

2degrees Comments on Commerce Commission Specified Points of Interconnection Consultation Paper

Thank you for the opportunity to provide comment on the Commerce Commission *Specified Points of Interconnection – Draft framework and decision relating to amending the section 231 notice and changes since 2019, Consultation Paper, 19 August 2022 (the SPOI Draft Paper)*.

Our feedback is set out below.

Part A: Framework for amending section 231 notice

2degrees generally support the Commission's proposed framework for exercising its powers under section 231 of the Telecommunications Act to prescribe Points of Interconnection (**POI**), which draws on the existing Change Management Forum process and ensures the Commission is aware of cross-industry positions on proposed SPOI, including through the industry voting process.

We consider it important that both Regulated Fibre Service Providers and Access Seekers input to the SPOI request to the Commission, and the Commission's proposal to adopt the industry Change Management Forum process allows for this. Given the impact on consumer costs and competition it is important the Commission is satisfied that the POIs proposed to be specified by LFCs are warranted.

We also consider this a useful way for the industry to understand proposed changes and consider and resolve potential technical concerns before a proposal to the Commission is finalised.

While we support this overall process, we note that there should be provision for RSPs, not just Regulated Fibre Service Providers, to propose amendments to SPOI.

We are also supportive of the Commission process to publish a draft decision with reasons and consult on that draft decision before making a final decision (which could impose conditions).

Part B: Draft decision to prescribe Chorus' POIs

2degrees also support amending the section 231 notice to prescribe the nine additional points of interconnection proposed by Chorus, provided Chorus provides a suitable backhaul solution from the existing SPOI that RSPs have built to.

In general, we do not support the ability for Chorus or any 'Regulated fibre service provider' to stop providing handover services at existing SPOIs (which impacts both existing and new RSP customers), where there remains further physical capacity or potential capacity at those sites.

This is because it imposes significant additional costs on RSPs that have already had to build to the existing Regulated Fibre Service Provider SPOI, and in the reasonable expectation that handover capacity would continue to be provided from that SPOI. It should not be the case that monopoly SPOI providers are able to require RSPs to pay for additional backhaul services (including to themselves) because they have decided to invest in an alternative exchange rather than service the existing SPOI (the latter of which may be more appropriate for the industry overall).

If a Regulated Fibre Service Provider does decide to invest in an alternative exchange despite potential capacity at an existing SPOI (which could be for Regulated Fibre Service provider commercial/cost reasons or otherwise), we support it funding the additional backhaul RSPs would require to handover between the existing and alternative SPOIs, rather than shifting this additional cost onto RSPs.

