



COMMERCE COMMISSION

Please refer to:

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23 February 2009

Susie Stone
General Manager Strategic Development
Kordia Group Limited
PO Box 2495
AUCKLAND

Dear Susie

Mobile Co-location STD and Kordia's KorKor Network

The Commerce Commission ('**Commission**') notes the recent media release from Kordia, dated 18 February 2008, regarding the launch of its new KorKor digital two-way radio network.¹ The Commission understands that this network is based on Terrestrial Trunked Radio ('**TETRA**') technology.

In accordance with the Telecommunications Act 2001, and the Commission's Mobile Co-location Standard Terms Determination ('**STD**'), every person who operates a cellular mobile telephone network is an access provider of the Mobile Co-location Service. The Commission considers that a TETRA-based network may meet the requirements of a Cellular Mobile Telephone Network contained in the Mobile Co-location STD.

The Commission defined Cellular Mobile Telephone Network in the Mobile Co-location STD as follows:²

Cellular Mobile Telephone Network means a telecommunications network:

- (a) *that is designed to enable:*
 - (i) *two-way communications between end-users; and*
 - (ii) *an end-user of the service that uses that network to use the service while moving continuously between places or when standing still; and*
- (b) *that has the following characteristics:*
 - (i) *the end-user equipment used in relation to the network has a wireless connection to the network;*
 - (ii) *the service area of the network is divided into a number of contiguous geographical radio coverage areas (known as cells) and each cell is served by an antenna and a base station, which transmits and receives signals to and from the end-user equipment within that cell;*
 - (iii) *the service that uses that network is capable of re-using the radio frequencies in different cells within the service area; and*

¹ <http://www.kordia.co.nz/media-centre?q=node/1295&media=Press%20Releases>

² Commerce Commission, *Decision No. 661: Standard Terms Determination for the Specified Service Co-location on Cellular Mobile Transmission Sites*, 11 December 2008, Mobile Co-location General Terms, p 3, clause 1.1.

- (iv) *as the end-user equipment travels between adjacent cells, the service that uses that network uses intercell hand-over functions to:*
- a. *determine in which cell the equipment is located; and*
 - b. *allow the transmit and receive signal connection to transfer from one base station to an adjacent base station when the end-user equipment moves out of that cell to an adjacent cell.*

The Commission provided an indicative list of the current technologies that it considers have the characteristics of a Cellular Mobile Telephone Network in the final STD. This list included Private Mobile Radio ('PMR').³ The Commission understands that TETRA is a PMR technology.

In the Mobile Co-location STD, the Commission noted that there is potential for entry into and exit from the cellular mobile telecommunications market throughout the term of the determination, and that a register of access seekers and access providers of the service will be maintained. The Commission would appreciate it if you could explain in detail whether, in your view, the KorKor network meets the definition of Cellular Mobile Telephone Network set out in the Mobile Co-location STD (and consequently, whether Kordia is now an access provider of the Mobile Co-location Service).

It would be appreciated if you could please provide a response by 5pm, Friday 6 March 2009.

Yours sincerely



Tom Forster
Manager
Telecommunications Branch

³ Commerce Commission, *Decision No. 661: Standard Terms Determination for the Specified Service Co-location on Cellular Mobile Transmission Sites*, 11 December 2008, p 84.