



InternetNZ

**Cross Submission on the Commerce Commission's
Consultation Paper: New UBA Variants Issues Paper**

Public Version (there is no private version)

15th August 2014

1. Thank you for the opportunity to cross-submit after this week's workshop, and after the Chorus clarification of its Boost offering.
2. We particularly appreciate both the Commission hosting the workshop and Chorus for participating openly at the workshop on this important issue for all stakeholders.
3. As before, Wigley & Company are providing a more detailed submission which we support.
4. As we said in our submission, we believe that Chorus has a real commitment to innovating and delivering new products. It has done just that with the *Chorus Accelerate Fibre Products*. But the Boost initiative is not in that category, and nothing has been said since our submission to change our view that the combination of Boost and regulated UBA changes does not benefit end-users. Instead, that combination raises prices to end-users above what regulatory settings allow, for substantially similar services.
5. However the workshop has provided greater clarity on one issue, which shows that Boost should not be introduced in its current form.
6. In our submission, at [14] to [20], we encouraged Chorus to provide regulated UBA on the current basis (eg VDSL and FS/FS) and to introduce Boost so that the market could choose which way to go. Boost would stand or fall depending on whether the market sees it as truly innovative. As we said at [20]: *"The simple alternative is for Chorus to innovate [by introducing Boost] whilst protecting and preserving the current STD-based UBA product..."*.
7. What became clear at the workshop, however, is that, even if the full regulated UBA service is provided, Boost would deprioritise the regulated UBA service traffic at contention points in the aggregation network. As Wigley & Company explain, that is not an available option. In particular, over time, this will substantially reduce the quality of service of the regulated product as increasingly large flows of Boost video is prioritised ahead of regulated traffic.
8. Therefore consistent with our view that the regulated UBA service cannot be attenuated, Boost is only permissible if the de-prioritisation of regulated UBA behind Boost traffic is removed. If that happens, we would continue to support Boost being introduced (on the basis that the regulated UBA service is not attenuated).
9. As we said in our submission, we hope this one example does not discourage Chorus from future truly innovative efforts. As with the fibre improvements, we

will join others in celebrating new services that add real value for all in the market.

With many thanks for your consideration,

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jordan Carter', with a stylized flourish at the end.

Jordan Carter
Chief Executive
InternetNZ

For further information or other matters in respect of this submission, please contact:

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