's going to change from time to time; that's the
12 point I'm making but, taking up Tex's point, were we able to process a certain number
13 of sites of the same type at the same time in an efficient way?

14 The principle number 2 in clause 5 says that the "the service must be supplied
15 to a standard that's consistent with International Best Practice". So, Nick's made the
16 point that maybe the KPIs are measured between access providers, but certainly it
17 goes beyond that, it's looking at the way that people provide a co-location service at a
18 global level, and what they accept as being acceptable at the speed at which they
19 process these things, individual sites and blocks of sites that are the same, and that
20 should be the KPI measure rather than a set number.

21 **Chair:** To that extent, it's important as part of the notice that goes out that the request is
22 for blocks of capacity, how that would be specified, what the KPIs would be around
23 that, what the performance would be?

24 **Shane Barber:** That's right. If these towers are - talking to Greg earlier today, are pre late
25 1990s, they were of a particular type and they were another type broadly, they can be
26 dealt with in the same way largely, there are always site variations but...

27 **Ross Young:** Can I just ask; what in your opinion then is the current greatest inhibitor to
28 that rapid deployment?

29 **Tex Edwards:** Rapid multi-access?

30 **Ross Young:** Rapid multi-access.

31 **Tex Edwards:** Basically, a willingness.

32 **Ross Young:** So it's simply, people are slow or...?

33 **Tex Edwards:** We don't have databases in either of the incumbents and we don't have
34 standard cell types. Way back in the early part of the decade we characterised the

1 incumbent cell towers into about five types each and we called one incumbent's
2 facilities scud 1, 2, 3, 4, and another incumbent's type 1, type 2, type 3, type 4, and
3 rapid multi-access was a concept we tried to drive, and it's possible this it just hasn't
4 happened, it's incentive.

5 **Tonia Haskill:** Can I suggest that that would sit better in an Operations Manual in SLA
6 because again it's a BAU process rather than an implementation process. On an
7 ongoing basis rather than a...?

8 **Tex Edwards:** I'm grateful for the suggestion, but my observation is that it's a conceptual
9 issue because this concept of rapid multi-access verses bespoke 1+1+1.

10 **Chair:** We'll at least note it as a requirement; where it sits is - we've at least got it down as
11 an issue.

12 **Ross Young:** It may be similar to bulk orders or something like that.

13 **Tonia Haskill:** Yes.

14 **Chair:** Queuing policy, prioritisation of access seekers and processes related to capacity
15 bottlenecks. Now, just to start the conversation going, I've taken a note of what I
16 consider to be some bottlenecks: Access to site and tower winds emergency is likely
17 to be a bottleneck, order of restoration if a site's faulty, perhaps planning permission,
18 there's a number of potential bottlenecks.

19 What I'd like to discuss is first of all what parties see as being bottlenecks, and
20 how to address of prioritisation of access seekers, what the QM policy's likely to be.
21 Telecom...

22 **Mark Larsen:** Under the current Code as we mentioned earlier there is a requirement to
23 have a queuing policy. I suppose, in regards to the STD the difference is - well, in the
24 Code we haven't specified what that queuing policy is, so I suppose a natural
25 progression would be if we're talking about one document as having a consistent
26 queuing policy, and that may be something that the parties may want to agree, but
27 there's a number of options in terms of first in, first served, you know, or you could look
28 to do it on some other basis. I suspect that potentially first in, first served would
29 probably suit everyone the best, but again I wouldn't want to make any decisions on
30 that here but I think it is essential, given the nature of the outcome, that you need to
31 have some sort of queuing policy. I note there is a similar regime in the co-location
32 STD as well; UCLL co-location.

33 **Chair:** So it's perhaps first in, first served, unless there's an overriding priority coming.

1 **Juliet Jones:** Vodafone has a queuing policy and ours is based on first in, first served.
2 So, whoever's at the top of the queue obviously has to have a legitimate reason to be
3 there, and under the Code that has to be used within six months where you go to the
4 bottom and the next one comes up. So, I think having a transparent queuing policy is
5 quite important and we'd support that. And as for bottlenecks, well, it's difficult for us to
6 say because we haven't actually had an application from NZC yet. Mainly they're
7 things outside of our control; landlords, resource management, those sorts of things.

8 **Greg Fowlie:** I just feel compelled to point out that Vodafone and NZC are still in
9 commercial negotiations over the co-location deal; that's the reason why there has
10 been no application made by NZC to Vodafone co-location.

11 **Chair:** So, in terms of the queuing policy, like any bottlenecks, what would your comments
12 be on this?

13 **Greg Fowlie:** NZC would support a first in time queuing policy.

14 **Shane Barber:** The overriding factor of course being the SAP requirements, the non-
15 discriminatory requirements in relation to it, the concern about - that we've already
16 raised about the provider blocking space and being first in time unnaturally. About
17 other access seekers, any access seeker unnecessarily queuing, knowing - and
18 knowing they're not going to be using that space, and that comes down to the six
19 month period of time. Consideration needs to be given as to how short that period
20 really ought to be to take into account bottlenecks, the RMA type issues and other
21 issues that may occur, and that requires some precision.

22 **Mark Larsen:** I suppose one other to add in terms of potential bottlenecks, probably the
23 most significant potential bottleneck for anyone would be resources to process
24 applications in that at the moment there is no forecasting so, if you get a big pile of
25 them then that can create resourcing issues; but if we're looking at including a
26 forecasting regime that may assist in terms of dealing with that particular bottleneck,
27 but that would be the most significant potential bottleneck that I would see.

28 **Chair:** So the forecasting regime you see is that an access seeker would tell you so far in
29 advance, hey, we're going to drop so many of these on you?

30 **Mark Larsen:** Yep. I think, as you say, there's a similar system in the UCL co-location
31 STD.

32 **Chair:** And in turn, once you had that notice, you would then commit that after receiving
33 the application you would take so long to process it?

1 **Mark Larsen:** Yes, as with the normal processes, we would expect to have timeframes
2 around processing different elements of the application. Obviously, the forecasting
3 enables us to make sure we've got the appropriate people there to do it within the
4 timeframes which, as Shane mentioned, given that this can be an extremely lumpy
5 process can be quite a significant issue because we can have great periods of having
6 nothing and then suddenly receiving quite substantial numbers.

7 **Chair:** Any other parties got comments?

8 **Nick Clarke:** I think that, and I can't disagree with first in time, except that this is one
9 situation where we need to look at efficient use of towers. If Vodafone has a tower and
10 has applications from Woosh, Telecom and NZC to go on it, there's no better time than
11 getting together and working out what we're going to do rather than saying, well,
12 NZ Comms you're first in time, you go up there, sorry there's no space now, so it does
13 seem an opportunity for an efficient use of resources.

14 **Chair:** I take by what you said that parties may actually discuss, sit down at the table and
15 actually discuss priorities with these things, that still doesn't - but I mean, once you've
16 agreed you're then in the queue, aren't you, so to that extent it doesn't stop queuing.

17 **Nick Clarke:** No, but if we can find solutions where we can share antennas or, you know,
18 find solutions to these problems; don't use them as problems. In respect of
19 bottlenecks, bottlenecks to date you can read in brackets "reason to turn down
20 application". Rather than "bottleneck" it should say, you know, "problem to be found
21 solution for". We can manage our own roll-outs, so it's not just on co-location that you
22 have issues with landlords and resource consent and power; you just get on and solve
23 these problems.

24 **Chair:** My use of the word "bottleneck" was intended to be like doorway, meaning that
25 only one person go through it at a time, not necessarily that it would stop something.
26 Any other comments on that area?

27 Soft launch: We've already discussed soft launch, I don't propose going through
28 that again. So, no other points on soft launch?

29 The existing Standard Terms Determination. The comments that we've got here
30 on the agenda are the relevance of the style, form and content. The parties have had
31 an opportunity presumably to look at the existing Standard Terms Determinations. A
32 lot of you will be more familiar with it than I am. Perhaps Telecom, if you've got some
33 comments about that?

1 **John Wesley-Smith:** We can see benefits either way. We obviously operate a number of
2 Standard Terms Determinations today, so having a style and form of STD for mobile
3 co-location that matches those would make things easier for us, would have some
4 benefits for the Commission as well.

5 We think the existing Co-location Code provides a pretty good base on which
6 any STD can build on, and on our initial review of it we think it could be pretty simply
7 broken apart into the standard form agreements that are in the standard term
8 determinations today.

9 There might be some areas where I think access terms and the UCLL co-
10 location is one that we've identified might not necessarily need to be separated in a
11 mobile co-location STD, but generally we're comfortable with re-aligning mobile Co-
12 location Code 2 to be consistent with the current STDs.

13 **Juliet Jones:** Yeah, we thought this was an interesting one because in the Act these two
14 subsections sort of seem slightly to conflict; one says we should take into account
15 existing STDs and the other's saying that we should also take into account what has
16 been agreed at the TCF level. So, similarly we don't have a firm view. There are
17 benefits in using the existing STD access terms, I think they're clean and well written
18 and obviously they take into account a lot of these things we've been talking about
19 today.

20 But also significant time and effort's been put into the Code so that also could be
21 used as a base, but if the Code isn't going to be used, obviously I think the
22 Commission needs to think about, does that get revoked and what is going to be status
23 of that going forward. So, we don't actually have a firm view going forward, but I think
24 both could be manipulated to suit the current process.

25 **Tex Edwards:** NZC's view is that we agree with Vodafone, significant time has been
26 spent on the TCF Code, approximately 5 years has been spent on the TCF Code; we
27 believe it's totally unworkable. The context of it is that we've got 27 pages of
28 unagreeable confusion in the TCF Code and we've got a 272 page unbundling co-
29 location protocol, and it's NZ Comm's position that we'd rather go with the STD process
30 and rebuild what we have on co-location unbundling on co-location facilities.

31 **Shane Barber:** And the other, just for the sake of having the ideas in the one spot; the
32 reassessing the location of some of the concepts to make sure they're in the right spot,
33 moving things that are not operational which are conceptual and strategic into the

1 terms and those kinds of things all happen, but having looked through it, it certainly is a
2 much more certain prescriptive model and one that's supported by NZC.

3 **Ross Young:** Just to make a quick comment: The way the draft has discussed the
4 previous style form and content of existing standard terms stations is a permissible
5 one, it's where practicable, whereas the TCF one is prescriptive. So that's sort of the
6 distinction we're looking at there, obviously trying to encourage industry in a particular
7 direction.

8 **Shane Barber:** I hope I'm not labouring the point; because the motivations are not as
9 presumed at the time of the drafting of the TCF Code, and I was one of the people who
10 did the drafting of that Code, that there was some presumptions that the market was
11 motivated in a particular way, it's not the market's fault that it's not, but it's not, and so
12 the model that it's based on, while it's a model that's based on another market, it
13 doesn't necessarily work here. My personal view is, it should be as prescriptive as
14 possible.

15 **Ross Young:** Yeah sorry, the notice here is talking about working parties that might be
16 established this year to discuss things from the point of view of the TCF. So basically
17 that's saying that if you guys get together --

18 **Shane Barber:** [Inaudible] .

19 **Ross Young:** Yeah, then that should be included in, that's the point of that, not
20 necessarily taking the Code.

21 **Shane Barber:** Yes.

22 **Ross Young:** Cool.

23 **Chair:** If we're finished on that I think we're into perhaps the two most interesting items on
24 the agenda.

25 The Commission has to nominate one party or multiple parties to provide, as
26 part of the notice, to provide a proposal.

27 The Commission could, for instance, nominate three parties, two parties or one
28 party to provide that. Now, could we go round the table and just discuss what the
29 different options are, including whether you would envisage that you would be best
30 holding the pen. The staff would much prefer to see it that way, but perhaps Telecom,
31 could you address the issue of whether you would be an appropriate group to provide
32 the Standard Terms Proposal, and also whether it would be better for you working with
33 other groups or working by yourselves?

1 **John Wesley-Smith:** Well, we've a very firm view on this. We are willing to draft an STP.
2 We would strongly prefer that that is on the basis of TCF working parties, as has been
3 the case with the previous STPs. That's a process that is starting to become more and
4 more mature and has worked reasonably well in the last 12 months. So, provided a
5 process like that was agreed by all of the parties, we would be willing to draft an STP;
6 be that the single STP or one alongside other parties.

7 **Chair:** So, just to refocus or paraphrase that: You'd be prepared to hold the pen and
8 working via the TCF with the parties, if the other parties are happy with that, you see
9 that as being a process that would be viable?

10 **John Wesley-Smith:** We do. What we don't want to get into is having one party,
11 Telecom, drafting an STP in isolation from other parties. We think, if you want to have
12 one party drafting an STP, that needs to be based on as much industry agreement as
13 possible prior to submission.

14 **Chair:** And if we got to a position where all parties didn't want to interact via TCF, that still,
15 you could be tasked with producing this draft - the proposal, sorry.

16 **John Wesley-Smith:** Yeah, we could do. We wouldn't rule it out, but that would certainly
17 not be our preference. If all of the parties couldn't agree to some kind of mature
18 industry process where we get around a table and discuss the issues then you might
19 end up in a position where everyone's got to put their own STPs in. Now, that's far
20 from ideal from my perspective, and I wouldn't imagine you would thank the industry for
21 dropping four or five STPs on your doorstep and asking you to mediate between them.

22 **Chair:** Not really. Ralph, have you got some other comment you want to put in?

23 **Ralph Chivers:** Perhaps we can go around the table. Certainly TCF is very willing, got
24 the infrastructure to participate to assist the process. It's obviously subject to our
25 board's final decision on whether it establishes formally a working party, and that's
26 based on member views and member votes obviously, but I'm certainly here to make
27 the offer to assist the Commission.

28 Certainly pick up on John's point; regardless of the form of the process, the
29 people here present have got to work together and develop something that's going to
30 work for this industry.

31 **Chair:** And if by chance the group decided to go this way, then you would have resources
32 to work in with the parties?

33 **Ralph Chivers:** As part of the approval process for the TCF working party, that comes
34 with the commitment of resources by members and the infrastructure to go along with

1 that, so we certainly have got sufficient mandate, informal mandate from members to
2 make this offer. It will be obviously up to the parties present here and ultimately
3 membership vote.

4 **Juliet Jones:** Yeah, we think that the more resource and time we put into this early stage
5 of the process, the drafting of the first proposal, the better it's going to be at the end.
6 So, we think there's definitely merit in getting people together now and get views on the
7 table now and talk about them now so that that first draft proposal is by-in-large a
8 reflection of industry agreement.

9 Alternatively, one party puts in theirs, or five parties put in theirs and it's just
10 going to be a headache later on, so we definitely see merit in bringing people together
11 now, everybody, to try and com up with as much common ground as we can.

12 Whatever forum or method we use for that, we don't really have a firm view obviously,
13 the TCF is something that's set up and as we've just heard has got the capacity to deal
14 with that, so we'd support using a working party and Vodafone would be happy to
15 contribute to that and support that going forward.

16 **Chair:** Equally, you'd be prepared to hold the pen, be the party that was writing up the
17 proposal?

18 **Juliet Jones:** We'd do that in conjunction with others I think.

19 **Chair:** But you would then be the named party and how you assembled it to that extent
20 was up to how you wanted to do it. So you would be prepared to work the same way?

21 **Juliet Jones:** I don't know that we've got a view on that at this stage.

22 **Richard York:** Is there an obligation to have a named party?

23 **Ross Young:** There is an obligation to identify access providers or provider that must
24 complete a Standard Terms Proposal, and the reason for that is that lack of completion
25 can lead to regulatory action.

26 **Richard York:** So you couldn't have a single Standard Terms Proposal with two parties'
27 names on it?

28 **Ross Young:** Yes, you could, but you couldn't for example have the TCF. So, what has
29 been constructed in the past to bring in the TCF involvement is, for example, that
30 additional requirement so that, if terms are unanimously agreed by the TCF, then they
31 should be included in the proposal; so that's sort of the way that the TCF has been
32 traditionally included.

33 I think what is different is a specified service here as opposed to an individual
34 access provider gives us a more unique environment and hence the debate on this

1 issue really. But, yeah, essentially the named parties, one or more, and there is an
2 obligation that entails a response.

3 **Juliet Jones:** Okay then, I think as an access provider Vodafone would prefer not to be
4 the sole access provider.

5 **Richard York:** Of course, if we're directed to, we will.

6 **Juliet Jones:** But if we were directed to, we will.

7 **Shane Barber:** With all due respect to the TCF, NZC's view is, absolutely not. There
8 would be no circumstances where we would be happy - I think I'm safe in saying -
9 where we'd want to see another process injected into the process that's already
10 legislated.

11 This Code is not the carrier's codes, it's the ComCom's Code - standard
12 Determination Deed; it's their document. We have a process that's been legislated that
13 provides for two, possibly three spots for industry to make comment in a disciplined
14 way and in a timed way.

15 We would much rather see one party provide the draft in accordance with the
16 notice that comes from the Commission, raising the issues that have been raised here
17 today, to do that quickly based on the way the Standard Determination has been
18 drafted before, making the changes that they see fit in a spirit of good faith, and then
19 the processes being very tight here in terms of then moving on to the next consultive
20 steps that are provided in the legislation. But having another consultive step in the
21 beginning is not an efficiency and it won't be a time saving, and it doesn't reflect the
22 urgency that this needs to be dealt with for the sake of the third network to be rolled
23 out.

24 **Ross Young:** Can I clarify two points then. Do you have a view on whether it should be
25 one or more access providers completing the STP? If so, who?

26 Secondly, do you then disagree with the additional requirement that unanimous
27 views agreed at the TCF should form part of the STP?

28 **Shane Barber:** One provider should prepare the STP. They are doing this job, not on
29 their own behalf but on behalf of the industry and for the Commission as a starting
30 point based on the information from today. So, we shouldn't be sitting here having the
31 concern that someone's going to draft a biased document because no-one would do
32 that, that's not the role of this thing; one person should do it. NZC's happy to do it if no-
33 one else wants to do it, but you would think that a provider would be the person who

1 would generate the first document. If no-one wants to do it, then NZC would do it, but
2 it should be one person.

3 In terms of any additional exercises that the TCF may want to undertake;
4 perfectly willing to do those provided that they are not necessarily the input process
5 and timetabled into the process that the Commerce Commission wants to adopt. It
6 should adopt the tightest and most efficient timeframe and then the industry can, if it so
7 chooses through TCF, make joint submissions at the appropriate spots.

8 We certainly had that process last year when the Communications Alliance, so
9 the sister organisation, was able to provide comments in relation to some FTTN(?)
10 issues as a group and individuals provided their own comments as well and that was a
11 very useful and efficient process for bringing minds together, but it shouldn't direct the
12 timeframes and the processes here in this thing.

13 **Tex Edwards:** A couple of statistics to mention is that, it was 7 years, 106 days, since co-
14 location was mentioned when NZ Comm's predecessor bought spectrum. It's been 17
15 months and 25 days since NZ Comms in good faith changed its negotiating team and
16 participated in new co-location negotiations under the unbundling regime; let's forget
17 the history pre May 06. And the TCF has a history of no less than five times interfacing
18 with letters from the Commerce Commission; the June 2005 letter and the [inaudible]
19 protocol. The time is up to deal with this in TCF. The urgency must be a...

20 **Chair:** But realising the point that we're proposing is not so much that we're dealing with
21 the TCF, we the Commission - the proposal is as I understand it as has been put
22 forward is that we could go to one of the parties, Telecom for instance, and Telecom -
23 and so really we're talking about how they would assemble it within the timeframe that
24 we've agreed. So it's not that, hey, the TCF is going to be longer or shorter; it's just
25 simply, Telecom is doing it, now we're talking about how may they best bring the
26 opinions together; are they going to use their knowledge or are they going to use TCF
27 as a forum for you to get together and discuss it.

28 **Shane Barber:** Our view, strangely, is that they should use their knowledge on the
29 understanding that they are drafting this document for the industry and for the end-
30 users in the longer term; that's what they're doing, and they're doing it to give to the
31 Commerce Commission who can go through the various processes here. The TCF
32 role can be in conjunction with individual parties' rolls and providing comments on it.

1 **Ross Young:** So, in essence, you're more interested in speed and relying on submissions
2 in response to the proposal, and Telecom and I think Vodafone is saying more up-front
3 possibly with the TCF.

4 **Ernie Newman:** Can I, just to be clear, I'm a member of the board of the TCF and I'm here
5 representing TUANZ and it's the TUANZ view that I express. We are very strong
6 supporters of the TCF, it has done some wonderful work in many areas. But every
7 organisation has its good spots and its bad ones and co-location for the TCF is
8 something that is at the lower end of the comparative ranking of the work that it's done.
9 I have a real fear about passing the process back to the TCF. I've seen --

10 **Chair:** At this point the Commission never had the intention, even if we had agreed to this,
11 of dictating that the person who holds the pen may do this, so to that extent it's more of
12 an informal agreement, we're looking to see how the parties wanted to best do this, so
13 I think we've got to the point that we want to with that part of the discussion.

14 **John Wesley-Smith:** Can I just confirm that from our perspective the process that's
15 followed at this stage shouldn't dictate or wouldn't change the timeframes from our
16 perspective. I think, picking up on New Zealand Communications' point, either way the
17 Standard Terms Proposal is meant to represent an industry view; in our view that
18 should have industry input. If it doesn't it's still going to take the same period of time, to
19 my mind, for that party to prepare it. So, I don't think the timeframe's irrelevant.

20 I take on board the point about the past experiences in the TCFs, and I'm not
21 really interested in the past to be honest. The way the STP process and the working
22 parties have worked in the last 12 months is, you see what you can agree, and what is
23 agreed is agreed and what isn't, isn't. There is no voting or parties don't get overridden
24 and have positions forced on them. So our position is that, if we are to prepare an STP
25 based on an industry view, it should have industry input.

26 **Ernie Newman:** Sorry Bruce, you cut me off and I don't really understand why. The point I
27 was making is that the TCF has had its go at this. I'm very conscious of the dynamics
28 of the people involved around the table. I shudder at the thought of the same group
29 getting together again, whether under the TCF auspices or elsewhere and try to
30 relitigate; we need a circuit breaker.

31 I have no problem with one or more access providers being put in a room
32 together to develop something, but I think to be seen to be putting this back in any
33 shape or form to the TCF, much as I have great respect for them, would be the wrong
34 signal to the industry at this point in time.

1 **Chair:** Sorry for cutting you off Ernie but I thought we'd got to the point where we had a
2 proposal and the Commission itself doesn't have a view as to whether or not this would
3 be the right way to do it. What we're out to do, we don't have - we're trying to set up
4 the relationship with the party who's going to be holding the pen, which wasn't going to
5 be TCF, so to that extent we were just prepared to contemplate the discussion to see if
6 the parties could come to a way which may work for them. So, I think we've reached
7 the end of that though.

8 Now we've got the issue of one party, two parties, multiple submissions or single
9 submissions. Would Telecom like to comment on that?

10 **John Wesley-Smith:** Yes, it's very difficult to distinguish this from the previous issue. I
11 think to a large extent it depends on how many STPs are put forward and on the
12 process that they are formed upon. If you have, as New Zealand Communications has
13 proposed, STPs prepared in isolation; well then, you're going to have a rather meaty
14 submission process with submissions from all parties and a pretty lengthy timeframe to
15 allow them to make those submissions and then cross-submissions.

16 **Chair:** So your preference, even if you weren't holding the pen, would be that there would
17 be one document, one Standard Terms Proposal?

18 **John Wesley-Smith:** I think that is the most sensible way forward, yes. That is the
19 quickest way of getting the end-to-end process finalised to my mind.

20 **Juliet Jones:** Yeah, Vodafone, we can't really see any need in having more than one. But
21 again, it's exactly the same point as what I said before really about how that draft is
22 actually going to be put together, what form is going to be used to put that together and
23 whether it's going to have input from others or it's just going to be a straight-out coming
24 from one party or two parties without any input from the industry, which means much
25 more work further on down the track.

26 **Richard York:** I think generally, if your concern is the timeframes before you get the STP
27 out, well you can stick to a certain timeframe. If the parties can find some way to try
28 and work together a little bit before that goes in, it'll just mean less work for the
29 Commission after it goes in. So, to the extent you don't use any working parties or
30 forums to help develop the STP, that's fine, one party will put in its proposal, put in its
31 best effort, but I think it will create more work for you later on when all the submissions
32 come in.

33 **Tom Forster:** I think at the end of the day, if we decide it's one party that's providing the
34 STP; if the parties decide to work together behind the scenes to provide the STP, that's

1 up to the parties but at the end of the day the Commission would like to see an STP
2 that represents - that could be the starting point of submissions and cross-submission.
3 So this doesn't rule out, it's up to the parties whether they want to get together or not.

4 **Shane Barber:** I suppose there are three possibilities here; one party doing one STP, two
5 parties doing one STP or two parties or more doing a number of STPs.

6 We are very firmly of the view that it should be only one and there is no
7 efficiency in the process here in having more than one person do it. The legislation
8 requires that it's an access provider; one access provider should do it in a tight
9 timeframe, using the work that's already been done on the previous one, and then you
10 have a robust submissions process afterwards. That is absolutely the best way to
11 proceed with this.

12 **Matthew Bailey:** One of the points that was discussed earlier is the fact that we've got
13 multiple access providers for the service. Those access providers might have different
14 operational processes and procedures, for example fault management, and I'm just
15 wondering how those different processes are going to be included in the single STP
16 assuming we go down that path. I mean, without industry discussion of some sort it's
17 going to be difficult to incorporate those different processes. So, has anyone got any
18 thoughts?

19 **Tex Edwards:** I've got an innovative left hemisphere thought as you'd probably expect,
20 but Schedule 1 of the Act, Part 2, Principle 2 is that service must be applied to a
21 standard that's consistent with International Best Practice. We are running as an
22 industry excruciatingly late on this protocol as my colleague Shane occurs in other
23 countries. Why wouldn't we consider having a third party international law firm or
24 industry specialist consultancy firm prepare a Code for an industry given the briefing
25 from the Commerce Commission, agreed by industry colleagues, Telecom, Vodafone,
26 Woosh, NZ Comms?

27 **Ross Young:** We are still obliged to nominate a particular access provider in the notice to
28 whom an obligation rests and to whom we can undertake regulatory action if required.

29 **Chair:** One of the requirements could be that we ask that they demonstrate how it does
30 apply our benchmarks against international background.

31 **Ross Young:** Automatically in preparing a Standard Terms Proposal you are required to
32 comply with the access principles, which includes that International Best Practice, so
33 that is captured there already; that's why the additional requirements are additional in
34 that sense.

1 **Tex Edwards:** It's something we would be prepared to pay our pro rata share of if it sped
2 up the process.

3 **Chair:** Thank you for that. Now, for the last question, time frames for the proposal. In
4 doing the notice the Commission has to come and state a reasonable period within
5 which the Standard Terms Proposal must be provided. Can we go around the table
6 and advise what we think is a reasonable period for that on the basis that you're writing
7 it yourself.

8 Telecom. Not as if somebody else is writing it.

9 **John Wesley-Smith:** Our experience has been that three months is as short a time period
10 as you can have for preparing one of these STPs.

11 **Ross Young:** Can I just clarify: A key distinction here is, of course, price and certainly in
12 the proposals previously, you know, that wasn't included, and I'm just conscious that
13 while the - you know, there's discussions about flaws of the Code, that that is existing
14 already. Do you see that as reducing the time at all, or do you still think it would take
15 the same time as a previous STP?

16 **John Wesley-Smith:** Well, the experience we've had with STPs is that most of the work
17 and discussion through the working parties has been on non-price terms; price hasn't
18 been something that we've spent a lot of time discussing with the industry in preparing
19 an STP, so we wouldn't see that as materially --

20 **Ross Young:** So essentially you think preparing an STP for a mobile co-location would
21 take the same amount of time as preparing an STP for, say, UBA?

22 **Tonia Haskill:** Yes, because the resources for pricing are distinct from the operational
23 resources, and it's the operational resources --

24 **Ross Young:** But separate say from the point of pricing, what about the fact that a code's
25 pre-existing or anything else?

26 **Tonia Haskill:** It's still a matter of turning that into an STD and then working through how
27 that would work and how you'd make the new processes work. Getting an
28 implementation plan in place, all that sort of thing would take the same people doing
29 the same thing all over again.

30 **Mark Larsen:** To clarify that point too; with the other processes there were base
31 documents already there as well. For example, as mentioned, we worked off the, you
32 know, based on prior Telecom documents and prior Telecom processes. So
33 essentially it's very similar, we do have the Code and that's relevant, it provides a good
34 base document but it's very similar to the situation we had with UCLL co-lo, we used

1 the existing processes and we modified them and it still takes time to review all those
2 and transform them into an STP.

3 **Chair:** Three months. Vodafone?

4 **Juliet Jones:** I actually don't have a number for you, sorry; the reason being that - with
5 two dependencies. One is, I think it would depend on whether Vodafone was doing it
6 on its own or with other parties and what inputs you were getting and how that process
7 would be working, so it's kind of process dependent.

8 And secondly, we've never done one before so we'd be starting from scratch in
9 terms of, we've obviously got the documentation that's in place but we haven't scoped
10 out within Vodafone how long and what resources would be needed for that.

11 **Matthew Bailey:** So you don't really have any feel at all?

12 **Juliet Jones:** I'm only guided by the one party in this room that's done it before.

13 **Chair:** Just out of interest, I wasn't involved in the earlier ones, how long did it take for the
14 first one that was done?

15 **Mark Larsen:** Three and a half.

16 **Tom Forster:** You should put things into perspective; that was an entirely new service that
17 had never been introduced in New Zealand.

18 **Ross Young:** And it was also the first STD.

19 **John Wesley-Smith:** Having said that, we did start work on the base documents through
20 the TCF in June of the previous year, so there was a good seven months of industry
21 discussions leading into the Scoping Workshop for the UCLL STD.

22 **Chair:** Just like there's been a lot of industry discussion via TCF.

23 **John Wesley-Smith:** That's right, they were at comparable stages.

24 **Tonia Haskill:** We also need to consider the conflict of resources we've got with the
25 backhaul draft due out next week and subloop unbundling hitting the TCF and
26 presumably this process within the next month.

27 **Chair:** Now, NZ Comms, I'm not sure that you're looked on as a service provider in this
28 context but...

29 **Shane Barber:** I suppose that's true and our view is that this is a four to six week process.
30 There are documents in place, that there is a view, albeit not gelled around this table
31 as to what it should look like, there is experience with the TCF process, and I agree
32 with you, that was a very valuable experience to go through that, so there's a real feel
33 for what the expectation is and what the limitations are. There are other jurisdictions
34 where you have very similar arrangements that can be drawn upon. It does require

1 focused resources, I do accept that point, but there needs to be some urgency about it;
2 it's four to six weeks, and I say 6 weeks only because, as I mentioned at the beginning,
3 the Operational Manual will need a bit more configuration but some of the general
4 terms don't need that much configuration at all in my personal view having gone
5 through it. So I genuinely do think it's a four to six week process, and I'm not saying
6 that to be obstructionist but that's what I sincerely think.

7 **Chair:** At this point we've gone through most of the issues we've got. Now, I'd like to see
8 whether anyone else has got any other comments, perhaps even any comments in
9 relation to the time frame that we've just discussed; but, hey, at the moment we're
10 looking for basically any other matters, any other things we haven't covered that are
11 related to the Draft Notice you been provided with.

12 **John Wesley-Smith:** Can I just say; we fully understand the importance of resolving these
13 issues as quickly as possible, but our experience has been that three months was an
14 extraordinarily tight timeframe and the pressures that put on our staff, I think we wrote
15 to the Commission at the time, were pretty incredible. Trying to complete that process
16 in four to six weeks, I don't know that we could physically do it, particularly given the
17 constraints that we've got on our resources at the moment. So, I can understand that
18 it's a decision that you've got to come to, but I ask that you consider the past
19 experience in doing so.

20 **Chair:** Thank you. Ernie.

21 **Ernie Newman:** I feel for both parties on this. We understand the pressure that many
22 people around the table are under in the present environment, including Telecom.
23 There must be some economies from the experience that everyone around this table is
24 getting from this process as we go along; there's a tremendous amount of background
25 work to draw on. Intuitively the four to six week figure resonates with me better than
26 the three month one. But it's not me that has to write it.

27 **Ross Young:** It is now.

28 **Chair:** You've just got it.

29 **Tex Edwards:** We'd be happy to share with the two access providers some names of
30 some international consultants, and we'd make the observation that in the course of
31 today both incumbents will generate about \$3 million of EBITDA, and we think that a
32 third party consultant that could assist in moving the timeframe forward would only cost
33 a fraction of that \$3 million EBITDA that you'll earn in the course of today's business.

34 **Chair:** Any other opinions? **[No comments]**.

1 I think that, if there's no other questions...?

2 **Tom Forster:** So you're all satisfied that, like all the discussion here, you're satisfied that
3 you've looked at the notice and there is nothing in the notices that - no new
4 requirements, additional requirements that needs to go in, everybody's satisfied based
5 on the discussions we've had today?

6 **Shane Barber:** It does cover the scope of what was in the previous Code. I think the
7 observation that many of us have made is that it's really the next round of discussion
8 where the rubber hits the road because that's where you have the processes set out.
9 I'm sure the period that's been allowed for the next round of submissions, two to four
10 weeks is certainly adequate, but there may need to be similar exercises like this as part
11 of that process.

12 **Chair:** If nobody's got any further comments, I think we'll say thank you very much for
13 coming and close the session.

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Workshop concluded at 12.32 pm

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