

Sam Norman  
Manager, Telecommunications  
Commerce Commission  
Wellington

13 April 2022

Dear Sam

**Chorus proposal to amend the methodology for determining specified fibre areas**

- 1 During the 2021 annual specified fibre areas (**SFA**) assessment, Chorus suggested changes to the Commerce Commission's (**Commission**) SFA methodology that would provide clearer information for consumers and a more streamlined, and low cost, methodology for both Chorus and the Commission. The Commission indicated that it would be willing to discuss revisiting its SFA approach in 2022 and this letter and its **appendix** outlines our proposed changes.
- 2 Importantly, future SFA assessments will be substantially smaller in scale. A large majority of the UFB fibre network was captured in the first 2020 declaration and in the 2021 SFA update. This means that from 2022 there will be minimal UFB additions. As such, subsequent assessments will be small scale and present little risk, especially given the prescriptive consumer protections in the Copper Withdrawal Code. Continuing with the current SFA methodology would require a disproportionate and costly effort with respect to the relatively few remaining land parcels.
- 3 Chorus has reviewed the Framework and Approach paper from 2019 that describes the current methodology for determining SFAs<sup>1</sup> and we have identified changes that would improve and simplify the methodology.
- 4 Our recommended changes to the wording of the Framework and Approach paper and the reasons for them are described in Appendix A to this letter.

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<sup>1</sup> [https://comcom.govt.nz/\\_data/assets/pdf\\_file/0025/185254/Determining-specified-fibre-areas-Framework-and-initial-approach-31-October-2019.PDF](https://comcom.govt.nz/_data/assets/pdf_file/0025/185254/Determining-specified-fibre-areas-Framework-and-initial-approach-31-October-2019.PDF)

5 We request that the Commission amends the published SFA methodology to reflect these changes, preferably before the 2022 annual SFA assessment. We are happy to discuss these proposals with the Commission as it assesses the potential changes to the methodology.

6 If you have any questions in relation to this letter, please contact [ ]

Yours sincerely,

Julian Kersey  
**Head of Regulatory and Policy Affairs**

## Appendix A – Recommended changes to SFA Framework and Approach paper

Paragraph	Recommended change	Reason
<b>Extent of SFA</b>		
102 - 105	<p><del>We considered Chorus' suggestion at the workshop that we assess SFAs based on large outlines of areas where regulated fibre service providers have, or are willing to make, specified fibre services available to end-users. However, this is not our preferred option as we see some practical shortcomings with this approach that, if implemented, will lead to increased levels of uncertainty. Those shortcomings include:</del></p> <p><del>102.1 The boundary of the supplied polygon, if not accurately mapped by the regulated provider to the boundaries of the underlying land parcels, will result in properties not being clearly identified as fully within, or outside of, a specified fibre area; and</del></p> <p><del>102.2 The polygon, as it was proposed at the workshop, will inherently incorporate property types (eg, roads and rivers) within the SFA declaration for which specified fibre services are not currently available.</del></p> <p><del>Instead, we will adopt a granular premises-by-premises approach that aligns with how CIP assess the performance of Chorus and LFC fibre network builds under the UFB agreements and aligns with the end-user by end-user requirements and protections of the CWC.</del></p> <p><del>Furthermore, a granular approach is consistent with the requirements of the Act that there be a specified fibre service available for an area to be declared an SFA. Chorus' suggested approach could mean that areas where specified fibre services are not available would be included in an SFA.</del></p> <p><u>We will build the extent of an SFA using the UFB boundaries. Any parcel within the UFB boundaries that is not hydro, or road reserve would be within an SFA. This will remove gaps and anomalies in the SFA Map of UFB areas. Some parcels, such as reserves, would be</u></p>	<p>It is unnecessary and unduly onerous to build up the extent of an SFA by considering property boundaries. All areas within a UFB boundary are eligible to receive fibre services.</p> <p>If a consumer within the UFB boundary orders fibre we would always seek to connect them.</p> <p>This approach is backed by consumer protections under the Copper Withdrawal Code where if we plan to withdraw copper, the Code requires us to provide the fibre installation within a reasonable timeframe and at no-cost to the consumer (in most circumstances).</p> <p>Specifying the fibre area by reference to the UFB boundary is also beneficial for consumers who will be able to receive a more accurate view of where fibre is available.</p>

Paragraph	Recommended change	Reason
	<u>included within an SFA despite having no fibre available but we expect that fibre will be provided to these parcels if that was requested. From a consumer perspective, this provides a more accurate view of whether fibre is available. At present, a neighbouring land parcel/dwelling may be misleadingly labelled by the SFA map as being a location where fibre is "not available", when in fact fibre would be available if it was ordered but the location was not part of the original UFB premises-passed. LINZ primary survey parcels as this is a dataset that is readily and publicly available, is used extensively by Chorus and the LFCs, and is a good representation of property boundaries.</u>	
106	<u>For properties that receive fibre services outside of the UFB boundaries, we</u> <del>We</del> will identify the individual survey parcels that contain at least one specified fibre service premise. This, <u>with the UFB boundaries,</u> will form the basis of the SFA Map that we will make available for download and publish on our website.	For properties outside UFB boundaries that receive fibre services, it is appropriate to identify the individual survey parcels that contain a premises that receives specified fibre services.
<b>Distance from physical assets</b>		
New	<u>We will not exclude properties from an SFA on the grounds of distance from the physical assets. Instead we will consider that all properties within a UFB area or where the survey parcel contains at least one specified fibre premises are able to be connected to the FFLAS network.</u>	<p>There is no reason to exclude properties from an SFA on the basis of the distance from the network – if the property is within the UFB boundaries, it will be able to be connected.</p> <p>Nor is there any basis for the current 70m distance, which seems arbitrary.</p> <p>As above, the SFA assessment combined with the consumer protections under the Copper Withdrawal Code mean that we cannot withdraw copper without fibre being available (or the consumer moving to a different network).</p>

Paragraph	Recommended change	Reason
<b>Certification</b>		
138.1	The data provided by Chorus/LFC's must be certified by a suitably qualified technical expert within the LFC at a level of seniority equivalent to the Chief Financial/Technology Officer, <del>or their delegate</del> . The Commission will issue a template certification for use by Chorus and the LFCs. (attached at Appendix C to this paper)	This reflects current practice, where certification is routinely delegated to a manager with the necessary technical expertise.
App. C	I [insert full name], being a [insert role of technical expert], which must be the Chief Technology Officer of the company (or <del>equivalent delegate</del> ) of [insert name of company], certify that having made all reasonable enquiry, to the best of my knowledge:	See note for paragraph 138.1
<b>Data requirements</b>		
70	To enable us to make our assessment, the regulated fibre service providers will be required to provide us with the location of all end-user premises, buildings, or other access points that have specified fibre services available and for which an order for provision of a service can be placed, ie, the address point is 'Active' within the service provider's system. This will be either as a series of geographic points or as a shapefile of LINZ survey parcels. To validate the accuracy of this information, we will also require: <del>70.1 the as-built location of the regulated fibre service provider's communal fibre access network assets; and</del> 70.2 copies of a regulated fibre service provider's relevant fibre service coverage maps, such as those published on their website.	Providing maps showing the as-built location of the network assets is onerous, costly and not useful in informing fibre availability (judgements of arbitrary distances from the network do not determine fibre availability).
61	We intend that our declaration of SFAs will take the form of a Geographic Information System (GIS) datafile (the SFA Datafile) referencing the <del>CoreLogic Land and Information New Zealand (LINZ)</del> survey parcels where specified fibre services are available to end-	We suggest the Commission use CoreLogic data instead of LINZ data.

Paragraph	Recommended change	Reason
	<p>users. We are required to give public notice by way of notice in the Gazette. This notice will record that we have made a declaration as required by the Act and provide a link to the SFA Datafile on our website.</p>	<p>It is important the data accurately represents coverage such that we can be certain where our copper services are deregulated.</p> <p>CoreLogic data (which includes LINZ data and is an enhancement to LINZ data) is more relevant to the industry – we use this and contribute to its enhancement, as do LFCs, RSPs and emergency services among others. Using CoreLogic data would avoid discrepancies between our data (and LFCs and RSP data) and the data the Commission uses to determine SFAs.</p>