



Spark^{nz}

Initiating The Determination Process
For Designated Multinetwork Service
Determination For Number Portability
Spark Submission

Public Version

Commerce Commission

4 August 2021

Background

1. Spark is a signatory to the current Local and Mobile Number Portability services determination (Determination).
2. From our perspective the Determination has provided an appropriate framework for fixed and mobile number portability and the scheme has been operating effectively across the industry.
3. The process by which a customer can keep their phone number when moving between providers requires cooperation between the gaining and losing provider. It is essential therefore that both providers are part of the industry porting scheme and follow the same rules. This includes the SLAs that apply to the porting.
4. It is also important that the costs of the service are appropriately apportioned between the various providers (the customer does not have to pay to port their number).

Grounds For Initiating The Process

5. The benefits of the portability scheme are realised when the scheme is widely adopted so that customers can keep their telephone number no matter what combination of providers they are migrating their service to and from.
6. The unique requirements of porting, which requires all parties to support the same process, and contribute to the common costs, means that the Determination should be renewed. The Determination maintains a common and consistent process which creates industry efficiency and certainty.
7. The Commission suggests that without the Determination there may be incentives for incumbent service providers to either not provide the service or to charge access seekers prices significantly above cost therefore creating barriers to entry and competition.
8. We suggest that risk is more likely to come from new and smaller providers who may be reluctant to invest in the systems and processes necessary to support the process for customers leaving their service.
9. In the absence of the Determination providers (big and small) could adopt alternative approaches to porting, including different SLAs, which could introduce cost for other operators if they have to change their processes to support them.
10. We consider the two-sided nature of porting and the range of providers in the market, including new entrants, means that it would be a sensible to renew the Determination.

Industry Fraud Prevention

11. The TCF is in the process of completing a piece of work to introduce a 2FA process for mobile porting with the aim of reducing fraudulent ports.
12. When a provider uses the 2FA functionality they are providing protection to customers who join their service from other providers. So effectively the benefits of a provider using the 2FA functionality are seen by other providers. The losing provider's customers are protected from fraud by an extra authentication step when they port out to a complying gaining provider.
13. If a provider does not adopt the 2FA process then they can be used by fraudsters as to port customers from other providers as a way to avoid the 2FA protections. This would leave Spark's customers vulnerable to fraudulent ports to that provider.
14. We would therefore like the new 2FA process to be mandatory for all providers to support. The process for designating the Determination would be a good opportunity to explore this option.

Exemptions

15. Spark has previously requested exemptions to the Number Portability Determination for certain network services and features under Network Terms. These exemptions are no longer required, and we are not seeking to renew them.