



Vodafone New Zealand

**Cross Submission** on Section 30R review of  
Chorus' Unbundled Bitstream Access Service

15 December 2016



1. Vodafone welcomes the opportunity to comment on the submissions provided in response to the Commission's draft decision for the s 30R review of the UBA STD. Below we provide a brief response to comments made on the link utilisation thresholds and the 10GigE handovers.
2. We also support Chorus' proposal to begin a Schedule 9 process to consider any operational concerns and are happy to participate in this process.

## Link utilisation thresholds can be lowered

3. Submissions have demonstrated that a lower link utilisation threshold is both desirable and achievable. We support the comments made by 2 Degrees, Spark and Vocus, highlighting that a 95% threshold will cause considerable congestion, and that a lower threshold is more appropriate.
4. Crucially, Chorus' submission confirms that a lower threshold is workable. As they note, "99.4% of our Ethernet fibre-based LAPs have utilisation below 50% and none of the almost 8,000 LAPs exceed 80%".<sup>1</sup> An utilisation threshold of 85% should therefore not cause them any problems from an operational perspective, but will provide a level of assurance that, should circumstances change, congestion will not creep upwards.
5. To align with this lower threshold, we agree with other submitters that reporting of utilisation plans should begin at 75% utilisation.

## No exceptions to utilisation reporting thresholds

6. We do not agree with Chorus' proposal to only disclose approved utilisation plans. This exception would allow Chorus to not disclose their plans by simply delaying the approval process.
7. Instead the onus of ensuring that all plans are approved by the time the utilisation thresholds are reached should sit with Chorus. As they note in their submission, they begin the planning process when utilisation hits 60%,<sup>2</sup> which

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<sup>1</sup>Chorus, 'Submission on Draft Determination in Section 30R review of Chorus' Unbundled Bitstream Access Service, 29 November 2016, paragraph 16.

<sup>2</sup> Chorus, 'Submission on Draft Determination in Section 30R review of Chorus' Unbundled Bitstream Access Service, 29 November 2016 paragraph 16.



should provide ample time to have approved plans before reaching 75% utilisation.

## Treatment of the ATM network

8. We agree with Internet NZ that the ATM network is poorly defined, so it is not a good basis on which to exclude the link utilisation requirements. The confusion about the scope of that part of the network was highlighted in Chorus' submission. Chorus expanded the definition to include the ATM network and all non-fibre based LAPs.<sup>3</sup> At no point does the draft decision extend the definition to cover all non-fibre based LAPs, and if it did we would not support this definition as it would be too wide.
9. 2 Degrees suggestion to exclude only those geographic areas covered by RBI or MBI funding is more robust. This better aligns with the Commission's objective of excluding areas subject to RBI funding. This approach also offers a robust definition of the geographic area covered, avoiding pointless debates in the future.

## 10 GigE handovers

10. There was broad support in submissions for the Commission to reconsider the 10GigE handover price. 2 Degrees and Vocus highlighted that the price is not cost based, and that more updated numbers would likely result in a more accurate result. As per our submission, section 30P allows this sort of update to the price without opening up the entire FPP model.
11. We disagree with Chorus' suggestion that the cap on the price of 1GigE handovers at 10GigE prices should only apply where there are no 10GigE handovers present. Given the rapid increase in data requirements, there will be some handover locations that will require multiple 10GigE handovers. It is therefore important that Chorus faces the incentive to build a second, third or fourth handover. Capping the price of multiple 1GigE handovers at the 10GigE price is an effective way of doing this. Although we agree with Vocus that the current ratio of 1GigE to 10GigE prices weakens this incentive.

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<sup>3</sup> Chorus, 'Submission on Draft Determination in Section 30R review of Chorus' Unbundled Bitstream Access Service, 29 November 2016, paragraph 18.