



Public Version

The Copper Withdrawal Code

Commerce Commission

14 February 2019

## Background

1. As outlined in our submission on the Specified Fibre Areas (SFA) process and issues paper, Spark supports proposals to ensure Chorus can remove copper from customers who have alternative options available to them.
2. The Copper Withdrawal Code (CWC) will provide protections to end-users at a per premise level, detailing the minimum consumer protection requirements for end-users of the following:
  - a. Copper fixed line access services in areas that are, or will become, specified fibre areas;
  - b. Chorus' unbundled copper local loop network; and
  - c. Chorus' unbundled copper local loop network backhaul services.

## Process

3. We support the Commission's intention to develop the CWC by the end of 2019. The Telecommunications Act 2001 (Act) requires that Chorus can only remove copper if the premise is in a Specified Fibre Area and provided it follows the requirements in the CWC. Since the initial assessment of Specified Fibre Area (SFA) is scheduled for the 20<sup>th</sup> December, it makes sense to have the CWC in place around the same time to allow Chorus to implement the copper withdrawal process in areas where it makes commercial sense to do so.
4. Under section 2 of the Act, the Commerce Commission can request the TCF to prepare the Code. We strongly request that the TCF be given the opportunity to create the CWC in the first instance as it has a closer understanding of the needs of end-users and the process issues which will need to be addressed to protect these users during a transition away from copper.

## Issues

5. Below we provide brief commentary on the principal issues we expect the CWC will need to cover off.

## Scope

6. The Code should only address issues which are specifically caused by the withdrawal of copper from existing customers. It should not be used to address general consumer issues as the Commerce Commission has other mechanisms to address these.
7. The Code should not apply to customers who are not subject to copper withdrawal. For example, if a customer voluntarily moves from copper to fibre, or copper to another technology such as fixed wireless broadband, as part of a BAU process, then the CWC should not apply.

## Defining "Access to" a fibre service

8. The CWC should be clear on what it means by 'access' to a fibre service and what it means for an anchor service to be 'available' for the end user to access. The approach taken to defining these terms will determine the extent of the protection that the CWC affords to premises in an SFA.

9. For example, there will be situations where the end user cannot connect to fibre even though it is technically both “accessible” and “available”. These could include factors beyond the customer’s control, such as a landlord or body corp preventing a tenant from installing fibre, or a neighbour down a right of way refusing to give permission for a Category 3 installation.
10. There is a policy decision to be made on whether Chorus can remove copper from these customers, or whether there needs to be other protections in place to prevent these customers being left without a broadband service, and the breadth of the definitions applied by the Commission to the terms “access to” and “available” will determine the gravity of that policy decision.

#### **Defining “Connect within a reasonable timeframe”**

11. It would also be useful for the CWC to set out the number of days which would be considered a ‘reasonable timeframe’ for an end user installation. Without this Chorus may let installation timeframes slip and tie customers to existing technologies. These would not be acceptable consumer outcomes. Instead Chorus should be helped to account for timely installations to avoid customers placing orders and then having to wait inordinate amounts of time before their fibre is finally installed.

#### **Defining “Reasonable notice” of withdrawal of copper services to end users**

12. Consumers will effectively be ‘on notice’ that their copper service could be withdrawn from the time an area is determined to be an SFA. Details about the timeframes for a specific withdrawal of a copper connection should be available at least 6 months in advance to give consumers time to understand the options available to them and make the appropriate migration choice.
13. It may be that consumers need longer than 6 months and we would like to keep this figure under review and update it if needed based on practical customer feedback.

#### **Reasonable notice of withdrawal of copper services to the access seeker, fibre service providers**

14. RSPs (both the losing copper RSP(s) and the potential new fibre RSP) need to be aware of the copper withdrawal ahead of the customer notification. RSPs need time to prepare information for specific customers, including the migration options available to them and timeframes for a move.
15. The lead time needed by these businesses depends on a number of factors. The main ones being the number of premises being notified in an area, and the number of areas being notified across the country.
16. For example, Spark would need a longer notice period if there were 100s of areas being notified with 1000s of homes in each area than if there were a single street of a dozen premises being notified.
17. The risk of mass migration is greater for larger RSPs who need to move more of their customers. If these orders are delayed or face problems then it is often the RSP that gets the blame (and faces brand damage) even if the cause of the problem lies with Chorus. As part of notifying industry of its intent to withdraw copper in an area, Chorus must confirm that it has adequate resources in place to actually migrate and connect those customers successfully within a reasonable timeframe.

#### **Responsibility for consumer contact**

18. RSPs own the customer relationship and it is possible customers will be confused if they are contacted by multiple parties leading up to a migration. The Code should be very clear on who

can contact the customer, and when. Ultimately it should be the end-user who places the order to move their service to their fibre provider (or alternative technology provider) of choice.

#### **The meaning of 'no cost to end user'**

19. The withdrawal of the copper network is a commercial decision by Chorus and Chorus is the main beneficiary as it avoids duplicating network costs. It is therefore appropriate that fibre installations should be at no cost to the end-user.
20. The CWC should make it clear that the no cost installation only applies to the fibre installation element ie RSPs can still charge for things like fibre modems etc and there is no funding for customers to upgrade their in home equipment (eg legacy alarms).

#### **What happens to people who refuse to connect?**

21. The CWC should describe the process for how copper can be removed from customers who refuse to connect to an alternative technology.

#### **What happens to people who cannot connect due to a third party issue?**

22. The CWC should describe the process for how copper can be removed from customers who cannot be connected due to a third party issue such as landlord consent or a neighbour refusing to give consent on a third party property.

#### **Systems implication of changes to processes and systems**

23. Changes to processes, prequal information will require system changes by Chorus and industry. Time is needed for industry to agree and implement these changes.

#### **Legacy services need to be defined in the CWC**

24. The Commission should list what it considers to be legacy services in the CWC so that it is clear to end users what services will no longer be supported on the network. This list should include fax machines and copper based alarms.