

3 June 2016

UBA section 30R review workshop agenda

Purpose and objectives

1. This workshop is the next step in the consultation process for preparation of our draft determination. The purpose of this workshop is to:
 - 1.1 provide parties with the opportunity to present their views on solutions to amending the UBA STD in line with their submissions on our process and issues paper; and
 - 1.2 help us understand the changes that parties consider necessary to make the UBA STD fit for purpose.
2. We intend for this workshop to be an open discussion of the key issues arising from submissions to assist parties in developing solutions for proposed amendments to the UBA STD in their cross-submissions.

Workshop format and process

3. We will use a round table format to allow an open discussion and exchange of information between workshop participants. Views expressed by parties at the workshop may inform our draft decisions.
4. Any views expressed by our staff are for the purpose of stimulating discussion, and are not intended to reflect the views of the Commission. The Commission position will be provided in the draft decision which is scheduled for August 2016.
5. The workshop is not recorded or transcribed. Minutes will be taken at the workshop and published on our website.
6. There are no closed sessions for participants providing confidential information during the workshop. If parties wish to discuss confidential information at the workshop, they can contact Matthew Clark, via telco@comcom.govt.nz.
7. The workshop will be held at the Royal Society, 11 Turnbull Street, Thorndon, Wellington, on 15 June from 9.00am – 1.30pm.

Anchor product regulation

8. To assist parties with preparation for the workshop, we would like to clarify our discussion of 'anchor' product regulation in the process and issues paper.
9. Our consideration of the UBA service as an 'anchor' product was not intended to suggest an altered approach to regulating the UBA service, or to introduce a range of

regulated UBA variants. Rather, our view is that as the dominant wholesale bitstream input in the market, the UBA service acts as an ‘anchor’ on the development of competing bitstream services/networks. Therefore we consider it important to appropriately specify the service so as to best give effect to the section 18 purpose.

10. As explained in our process and issues paper, a regulated UBA service that is improperly specified may result in outcomes that are not to the long-term benefit of end-users.¹ A regulated UBA service that is over- or under-specified may not best give effect to the section 18 purpose statement by imposing inefficient costs on end-users or, alternatively, incentivising inefficient investment in competing networks/services.
11. Accordingly, we are seeking views from parties on how, if required, we update the UBA STD to make it fit for purpose (ie, ensuring the service is future proofed, there are appropriate incentives to invest and innovate (as appropriate), and relevant FPP considerations).

Agenda for UBA 30R review workshop

Start	Session topic and discussion points	Duration
9.10	Welcome and agenda	10 minutes
9.20	Industry presentations (confirm all Wednesday) <ul style="list-style-type: none"> • Chorus • Spark • Trustpower 	40 minutes
10.00	Framework for review (making the UBA service fit for purpose) <ul style="list-style-type: none"> • What the regulated service is/isn’t • Section 18 considerations 	30 minutes
10.30	Morning tea	20 minutes
10.50	Framework for review (making the UBA service fit for purpose) – continued	30 minutes
11.20	Amendments, if required, to make the UBA service description fit for purpose	60 minutes

¹ Commerce Commission “Section 30R review of the UBA standard terms determination – Process and issues paper” (7 April 2016), paragraphs [39]-[45].

	<ul style="list-style-type: none"> • Key features of the UBA service • How to reflect evolving UBA service in STD • Relevance of FPP inputs • Role of international best practice 	
12.20	<p>Transparency of Chorus systems for ancillary charges (for example, connection and no fault found)</p> <ul style="list-style-type: none"> • Current reporting process for ancillary charges • Application of ancillary charges • Relevance of FPP to application of ancillary charges 	50 minutes
1.10	<p>Other matters (if time allows)</p> <ul style="list-style-type: none"> • How to price 10GigE handover, if added to the UBA STD • Updating clause 10 of the General Terms to provide clarity to the assessment of new commercial variants 	15 minutes
1.25	Final comments and next steps	5 minutes

Questions for parties to consider in their presentations and for discussion at the workshop

12. What the regulated UBA service is/isn't at the moment?

12.1 For Chorus presentation:

12.1.1 Explanation of what the service it currently provides, including any minimum throughput guarantees, traffic management.

12.1.2 Explanation of Chorus' investment in the regulated UBA service since the UBA STD was published, and any planned investment in the regulated UBA service, including augmenting capacity on its network.

13. How does the regulated UBA service best give effect to the section 18 purpose?

14. What specific changes are required to the UBA service to ensure the service is fit for purpose?

14.1 Please specify how the service should evolve over time.

14.1.1 What are the key features which need to adapt?

14.1.2 How should these changes be implemented?

- 14.2 What data is relevant from the FPP to update the service description (if any)?
 - 14.2.1 If you believe that the FPP data is irrelevant for this process, what data is relevant for determining non-price terms? Would this approach require a reconsideration of the UBA price?
- 14.3 What role can international best practice play in setting specific on-price terms for the UBA service?
15. If we were to add a 10 GigE handover to the price list, what's your view regarding the price?
16. How do your proposed changes to the UBA STD provide clarity between the regulated UBA service and potential commercial variants?
17. What specific changes are required to clause 10 of the General Terms to provide greater certainty to the process for considering a new UBA variant?
18. For parties that have suggested forming a working party to develop transparency obligations, can you please provide us with an expected timeframe to provide us with recommended changes to the UBA STD.
 - 18.1 Do other parties support forming a working party to progress these issues?