

Spark Resale Services - update on our process for reconsidering our 2016 recommendation to the Minister

In December 2018 we advised that the Commission would start the process of reconsidering its 2016 recommendation to the Minister to assess whether any of Spark's three resale voice services (Resale Services) should be deregulated. We indicated that we would provide more details about our process in the first quarter of 2019.

This notification provides an update on our process timeframes for reconsidering our 2016 recommendation to the Minister about whether there are grounds to deregulate Spark's Resale Services by removing them from Schedule 1 of the Telecommunications Act 2001 (The Act).

Upcoming publications

We are aiming to publish a draft report for consultation in **early April**. Submissions on this draft report will be due by **mid-May**. Following submissions, we will then aim to prepare a final report to the Minister in **early July** which will also be published on our website.

An overview of this process can be found on our website at: www.comcom.govt.nz/regulated-industries/telecommunications/projects/investigation-into-Sparks-resale-voice-services.

Background

Resale Services provide retail service providers (RSPs) with the ability to rebrand and on-sell a voice service to end users. Schedule 1 of the Act contains the following Resale Services:

- local access and calling services offered by means of fixed telecommunications network (basic analogue residential and business line rental services, including local calling)
- retail services offered by means of a fixed telecommunications network (digital residential and business voice services i.e. ISDN and Centrex)
- retail services offered by means of a fixed telecommunications network as part of a bundle (value-add calling and messaging services delivered over the above two services e.g. call waiting, call minder)

Our 2016 investigation found that Spark is facing increasingly effective competition for its Resale Services. However, the ability of RSPs to switch quickly to alternatives was still considered to be constrained.

We believed this constraint on switching could diminish in the near future and recommended that the Minister defers the decision, so we could revisit our recommendation 2 years from the date of the report. The Minister accepted this recommendation.