



14 February 2018

Sam Norton
Telecommunications Branch
Commerce Commission

By email regulation.branch@comcom.govt.nz

Dear Sam

Determining Specified Fibre Areas - Process and Issues Paper

Thank you for the opportunity to comment on the Commission's *Determining Specified Fibre Areas Process and Issues paper*.

Vodafone has contributed to, and supports the recommendations in the detailed submission made by the TCF. We support the efficient migration off legacy copper services to Next Generation networks – whether fibre, fixed wireless or mobile. Promoting the use of Next Generation networks will ensure that New Zealanders can enjoy improved performance, reliability and new services.

Vodafone continues to encourage existing customers to migrate off copper-based broadband services on a commercial basis. In the ultimate transition and switch-off under the Telecommunications Act, the regulatory migration process must be orderly, carefully managed, and reasonably protect the impact on existing end-users.

As the TCF submission identifies, there are two steps required that will allow Chorus to withdraw copper services:

- (1) the copper service falls within a Specified Fibre Area (SFA); and
- (2) Chorus meets the obligations under the Copper Withdrawal Code (CWC).

The SFA should be a broad geographic area. For simplicity, the Commission should consider aligning its approach in determining SFAs with Crown Infrastructure Partner's approach under the Chorus and Local Fibre Providers (LFCs) NIPAs.

We support the broader test for the SFA, being a fibre service being available at premises passed. This is on the assumption that the more granular CWC will ensure that reasonable safeguards exist for customers who face practical challenges to connecting fibre in UFB areas, such as rights of way, and rental premises.

The Telecommunications Act requires that copper services within the SFA continue to be regulated under Schedule 1 of the Act, including under the UBA and UCLF Standard Terms Determinations.



Chorus has suggested that this ongoing obligation is inconsistent with the broader purpose of the Act, as the SFA does not deregulate copper access. We do not agree with that view. The SFA, once granted, does pare back Chorus' existing regulatory obligations:

- (1) Chorus wholesale TSO obligation is removed. Chorus loses the existing regulatory obligation to connect new customers in the copper network footprint that was available in 2001. Copper services effectively become grandfathered, with only existing customers continuing to receive the existing protection of the STDs.
- (2) Existing UBA and UCLF terms are fixed once a SFA is determined. Uncertainty from the reconsideration risk is removed.

Vodafone is committed to delivering our customers with high quality services, and migrating off older technologies such as copper. Despite STDs continuing to apply, Chorus and RSPs will work together to migrate customers through existing incentives - just as occurs today.

We agree with Commission's proposed approach to the review of SFA areas, with an annual review, limits on supplementary mid-term reviews, and alignment between reviews of Chorus and LFC reviews. This will make it administratively simpler for Retail Service Providers, and the terms of service available at a particular property at a specific point in time.

In respect of SFA publication, we recommend that Chorus and LFCs be required to update their RSP data feeds at the same time as the Commission publishes its SFA decision when the amended obligations will apply.

Should you have any questions, please contact me.

Kind Regards

A handwritten signature in blue ink, appearing to read 'Chris Abbott', is located below the 'Kind Regards' text.

Chris Abbott
Head of Public Policy
Vodafone New Zealand Limited