



23 September 2016

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TRUSTPOWER SUBMISSION: A SECTION 9A BACKHAUL STUDY

1. Trustpower Limited (Trustpower) welcomes the Commerce Commission's Section 9A Backhaul Study. However, due to a current high workload and competing priorities we have been unable to submit as substantially as we would have otherwise. We would like to be involved in the process going forward.
2. One area of particular importance to us in this study is the visibility of backhaul management and congestion. We currently have no visibility of how the backhaul services that we purchase are being managed.
3. This is concerning for us as we may choose to invest in handover links with increased capacity, only to find that our backhaul services are congested. This can have a significant impact on our customers as they can unexpectedly experience crippling congestion that we are unable to diagnose and fix.
4. We have also found that with pay-as-you-grow models, which have been attractive to us for financial scalability, we are sometimes unable to make large step changes. For example, we may enter into a variable capacity agreement, but soon reach a threshold beyond which capacity is not available.
5. We would welcome price regulation of backhaul services where there is a lack of competition, and agree with Spark's comment in the recent Schedule 3 review that there have been price reductions on competitive routes, but no similar change on routes where there is only one provider.
6. For any questions relating to the material in this submission, please contact Peter Gregory, Telecommunications Business Manager, on 07 572 9888.

Regards,

JESSICA BEVIN
REGULATORY ADVISOR

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