

## Questions and Answers from the Fibre quality stakeholder workshop 26 February 2021

#	Clarification question	Commission response
1	How much time will Chorus have to readjust its expenditure proposal following the Commission's PQID draft decisions, if proposed quality standards are different to those included in Chorus' expenditure proposal?	The Commission understands that Chorus' quality standards proposal is aligned to its expenditure proposal. Our draft decisions will set out our decisions on both expenditure and quality standards. During the submission process following draft decisions, Chorus can respond with any consequential changes. If Chorus doesn't feel it has enough time to work through implications, they would need to raise this with the Commission at the time.
2	Do the quality dimensions follow or represent the customer journey?	Yes, largely. The quality IM specifies fibre lifecycle dimensions (ordering, provisioning, switching, faults, availability and performance) and an overarching dimension of customer service. These were set out in CEPA's "quality dimensions of a regulated FFLAS lifecycle" model.
3	What is captured by ordering?	The IMs included definitions for each of the quality dimensions. Ordering is defined as: processing and management of a request from an access seeker to provide ID (or PQ) FFLAS, change ID (or PQ) FFLAS, change an end-user's ID (or PQ) FFLAS connection from one access seeker to another access seeker, and disconnect ID (or PQ) FFLAS, including how the request is accepted or rejected. The IMs also included example metrics for each of the quality dimensions but these are non-exhaustive. We can include additional metrics provided they meet the requirements and purpose.

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4	How often will regulated parties have to report?	This still needs to be decided and will be an aspect of the draft decisions to be published in late May. There are two aspects to this decision: (1) how often does a metric or measure need to be captured; and (2) how often do metrics or measures need to be published / provided to the Commission.
5	Does the Commission see any value having continuous ID reporting over time?	Yes, our summary and analysis of disclosed information will look at changes in performance over time. There is a trade-off between the cost of requiring a performance measure to be reported and the benefit of predictability and having a continuous data series, which needs to be balanced.
6	Is there any flexibility in the ID reporting requirements?	The Quality IM specified some mandatory quality dimensions for ID that must always have quality performance measures and statistics specified for them. These were availability, performance, faults and customer service. The quality dimensions of ordering, provisioning and switching may also have performance measures and statistics specified for them. We will outline our proposed quality performance measures and statistics in the draft decisions to be published in late May.
7	Is the requirement for Chorus to publish quality standards a disclosure requirement only?	We are required to determine the quality standards that must be met by Chorus in the regulatory period. We have discretion to specify additional incentives for Chorus to maintain or improve quality. These may include reporting requirements if Chorus fails to meet the determined quality standards.
8	What is the sanction for failure to comply with the standards?	The Telecommunications Act sets out potential pecuniary penalties for failing to comply with quality standards. We have the discretion to also specify incentives for maintaining and improving quality, that may include penalties, rewards, compensation schemes and/or reporting requirements.

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9	Is the Commission thinking more creatively than just a pure technical standard?	We are interested in stakeholders views on what quality standards may be appropriate in the first regulatory period. Chorus has proposed technical standards for availability and performance but there are a wide range of potential options, as shown by the variety of quality standards under Part 4.
10	Why is Chorus expenditure proposal confidential beyond RP1?	Chorus indicated that they had decided to keep its expenditure forecast beyond RP1 confidential at this point as it had not yet been through the same level of scrutiny / approval process as the RP1 forecast.
11	What information will be available in the wider context of ID and anchor services, and how does this factor into decisions on quality standards?	We intend to publish our draft decisions on quality performance measures under ID and quality standards under PQ at the same time, so stakeholders will be able to see how these relate. The draft declared services (anchor and DFAS) should be available before our draft decisions allowing parties to submit on whether the performance measures and quality standards are suitable, given the wider context.
12	Does the Commission assess whether the information Chorus asserts as confidential is actually confidential?	Yes, we will not automatically accept confidentiality claims by parties and will review each claim. We set out our proposed approach to confidential information in a notification email published on 20 January 2021. This includes a process whereby interested parties' independent advisers can gain access to confidential information, subject to restrictions protecting the information from further disclosure or use for a different purpose.
13	When will MBIE have their exposure drafts ready for anchor services and DFAS regulations?	These should be ready by late March (MBIE).

## Questions and Answers in response to questions raised prior to the workshop

#	Raised by	Clarification question	Commission response
1	Vector	Does the Commission consider its obligations around Information Disclosure in the same light as it does for other sectors regulated under Part 4 of the Commerce Act – if so then would transparency about the service provider’s operations [be] a reasonable basis for designing Information Disclosure requirements?	The purpose of information disclosure regulation is to ensure that sufficient information is readily available to interested persons to assess whether the purpose of Part 6 is being met. As we set out in our PQID process and approach paper, we consider this in respect of the difference performance aspects set out in s166. This is consistent with the approach we take in Part 4. However, we also consider the unique fibre market context and the promotion of workable competition in telecommunications markets more generally, where relevant.
2	Vector	Would the Commission consider transparency to enable unbundling competition to occur in the lens as it considered the need for open access to electricity distribution networks – in that instance the Commission has required EDB’s to produce heat maps of network constraints to encourage third-party interest and more information about networks such as upcoming network constraints as paramount information to enable informed decisions around build/buy for constraints. Accordingly, would the Commission consider the need for information for unbundlers to make informed decisions around build/buy decisions with a similar need for information?	Information about network constraints would fall outside the scope of quality performance measures under ID. This could be considered under ID more generally.

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3	Vector	Given the specific risk of Chorus being able [to] incentivise its own layer 2 business at the expense of greater unbundling – does the Commission see the benefit of ID providing an information record to support the administration of Part 4AA of the Act?	The purpose of information disclosure regulation is to ensure that sufficient information is readily available to interested persons to assess whether the purpose of Part 6 is being met. Quality performance measures under ID may be differentiated by layer 1 and layer 2 to show relative performance. Any other information would fall outside the scope of quality under ID.
4	Vector	Chorus and LFCs have designed their PONFAS on the basis of multi-part tariff – feeder fibre and distribution fibre relying on the logic that the feeder fibre service leg is a “shared resource” and so must be managed through both a separate ordering process and upfront tariff cost to manage the resource. On this basis, Vector Fibre believes there is a market interest for Chorus/LFCs to produce to the market availability of feeder fibres at Fibre Flexibility Points so that potential unbundlers have clear information about availability of this resource for unbundling.	The exposure of feeder fibre capacity at fibre flexibility points by the LFCs to access seekers is not a matter for Part 6. It may be considered in any fibre regulations for an unbundled fibre service.
5	Vector	Service – pre-qualification – would the Commission consider designing a service measure around whether Chorus’s service portal shows all services in Chorus’s service portal available at a particular location – including PONFAS services?	The exposure of the available fibre services at a location by the LFCs could be included in ID but would not constitute a quality performance measure.

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6	Vector	Provisioning time-frames – would the Commission consider a measure around provisioning times for layer 1 services to ensure the customer provisioning experience is comparable to the livening of a layer 2 bit-stream circuit?	<p>We are interested in stakeholder views on the measures and type of differentiation (or disaggregation) for the provisioning of FFLAS services. We have indicated that Layer 1 and Layer 2 are possible levels of differentiation (or disaggregation), as we recognise different services may face different levels of competition in future.</p> <p>Any fibre regulations for an unbundled fibre service may also include specific service levels and measures for the provisioning of an unbundled fibre service.</p>
7	Vector	Churn – would the Commission monitor customer churn between layer 1 and layer 2 services from Chorus given the complications with making a second fibre pair livened and the opportunity for win-back risk to Chorus which has the fibre ready for being re-enlivened?	<p>We are interested in stakeholder views on the measures and type of differentiation (or disaggregation) for the provisioning of FFLAS services, which includes changes from one type of ID FFLAS to another.</p> <p>The LFC may only record churn from a layer 2 FFLAS to a layer 1 FFLAS where the request came as a single order for a change of service.</p> <p>Any fibre regulations for an unbundled fibre service may also include specific service levels and measures for requests to move from a layer 2 FFLAS service to an unbundled fibre service.</p>

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8	Vector	It is important for the market to know how Chorus is managing congestion on its network and whether it is shaping traffic or adding capacity and how often it adopts tools like traffic shaping and where in its network it is adopting such tools	<p>The exposure of techniques used to manage traffic by the LFCs to access seekers is not a matter for Part 6.</p> <p>We are interested in network performance and included example metrics for port utilisation and traffic performance in the quality IM, as indicators of how well LFCs are managing traffic.</p>
9	Vector	The need for the Commission to know how much Chorus' non-regulated services such as Hyper-fibre are using the regulated fibre network assets – relative to regulated FFLAS	<p>Chorus Hyper-fibre services fall within regulated ID FFLAS. The volumes of different products that make up regulated ID FFLAS is not part of quality performance measures under the Quality IM.</p> <p>Volumes may be considered in other information disclosure requirements.</p>