

25 August 2016

Dear

**Letter to Parties - Initiating Determination Process for designated multinetwork service determination for Number Portability**

*Purpose*

1. The Commerce Commission (“Commission”) wishes to inform Voyager Internet that it is initiating the process for a designated multinetwork service determination (Determination) for the Local Telephone Number Portability Service (LTNPS) and Cellular Telephone Number Portability Service (CTNPS) under section 31AA of the Telecommunications Act 2001 (Act).
2. You have been sent this letter because you will be a party to the Determination.<sup>1</sup>
3. If the Determination is made it will set out:<sup>2</sup>
  - 3.1 the functions that must be performed by the system for delivering the designated multinetwork services and the standard to which those functions must be performed; and
  - 3.2 the formula for how the cost of delivering the service must be apportioned between the access seeker and all the access providers of the service.
4. Number portability allows users to transfer between telecommunication providers while retaining the same cellular number or the same local number within a local calling area.

*We consider there are reasonable grounds for initiating the process*

5. We may only decide to initiate the process for making the Determination if we are satisfied that there are reasonable grounds for doing so.<sup>3</sup> We consider that the reasonable grounds for initiating the process are as follows:

---

<sup>1</sup> “Parties” are defined in section 5 of the Act as “all access seekers and all access providers of the service (whether they became an access seeker or an access provider before or after the determination was made or the code was approved)”. The access seekers and access providers for LTNPS and CTNPS are further defined in subpart 2 of Schedule 1.

<sup>2</sup> Section 31AA(1).

<sup>3</sup> Section 31AA(2).

- 5.1** The current Determination offers end users free number portability, with the costs being absorbed by the service provider that gains the customer. This removes a barrier for end-users who wish to switch service providers and enjoy the benefits of competition. This also removes a barrier to entry for firms wishing to enter the market or expand their service offering. These benefits are consistent with the section 18 purpose of the Act of promoting competition for the long term benefit of end-users.
- 5.2** Ensuring that we issue a new determination before the current determination expires on 19 December 2016 will ensure continuity of the benefits of number portability and remove uncertainty and the risk of opportunistic behaviour during an unregulated period.<sup>4</sup>
- 5.3** Without the Determination there may be incentives for incumbent service providers to either not provide the service or to charge access seekers prices significantly above cost and hence create barriers to entry and competition.

*Request for comments*

- 6.** All parties to the Determination are invited to comment on the matter, in writing, no later than 2 September 2016.<sup>5</sup> After receiving written comments from the parties to the Determination, we will decide whether to proceed with making the Determination.<sup>6</sup>

*Proposed timeframe*

- 7.** Should we decide to proceed with making a new Determination, our current intention is to follow the process and timeline set out below:<sup>7</sup>

<b>Timing</b>	<b>Event</b>	<b>Statutory reference</b>
8 September 2016	Public notification of decision on whether to proceed Seek views from interested parties	Section 35
22 September 2016	Interested parties to provide views	Section 53(b)
20 October 2016	Issue draft determination Request submissions	Section 36
18 November 2016	Interested parties to provide submissions	Section 36(1)(d)(i)
Mid December 2016	Issue final determination	Section 39

<sup>4</sup> Provided the two services are not omitted from Schedule 1 of the Act at an earlier date – see section 62.

<sup>5</sup> Section 34(c).

<sup>6</sup> Section 35.

<sup>7</sup> Given the impending expiry of the current Determination, we do not intend to provide the maximum timeframes that are set out in the Act. Please note that timeframes are indicative only and are subject to change.

*Please contact us if you have any further questions*

8. If you have any further questions, please contact Neville Lord (Project Manager) on 04 924 3670 or [neville.lord@comcom.govt.nz](mailto:neville.lord@comcom.govt.nz).

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Gale', with a large, stylized initial 'S' and a period at the end.

Stephen Gale  
Telecommunications Commissioner