

Copper Withdrawal Code

Process Update

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Associated documents

Publication date	Reference	Title
01 August 2019	ISBN 978-1-869457-13-6	Copper Withdrawal Code Framework
26 November 2018	N/A	Copper withdrawal code – Letter requesting views on scope

Purpose of this paper

- 1.1 Following the passing of the Telecommunications (New Regulatory Framework) Amendment Act 2018, the Commission is required to prepare a Copper Withdrawal Code (**the Code**).
- 1.2 This paper notifies and updates stakeholders on the process we will follow to meet our obligations to produce the Code, including when we would like your input.
- 1.3 Specifically, this paper covers:
 - 1.3.1 a brief background to the Code;
 - 1.3.2 our process so far; and
 - 1.3.3 the process and further consultation we intend to follow, which includes timing updates to publications and consultations.¹

A brief background to the Code

- 1.4 The requirement for the Code has come following the recent changes to the 2001 Telecommunications Act (**the Act**). The principal purpose of the Code is to ensure consumers are adequately protected during the transition from copper to fibre.²
- 1.5 The Code will set the terms and conditions on which Chorus, as operator of the copper network, can withdraw copper services.³ The Act prescribes the minimum requirements that should be included in the Code.⁴ However, there are many practical and operational aspects that sit below the Act's high-level directives, which are crucial for the Code to be workable.

¹ In accordance with Telecommunications Act 2001, clause 2(1) (a) of Schedule 2A.

² In accordance with Telecommunications Act 2001, clause 1(1) of Schedule 2A.

³ These services are defined as copper fixed line access services in areas that are, or will become, specified fibre areas (Copper fixed line access services are Chorus's unbundled bitstream access and Chorus's unbundled copper low frequency service); Chorus's unbundled copper local loop network; and Chorus's unbundled copper local loop network backhaul (distribution cabinet to telephone exchange).

⁴ Telecommunications Act 2001, clause 1(3) and (4) of Schedule 2A.

Our process so far

- 1.6 In November 2018, we sent out a letter seeking views from stakeholders on the scope of the Code.⁵ The purpose of this consultation was to get stakeholder feedback on the scope of the Code, the Act's minimum requirements, and any potential issues and/or challenges that we may need to work through.
- 1.7 We received a number of submissions on the letter from stakeholders.⁶ We identified the key issues raised in submissions to be:
- 1.7.1 whether an operations manual is necessary to accompany the Code;
 - 1.7.2 ensuring the Code aligns with other related processes (such as Specified Fibre Areas and the Commission 111 Contact Code (**111 Contact Code**));⁷
 - 1.7.3 the management and responsibilities relating to communication with copper end-users;
 - 1.7.4 the treatment of costs for copper end-users in non-standalone dwellings, such as retirement villages, and body corporate situations;
 - 1.7.5 how to deal with copper end-user refusals and/or disputes; and
 - 1.7.6 ensuring copper end-users are protected during large-scale migrations.

The process and further consultation we intend to follow

Assistance on practical and operational aspects

- 1.8 Due to the level of practical and operational aspects raised in submissions, we are seeking initial industry-led input from the New Zealand Telecommunications Forum (**the TCF**). As the industry body, the TCF will have the relevant working knowledge of aspects that the Code needs to cover.
- 1.9 Alongside this process update, we are also publishing our request to the TCF which sets out the specific areas and issues we are seeking their input on.⁸ We intend to use the TCF's response to assist us in our preparation of the Draft Code.

⁵ Commerce Commission "[Letter requesting views on scope of code](#)" (26 November 2018).

⁶ Commerce Commission "Letter requesting views on scope of code" (26 November 2018). Submissions are available on our website at - <https://comcom.govt.nz/regulated-industries/telecommunications/projects/copper-withdrawal-code>

⁷ <https://comcom.govt.nz/regulated-industries/telecommunications/projects/commission-111-contact-code>

⁸ Commerce Commission "Copper Withdrawal Code: Framework Paper" (01 August 2019).

Seeking your views on the Draft Code

- 1.10 Following the TCF's response, we will develop a Draft Code for consultation.
- 1.11 We will consult with a wider set of stakeholders about the Draft Code (including consumer groups) to ensure it meets its consumer protection purpose and supports an orderly migration to fibre and withdrawal of copper-based services.
- 1.12 We intend to publish the Draft Code by early 2020.

Finalising the Code

- 1.13 Following consultation on the Draft Code, we will be working to publish the Code alongside a final reasons paper by mid-2020.

Consideration of a workshop

- 1.14 Chorus noted in its submission that it encouraged a workshop at which the Commission could test its initial views with stakeholders before finalising. We are currently considering holding a workshop following publication of the Draft Code.⁹ More information will be provided when we publish our Draft Code.

Detailed revised timeline

- 1.15 A timeline of key events to develop the Code is provided in Table 1.1 below.¹⁰

Table 1.1 Timeline for completing the code

Process	Indicative date	Overview
TCF response provided to Commission	30 August 2019	TCF provides response to issues raised in framework paper to Commission.
Commission consultation on Draft Code	Early 2020	Commission seeks public submissions from affected parties on its Draft Code.
Publication of final Code	June 2020	Commission approves and publishes Final Code and supporting information.
Implementation date	To be advised	Date Code comes into effect.

⁹ Chorus "Submission on the Commerce Commission's letter requesting views on scope of the Copper Withdrawal Code" para 18.

¹⁰ We note that the statutory deadline for developing the code is the implementation date (ie, 1 January 2022). Commerce Commission "Commerce Commission – update on timeline for development of Telecommunications codes" (3 April 2019). Available at - <https://comcom.govt.nz/regulated-industries/telecommunications/projects/copper-withdrawal-code>

- 1.16 To the extent possible, we will endeavour to avoid clashing submission deadlines and consultation periods with other telecommunications industry consultations such as the fibre input methodologies.
- 1.17 We will also be considering where we can enable one consultation process for both the Code and the 111 Contact Code.
- 1.18 Based on current information, we do not foresee any clash of timelines for the remainder of 2019, but we will notify parties as dates for other consultations become clearer.