

Quality dimensions

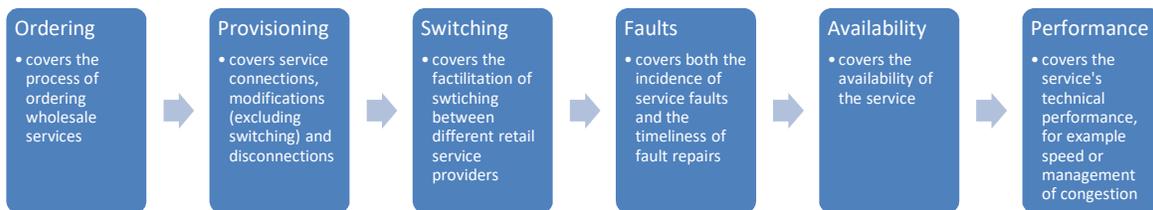
- For the first time, the Commission must set an input methodology (IM) for 'quality dimensions'; defined as *'measures of the quality of fibre fixed line access services, and may include (without limitation) responsiveness to access seekers and end-users'*.
- This IM will help ensure fibre service providers have incentives to *'supply fibre fixed line access services of a quality that reflects end-user demands'*.
- The quality dimensions IM will be applied in setting information disclosure (ID) regulation, as well as the 'quality standards' that must be observed under price-quality regulation (PQ).
- We have published some initial advice we commissioned from economic consultants, CEPA. This report sets out the possible scope of quality dimensions, informed by how quality for telecommunications has been regulated overseas.

In the invitation to comment on our proposed approach, we asked stakeholders:

Q25 What are your views on CEPA's advice on the approach to setting the quality dimensions IM?

Q26 What specific factors of the telecommunications environment do you think are relevant to setting input methodologies for quality dimensions?

The [CEPA report](#) set out that quality dimensions could be thought of as parts of a fibre service lifecycle, with customer service as a general dimension that covers the full lifecycle:



Points raised by CEPA also included:

- A range of options for how specific the IM could be in determining how quality standards and quality reporting requirements are set by the Commission under PQ or ID. These range from using broad principles to a more prescriptive approach.
- Contextual factors the Commission may consider in deciding the level of detail or prescription to use in setting a quality dimension IM, such as:
 - Stability of the regulated services and end-user requirements
 - Incentive properties of the service quality regime
 - The need for the IM to provide certainty
 - Availability of information (eg, on the cost-quality trade-off)
 - Ability for agreement on service quality through commercial negotiation
 - Extent of competitive pressures faced by the fibre service providers
 - Impact on end-users (eg, the level of potential detriment if quality is poor)
 - Evidence that a particular quality dimension may be problematic.
- It will also be important to consider the overlap with retail service quality, and the fact that it may not always be clear which quality dimensions are controlled by wholesale providers.
- Other factors that may need to be taken into account as we develop the quality IM include interaction with the broader regulatory framework.

In addition to the points raised in the CEPA report, as we begin the process of setting the quality dimensions IM, the Commission will consider other issues. For example, we will start to think about the link between quality regulation and unbundling, as well as the possible effects of copper withdrawal on the quality of fibre services. We will also start considering which dimensions are more appropriate for being included in PQ and ID regulation. This is most relevant for Chorus, who will be subject to both forms of regulation during the first regulatory period.