

Submission on Quality ID working group – summary of key points

23 September 2021

Introduction

1. This is Chorus' submission on the quality information disclosure (**ID**) working group – summary of key points, published on 16 September 2021 (**Workshop Summary**).
2. These workshops are extremely helpful in providing clarity on the Commission's proposed ID requirements. We appreciate the efforts of Commission staff in preparing and hosting these sessions, particularly given the time constraints of the current process. There is real value in these working level discussions and we would like more – our experience, and that of firms regulated under Part 4 of the Commerce Act, shows that the devil is in the detail. The more discussions we have with the Commission the lower the risk of unintended consequences and the more valuable and cost effective our reporting will be for the Commission and stakeholders.

Key themes

3. The workshop highlighted some key themes we think the Commission should take into account in finalising its ID requirements for quality.

Clarity of intention to preserve or change UFB measures

4. One difficulty we had in interpreting the draft ID determination was whether the Commission had intended to change measures we currently use for UFB reporting. In some cases, it wasn't clear whether the Commission was intending to replicate existing measurements but had adapted the form of words for a Part 6 determination; or intended to make incremental changes to the measurement. The simple and complex installation distinction discussed at the workshop is an example of this.
5. Accordingly, it would be helpful for us if the Commission could explicitly state in its final ID determination whether it intends to replicate a measure from our UFB reporting, or whether it intends to change that measure from what is reported under UFB. In the event a change is intended, this will need to be clearly justified having regard to costs and benefits and provided for via implementation timelines and cost allowances.

Transition to implementation

6. The draft ID determination requires us to report some new measures. Even where existing UFB measures are proposed, the shift in focus from UFB services to fibre fixed-line access services (**FFLAS**) widens the product and geographic scope of relevant services. This means there are challenges with reporting since our systems and processes have been developed for UFB services. New measures and the shift to FFLAS mean new types of data are required to be included in, and certain existing data may need to be excluded from, reporting.
7. We understand and accept that we will need to adapt to the new focus on FFLAS and new measures targeted at the purpose of ID. However, given the final parameters of measurement and reporting requirements will not be known until very late this year,

we will need a transition to the new scope of required quality reporting.¹ This will need to be provided for via implementation timelines and cost allowances.

8. One of the overall goals for the first regulatory period is a smooth transition to the new framework. A sensible process for implementation of the new ID obligations is fundamental to achieving this.

Relationship with other obligations

9. It is important the Commission be conscious of our other obligations to measure and report on quality when setting ID requirements. We have obligations under our customer contracts which set out how we are required to measure and report on some quality metrics that the Commission proposes to include in ID. Those existing measurements may be underpinned by anchor service and direct fibre access service (**DFAS**) regulations so cannot be changed.² Even where they are not regulated, it may be difficult and time consuming to secure RSP agreement to amend contracts to alter and align measures.
10. In our submissions during development of the input methodologies (**IMs**) we proposed including principles in the quality IM for setting quality measures under ID and standards under PQ. These included the principle that measures should recognise the other regulatory obligations to which regulated suppliers are subject and not duplicate any obligations or measure/constrain matters that are measured/constrained elsewhere.³ We continue to believe the Commission should employ this as a design principle in setting ID quality measures to ensure the Part 6 regime is coherent. We should not be required to measure and report on the same thing in two different ways under one regulatory framework.
11. Practically, because of the detailed approach taken to the initial anchor service and DFAS regulations, the Commission would need to work with existing UFB reference offer measures for ID in order to ensure a consistent approach. This is consistent with a smooth transition to a new framework and provides the opportunity to review both the regulations and ID measures for the second regulatory period.

Purpose of disclosures

12. The workshop was focused on implementation issues but, where work is required to introduce or adapt measures, the 'how' can only be properly considered when the 'why' is understood. We have some concerns about new measures being proposed on the basis the information will be useful to consumers. This was mentioned particularly in the context of the new proposal for traffic performance measurement (see below).
13. Ensuring consumers have the information necessary to make informed choices about their broadband is immensely important and the Commission is putting significant work into this through the Measuring Broadband New Zealand (**MBNZ**) and Retail Service Quality projects. ID under Part 6 is not an appropriate tool for informing consumers about their broadband options because comparable information from

¹ See our [Submission on Draft Information Disclosure Determination](#), 8 July 2021, in particular paragraphs 18 to 20

² See for example clauses 9(1)(c), 12(1)(c) and 16(1)(c) of the Telecommunications (Regulated Fibre Services) Regulations 2021 which incorporate existing service level terms into regulations

³ See for example our submissions on: [Proposed approach to the new regulatory framework for fibre](#), 21 December 2018, paragraphs 213 to 221; and [the Commerce Commission's fibre regulation emerging views](#), 16 July 2019, paragraphs 281 to 284

mobile/wireless, copper and satellite technologies isn't available. In any event, providing consumer information is not the purpose of ID under section 186 of the Act.

14. The Commission has a number of tools to promote consumers' access to information about broadband but ID under Part 6 is not a useful one for that purpose. It should be a principle of setting regulatory requirements that the Commission look holistically at all elements of the telecommunications framework and use the right tool for the job. We reiterate that the Commission should set the minimum ID requirements necessary to achieve the purpose of ID and not use the disclosures for other purposes which can be better achieved through other means.⁴

New proposal for traffic performance measurement

15. At the workshop a new proposal for measurement of traffic performance was introduced. We do not think the Workshop Summary adequately reflects the significance of the change proposed, or the depth of concern expressed by all participants in the workshop.
16. The proposal for measurement and reporting of low-priority traffic performance is a major change from what we do today which was not signalled in the Commission's ID draft determination. While the proposed change to minimum sample sizes for reference probe deployment seems sensible,⁵ we do not support the expansion of reporting on low-priority traffic or establishment of novel thresholds for reporting. This is because:
 - 16.1 The proposal to expand reporting on low-priority traffic was justified on the basis this information is more relevant to consumers. As discussed above, ID under Part 6 is not an appropriate tool for producing information to support consumer broadband choices. Access network traffic performance is only one factor affecting overall broadband performance – the RSP network, end-user's home network and the relationship between them is just as important. This was demonstrated by the Fibre Max work prompted by the Commission's MBNZ results.
 - 16.2 Some scepticism was expressed that measurement of high-priority traffic performance had significant value. We disagree and believe high-priority traffic performance underpins the market for business grade services where critical data must be carried without delay or corruption. In that context frame delay and frame delay variation are important. For consumer grade services which rely on low-priority traffic, a focus on frame loss is seen as sufficient to measure performance in accordance with end-user requirements. In our view the case has not been made to move away from this approach.
 - 16.3 At the workshop, Commission staff suggested that the thresholds for reporting are not 'targets' or 'standards' since there are no immediate legal consequences for failure of low-priority traffic to meet thresholds. We disagree and think applying targets established for high-priority (CIR) traffic to low-priority traffic is arbitrary and would produce meaningless data since we did not build the

⁴ Chorus, [Submission on Draft Information Disclosure Determination](#), 8 July 2021, see paragraphs 8 to 18

⁵ Though further clarification would be required – see table below in relation to reference probe sample size

network to this specification. In our view, this would be bad policy and we cannot support adoption of targets that we will predictably and persistently fail to meet.

- 16.4 The existing layer 2 performance measurement and reporting framework was established after significant industry work. If there is a view that the framework is deficient there should be a further industry-wide process to identify areas for improvement and the best way to go about making them. A last-minute proposal through the ID process developed without detailed industry input is unlikely to yield a good outcome.
- 16.5 The existing traffic performance measurement framework is mandated under our customer contracts and may be required under the anchor service regulations. A new measurement requirement under ID will result in us having two separate traffic performance measurement and reporting obligations – at least until we can secure RSP agreement to align contracts with ID, and perhaps longer if it is incorporated into the anchor service regulations. As discussed above, we shouldn't be required to measure and report on the same thing in two different ways under one regulatory framework.
17. We are open to improvements in traffic performance measurement if these can be shown to have benefits and produce meaningful data. While there is currently limited reporting of low-priority traffic performance, different applications and use cases may be more sensitive to latency or to packet loss. So it is not a given that reporting frame delay and frame delay variation on low-priority traffic will give useful information about network performance or end-user experience.
18. Extending the requirement to measure and report low-priority traffic performance would need more consideration and consultation to ensure any effort/expense is targeted towards useful metrics with suitable thresholds. We think such improvements should be made through industry wide consultation consistent with the existing measurement and reporting regime. This is something that could be considered for the second regulatory period but should not be introduced at the last minute prior to the first regulatory period when the goal is a smooth transition to the new framework.

Response to key points from Workshop Summary

19. The table below sets out our responses to the points recorded in Table 1 of the Workshop Summary.

	Topic	Chorus response
1.	Provisioning	<p>Business/residential split: As noted in the workshop, we currently report business/ residential split based on what the RSP enters into the portal when a service is ordered. We can continue to do this, but we cannot speak to the accuracy of the data as we are relying wholly on the RSP and have no way to verify if that is the actual purpose for which the FFLAS is used. We agree with UFF’s point that the value of the information for ID purposes is questionable if its accuracy cannot be verified.</p> <p>Simple and complex installs: The key issue for us is clarity that the Commission’s intention is to incorporate the existing definitions of simple and complex that appear in our existing reference offer service levels. Provided no changes are required to how we categorise simple and complex installations, the proposed reporting is workable.</p> <p>Average or median time to install: We think median is the better indicator of provisioning performance. An average (mean) measure is likely to be skewed by a tail of a small number of significantly delayed installations. These are likely to be due to issues such as consenting which may not reflect on the regulated provider’s provisioning performance.</p> <p>Met agreed date: The Workshop Summary reflects our understanding that each installation is assessed against a single agreed date which is the last date agreed between the end-user and provider. There is potential for confusion between measures for met agreed date (provisioning) and missed appointments (customer service) so it is helpful to have the distinction clarified.</p> <p>Provisioning of transport services: It is correct we will need to build new reporting to capture FFLAS transport service provisioning (ICABS). The fact we won’t get the final parameters of the reporting requirement until December for implementation in January, reinforces the need for sensible a transition and implementation period as noted in our key themes above.</p> <p>Geographic breakdown: To clarify the point attributed to us: At the high level of disaggregation the Commission is requesting, many data points may not be meaningful. For example, in a POI area in which we have little network (e.g. Whanganui) in any month there will be very few instances of layer 2, complex, business service installs (if any). The average provisioning time, percentage met agreed date etc for such extremely low numbers are unlikely to be meaningful.</p>

	Topic	Chorus response
		Our point was to question what the purpose of requiring us to disaggregate data to this level is, if it will just have to be aggregated again to give a meaningful view of performance.
2.	Faults	<p>Non-regulated provider faults: We don't think the Workshop Summary captures the point we wanted to make. We do not systematically diagnose or record the cause of faults where they are not with our network ('non-regulated provider faults').</p> <p>The draft ID determination requires us to disaggregate non-regulated provider faults into 'end-user', 'access seeker' or 'no fault found'. We question both the practicality and purpose of this distinction. Once a wholesaler has determined that their network is operating properly, it shouldn't be necessary for them to determine whether there is in fact a fault, and whether it is the RSP's or end-user's responsibility. This doesn't seem related to the purpose of ID in section 186. It further fails to meet nearly all of the best practice principles articulated in the Commission's draft ID determination reasons paper – it is not relevant, verifiable, controllable or proportionate. We suggest a single number be reported for non-regulated provider faults.</p> <p>Expected restore date: In our system when a fault is logged the expected restore time is automatically assigned based on the service level applicable to that service (i.e. the circumstances of the fault are not taken into account). In that case what this number would effectively measure is percentage that have met their respective restore time service levels.</p> <p>However, there is a distinction where the fault restoration is delayed at the request of the end user (e.g. a business premises closed for the weekend where restoration is requested to be delayed until someone is on site on Monday). We would not consider this a service level failure (because the delay is at the customer's request) but it wouldn't meet the expected restore date assigned by the system. We are grateful to the Commission for clarifying at the workshop that this customer requested delay extends the expected restore time. This should be incorporated in the ID determination.</p>
3.	Availability	<p>Average unplanned downtime: We reiterate the point that reporting of average unplanned downtime in this way (splitting planned and unplanned downtime and separating downtime as a result of force majeure events) will require us to build new reporting which will take time and is unlikely to be immediately flawless. We understand and accept the need to do this work, but it reinforces the importance of a sensible transition period to the new ID framework described in our key themes above.</p> <p>Rolling average vs monthly: While we think a rolling average downtime measure is a good way of smoothing spikes from high impact events, it is important that ID reporting align with what is required under any price-quality availability</p>

	Topic	Chorus response
		<p>standard (i.e. if the quality standard applies to monthly downtime then reporting should be of monthly downtime). This relates to the key theme of being conscious of other obligations in the framework.</p> <p>Threshold for notification: At the workshop it was discussed that not every outage is notified (it would have absurd results since we would end up notifying RSPs of individual access line outages they had reported to us). We said we would investigate and explain our approach to the threshold for notification. In the time available we've been unable to find any documented policy of a threshold for notification, but our general approach is: All events that are detected by our Network Operations Centre in the transport /backbone network are notified to RSPs. For access network outages, RSPs are notified if two or more connections off the same element (POLT port /splitter) trigger service alarms. Please note we are unable to comment on the how rigorously we apply this notification threshold and it would not be appropriate to incorporate it in regulation without further investigation.</p>
4.	Performance	<p>Port utilisation: At the workshop we said we would explain in our submission how we count exceedances of the port utilisation threshold for the purposes of reporting: If a port exceeds a utilisation threshold (e.g. 90%) over a five-minute measurement period that port is counted as exceeding for that month (i.e. 1 port). If that same port exceeds the threshold again during the month in any number of five-minute intervals it still only counts once. So whether that port only exceeds the threshold in one five minute interval or in every five minute interval in the month, it counts as one port. The percentage of ports exceeding the threshold for the month is calculated by dividing the number of ports exceeding the threshold by the total number of ports.</p> <p>Traffic performance measurement: Our view is set out in the text above this table. We also share UFF's desire for clarification about how the existing 99% measurement threshold will apply to traffic performance measurement under ID.</p> <p>Reference probe sample size: While it makes sense to require only the number of probes needed for a valid sample, we would need further clarification of the proposal including requirements for the physical location and distribution of the probes. For example, does Cochran's formula apply for each POI area? So a provider could have, for instance 3 + 5 + 6 + 6 + 28.... making up the required 100 overall? Or are providers able to meet the requirement with a minimum of one probe per POI area? Are providers able to choose which POLTs in any POI are assigned a probe? We think these kind of questions are best addressed through industry consultation.</p>
5.	Customer service	<p>Wording of end-user satisfaction questions: We think the determination should set out general topics which end-user satisfaction surveys must cover but there should be flexibility for regulated providers to adapt the questions under those topics.</p>

	Topic	Chorus response
		<p>Our end-user satisfaction survey allows us to understand customer experience and, in particular, customer pain points. This information combined with our operational data drives our business and customer strategy. It identifies where we need to focus our change initiatives and then determine whether that change was successful or not. As customer experience changes over time (we improve or customers’ expectations change), so do our questions so that we can ensure we are drilling down into the issues that are causing customers the most concern.</p> <p>We appreciate that some level of stability in the questions is necessary to assess changes in customer service performance over time so the measure can advance the purpose of ID. Stability is also important for us to assess whether changes we are making are impacting customer experience, so we have incentives to make sure there is reasonable stability over time.</p> <p>Some ability to compare regulated providers may also be desirable – though comparing providers isn’t really the purpose of ID. We think this can be achieved by specifying general topics rather than detailed questions or comparing at an overall satisfaction level, where all LFCs currently ask the same question. Note that having the same questions doesn’t guarantee comparability if the methodologies are different (for example if the LFCs survey end-users of different RSPs, since the RSP will have a significant impact on satisfaction).</p> <p>Missed appointments: Our intention with the questions described in the Workshop Summary was to clarify that the Commission’s intention for ‘missed appointments’ is to capture appointments for a technician to attend an end-user’s premises where either the technician does not attend, or the appointment is rescheduled by the regulated provider/ the technician. Appointments which are rescheduled by the end-user, or where the technician attends but the end-user is not present, should not be captured by this measure. That is consistent with how we assess and pay credits for missed appointments today.</p>