

10 February 2021



**Submission on:
Review of the Commerce Commission's
funding for the regulation of
Telecommunications and Fibre under the
Telecommunications Act 2001 –
Discussion paper (Paper)**

**Northpower Fibre Limited and Northpower
LFC2 Limited**

Public version

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Thank you for the opportunity to provide feedback on the Paper.

We have set out below our general comments in relation to the questions asked in the Paper.

Consultation questions

Question 1 Do you have any feedback on the purpose and objectives of this consultation paper?

No comment

Question 2 Please provide feedback on whether you agree with how we have characterised the operating context of our work - in terms of technological and regulatory transition and the risks to fulfilling policymakers' expectations - in relation to telecommunications and fibre networks.

We have no substantive comment here other than that there should be some assurance provided that all regulated industries contribute to the overall increase in costs in line with the comment that "*each area of regulatory responsibility must contribute it fair share of the step-change in costs...*"

Question 3 Please provide feedback on whether you agree with the proposal that the current Levy Regulations are amended to enable continuation of all the fibre sub levies for recovering fibre regulation costs going forward.

We accept the proposal in principle that fibre sub levies may continue but we strongly believe that there needs to be appropriate consideration given to how the sub levies are then allocated between the LFCs and Chorus. At a minimum there should continue to be a proportion split between PQ regulatory costs and IDF costs and that only those LFCs should only contribute to the proportion connected to ID regulation. Further, the proportions of the allocated to implementing and monitoring copper withdrawal and related activities should be apportioned only to Chorus. We would welcome more transparency around these proportions and allocations.

Question 4 Please provide feedback on whether you agree with the medium-term priorities for Telecommunications set out above and our focus on 'bridging the gap'. Are there other priorities that should be included?

We note that of the three items in "bridging the gap", only infrastructure and competition are connected to the LFCs and their networks. When allocating levies to participants, this should be considered. We otherwise agree with the "bridging the gap" option.

Question 5 Does the additional funding we are seeking target the right areas of focus for our work in relation to telecommunications networks?

No comment

Question 6 Please provide feedback on whether you think the additional funding we are seeking for our telecommunications work is appropriate, and if you think a different level of funding is warranted, why?

No comment

Question 7 Does the additional funding we are seeking target the right areas of focus for our work in relation to fibre networks?

We note that a number of the key areas noted (e.g. in para 121) apply to Chorus only so and as such any allocations should take this into account.

Question 8 Please provide feedback on whether you think the additional funding we are seeking for our fibre work is appropriate, and if you think a different level of funding is warranted, why?

We consider that the Commission is best placed to calculate the appropriate levels of funding.

Question 9 Please provide feedback on whether you think the funding we are seeking will strengthen our capability and impact leading to the right mix of business and consumer outcomes?

No comment

Question 10 Are there other outcomes you would expect to see with the additional funding we are seeking in the consultation document?

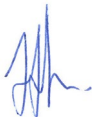
No comment

Question 11 Please provide feedback on whether you think one of the other funding options set out above is more appropriate, and why?

No comment. We agree with the proposed option.

We thank you again for the opportunity to provide feedback.

Please contact Darren Mason (darren.mason@northpowerfibre.co.nz) if you would like to discuss any aspect of this submission further.



Darren Mason

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