



Vodafone New Zealand submission on Draft 111 Contact Code

Public Version

17 July 2020

Thank you for the opportunity to comment on the draft 111 Contact Code. We also appreciate the pragmatic approach the Commission has taken through the height of the Covid-19 lockdowns by substantially extending the date for this submission.

We have contributed to and fully support the submission provided by the TCF. This submission focusses on areas we felt we could make additional contributions as an individual company. The matters we raise are:

- Ensuring the implementation date reflects the challenging economics our industry is facing over the next two years
- Proposing a more reasonable length of time the alternative means operates
- How to assess if the alternative means is appropriate for the vulnerable customers

Overall, we consider the Code will be most successful if it is simple to administer and simple to comply with. The more costly it is to provide an alternative means to vulnerable customers the more safeguards will have to be built into the regime to avoid fraud or misuse. Allowing low cost solutions also simplifies customer switching as retailers are unlikely to require transfer of assets when a vulnerable customer moves to a new provider. Ultimately this will mean the industry can better serve those in need.



Implementation date

In the current challenging environment it is not possible for us to implement all the requirements of this Code until near the end of 2021.

We support the proposal in the TCF submission to have the Code come into force on or soon after 21 September 2020, but delay implementation of some requirements for a further 12 months. Specifically, section F, regarding the process for registering as a vulnerable customer, and section G regarding the requirement to provide an alternative means to contact emergency services must be delayed until at least 21 September 2021. We are comfortable with all other requirements coming into force from 21 September 2020.¹

This strikes the right balance between imposing substantial new burdens during a challenging economic environment, against the need to provide protections for consumers. It also means that the Copper Withdraw Code can come into effect sooner, because the requirement for the 111 Contact Code to be in place first will be met on or soon after 21 September 2020.

However, if the Commission cannot not allow a 12 month gap between the Copper Withdraw Code coming into force, and the date the 111 Contact Code must be fully complied with, then both codes must be delayed until at least 21 September 2021.

The Covid-19 pandemic and the lockdowns have had a devastating impact on retail telecommunications services. For example

- [Confidential –

¹ Certain parts of section E regarding information to consumers and section J regarding information disclosure will also need to be adjusted to account for Sections F and G not yet being in force.



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We have never opposed supporting our vulnerable customers, but in the current context it is hard to prioritise above mission critical activities that our entire team is working on. In normal times we would need at least six months to implement the requirements of this Code. In the current context 12 months is the bare minimum.

Does copper withdrawal have to start this year?

On balance we support the timely withdrawal of copper. It should encourage more New Zealander's to move to a modern broadband service. However, we do not consider that there is any urgency in the withdraw process starting, compared to the imposition of fully implementing the 111 Contact Code in the current environment.

Late 2020 / early 2021 may not be the right time for many New Zealanders to switch off their copper services and move to a modern technology. Those facing the worst of the economic fallout may find it challenging to navigate a substantial change to a service they depend on.

We also note that Chorus is remarkably unaffected by the coronavirus pandemic. If delaying the Copper Withdrawal Code imposes some minor costs on them, they are better placed to absorb these than any other part of the industry.



An alternative means cannot last 12 hours

It is likely that we will provide our vulnerable consumers with either a basic mobile handset, or a battery back-up as the alternative means to contact emergency services.

For those customers who require a battery back-up we are very concerned about the requirement for the battery to last 12 hours. We are unaware of a single consumer grade battery that can last this long. To meet this requirement we would need to procure enterprise grade devices. These cost thousands of dollars each, and are often built to sit in server racks rather than in a home.

For example, our UltraHub and the ONT we use for our HFC network both require 24 Watts of power. Entering this requirement and the timeframe of 12 hours into the website of one of the leading battery suppliers (APC²) the lowest cost option is two units as pictured below. These are both big units, measuring 43cm x 49cm x 9cm each and together cost roughly NZ\$2,000.

Best Price
Items: 2

1x APC Smart-UPS X 750VA Rack/Tower LCD 120V (Not for sale in Vermont)
APC Smart-UPS, 600 Watts / 750 VA, Input: 120 V / Output: 120 V, Interface Port RJ-45 Serial, USB, SmartSlot, Extended runtime model, Rack Height 2 U.
SMX750

1x APC Smart-UPS X-Series 48V External Battery Pack Rack/Tower
SMX48RMBP2U

² https://www.apc.com/shop/us/en/tools/ups_selector



Not only would this add substantial costs per unit, but it would also impose costs to store and ship the units. It would also take time and cost to develop a supply chain to support a consumer, rather than enterprise model.

If the regime requires devices of this cost, then the complexity of the regime will need to substantially increase alongside:

- we would need much greater protections against the risk of fraud. With a prize this size we expect sophisticated players to attempt to game the system. We would need a clear audit trail, and robust proof that the device is necessary from two independent and qualified sources.
- We would need to establish a means across the industry to ensure no-one is double-dipping, and the ability to seek damages if they did.
- We would need to establish a system to transfer ownership of these assets if customers switched to another provider.
- We would need a system to return the assets if a customer disconnected, and the ability to pursue them for costs if they did not.

We consider the proposal from the TCF to require the alternative means lasts a minimum of 2 hours is more in keeping with the intent of the Code. It will allow us to keep the system simple, and better serve vulnerable consumers who are in particular need of contacting emergency services.

Who assesses if the means is appropriate?

The draft Code requires that we provide vulnerable customers with a means to contact emergency services “that is appropriate for the specific circumstances of a vulnerable consumer (eg, the consumer’s physical, mental or technical capabilities)”.

We have no capability or expertise to make this assessment, but somehow we are required to make this judgement call. The only practical way to do this is to ask for information from someone with knowledge of the customer.

The Code has specific requirements for assessing if a customer is vulnerable, however it is completely silent on how to make the likely more material assessment of what means of contacting 111 is appropriate. We consider that this process should be made explicit, as the nature of the device provided may be a key point of dispute.



We will take a mobile first approach

Our default approach to meeting the requirements of the Code will be to provide a basic feature phone to vulnerable customers, except where they are outside of mobile coverage. We consider this is the right solution because it provides a long battery life, the added benefit of working outside of the affected premise, and it is inexpensive.

If a mobile phone was not appropriate for a particular customer we would have to supply a battery backup instead. As above battery backup may cost thousands of dollars under the current requirements, but even with a shorter batter life requirement they would still be very expensive.

If it is too easy to qualify for a battery backup we are concerned that demand for this solution will be higher than necessary. For example, there are growing concerns amongst some members of the community about supposed dangers of electromagnetic frequencies. The official advice from the Prime Minister's Chief Science Advisor³ and the Ministry of Health⁴ is clear that there are no risks from the electromagnetic frequencies used by mobile devices. Nonetheless we expect some vulnerable customers will claim this as a reason for requiring a battery backup rather than a mobile device.

We also consider that unless there are specific requirements for requesting a battery backup solution there is a real risk of fraud. This risk is much greater than with the assessment of vulnerability, which will usually only result in the customer being provided a basic feature phone. This is a small prize, only avoiding the customer \$30 or less,⁵ so the risk of fraud is lower. For a battery, the prize is much higher, and opportunistic fraud is a real risk.

We therefore consider that the Code should only allow qualified medical personal to attest whether a vulnerable customer requires a specific means to contact emergency services. This assessment cannot be undertaken by the 'persons of standing' identified in the assessment of vulnerability. As identified in the TCF submission, that is a very long list, including, engineers, vets and pilots, many of

³ <https://www.pmcsa.ac.nz/topics/5q-in-aotearoa-new-zealand/>

⁴ https://www.health.govt.nz/system/files/documents/topic_sheets/5q-and-health-aug19.pdf

⁵ https://www.thewarehouse.co.nz/p/vodafone-smart-a9-locked-sim-bundle-black/R2525804.html?gclsrc=aw.ds&ds_rl=1268368&ds_rl=1268368&qclid=Cj0KCQjwOrr4BRCtARIsABO_48P9z2ob2L8tYvrPlcwhlUHiVvyNvapBvAn9V5xp7VxEaepbxyW08mUaAq1jEALw_wcB&gclsrc=aw.ds



whom are not well qualified to make an assessment of vulnerability. This is doubly true when considering what means is appropriate.

The Code must also require that reasoning and supporting evidence is provided by the person attesting that a specific means is necessary. We must also be provided contact information from the person making the assessment, including a phone number, name, email and address. This information is necessary to undertake any audits of the applications we consider necessary.