



Te Taitokerau Iwi CE Consortium

16 Mangakahia Road
PO Box 263, Kaikohe
Aotearoa
New Zealand

Tel: 09 401 5530
Fax: 09 401 5543
www.ngapuhi.iwi.nz



920/14/36/2

30 April 2009

ICT Regulatory Group
Energy and Communications Branch
Ministry of Economic Development
PO Box 1473
WELLINGTON

Attention: Brian Johns

Email: brian.johns@med.govt.nz

By Email only

Re: Taitokerau Iwi CE Consortium Submission to the Ministry of Economic Development relating to Telecom's Proposed Variation to the Company's Operational Separation Undertakings

Dear Sir/Madam,

The Taitokerau Iwi CE Consortium is pleased to provide the following comment to the Ministry of Economic Development on Telecom's proposed amendments to its Operational Separation Undertakings to achieve a more optimal approach to the delivery of equivalence for Telecom wholesale products.

The Taitokerau Iwi CE Consortium, whilst agreeing with a number of minor administrative amendments proposed by Telecom, is not supportive of the proposed move to delay delivering equivalence for customer-facing systems until its internal back-end non-customer facing systems have been upgraded, as this is seen as a move by Telecom to simply regain its market monopoly, stifle new entrants and subsequently impact Northern Maori, Iwi and Hapu.

Taitokerau Iwi CE Consortium

The Taitokerau Iwi CE Consortium has been in existence since 2002 and represents a strategic alliance between the following Taitokerau Iwi formed through the bonds of whakapapa and tikanga to focus on achieving economic, social, environmental and cultural wellbeing for Maori within Northland:

- Te Runanga o Te Rarawa
- Te Runanga o Ngati Whatua
- Te Runanga A Iwi o Ngapuhi
- Ngati Wai Trust Board
- Te Runanga o Whaingaroa

- Te Runanga A Iwi o Ngati Kahu
- Te Aupouri Maori Trust Board

On 21 April 2009 our Consortium Board Chairs formally recognised telecommunications as a key enabler and tool with which to achieve socio-economic growth, sustainability and wellbeing within the Northland region and approved a telecommunications strategic plan for Northern Iwi to achieve the Taitokerau vision of economic prosperity and wellness for Maori within Northland by 2025.

Background

The Te Taitokerau Iwi CE Consortium Telecommunications Strategic Plan includes:

- Linkages between investment in telecommunication skills and expertise, infrastructure, business processes & assets and the achievement of Taitokerau’s 2025 vision of socio-economic growth, sustainability and wellbeing for Northern Iwi;
- Strategies for sustainable capacity building in education, employment, business tikanga, innovation and business enterprise relating to the telecommunication sector to best meet Taitokerau Iwi socio-economic needs;
- Strategies for the development of appropriate levels of sustainable telecommunications infrastructure (wired and wireless) across all of Northland to best meet Taitokerau Iwi socio-economic needs; and
- Strategies for the development of appropriate business processes and protection of telecommunication related assets to best achieve the economic, cultural and He Tangata outcomes sought in Taitokerau’s vision of economic prosperity and wellness for Maori within Northland by 2025.

For new entrants to be successful in a rapidly changing environment there needs to be regulatory certainty for them to invest in the evolving market. The Taitokerau Iwi CE Consortium fully supports the Government’s requirements for phased delivery of service equivalence, and believes it to be important that progress milestones for equivalence be maintained in order that long term benefits for end users can be realised, including the achievement of a level playing field for new entrants such as Northern Iwi.

Comment

Schedule 1 Part A – Section 1.1 Pages 1-4 - proposed amendments agreed.

Schedule 1 Part A – Section 5.1 Pages 16-18 - proposed amendments agreed.

Schedule 1 Part A – Section 5.1 Page 19 - proposed amendments to move UCLL consumption as an input to the supply of UPC services from 31 Dec 09 to 31 Dec 10, and as an input to supply of BUBA and EUBA without POTS from 31 Dec 09 to 30 Jun 10, not agreed. The original date of 31 Dec 09 should be retained.

Schedule 1 Part A – Section 5.1 Page 20 - proposed amendment to achieve UCLL consumption as an input to the supply of UNS services by 31 Dec 10 not agreed. This date should be aligned with the UCLL milestone of 31 Dec 09.

Schedule 1 Part A – Section 6.1 Pages 22-23 - proposed amendment to move achievement of UCLL backhaul consumption as an input to the supply of EUBA and BUBA to 30 Jun 2010 and as an input to the supply of UNS services to 31 Dec 10 not agreed. The original milestone of 31 Dec 09 should be retained.

Schedule 1 Part A – Section 8.1 Pages 25-26 - proposed amendments agreed.

Schedule 1 Part A – Section 8.1 Page 27 - proposed deletion of the pilot B2B Gateway and Online Portal for BUBA and EUBA with at least one service provider in each pilot not agreed. Notwithstanding Telecom’s intention to reuse CMO capabilities to facilitate the pilots, a commitment to supporting new entrant service providers should be maintained to prevent a delay in market achievement of competitive pressure.

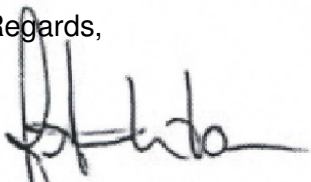
Schedule 1 Part A – Sections 8.1, 9.1 & 10.1 Pages 27-36 – Proposed new milestones and modification of existing milestones noted, however the achievement of internal Telecom back-end system milestones are an internal Telecom issue and as such should not be reflected in the Operational Separation Undertakings document. Key milestones associated with realizing customer-facing UCLL capabilities should remain extant.

In order to promote competition in the telecommunication market for the long-term benefit of end-users, the regulatory environment must be allowed to work, and in the time frame originally set. It appears from the amendments proposed by Telecom, as commented on above, that Telecom’s desire to delay UCLL target dates that may benefit market competitors from properly accessing wholesale services may be more to do with an attempt to realise its own market share by slowing down UCLL front-end services (useful to its competitors) until such time as its own back-end delivery systems and processes are in place, than to commit to timescales that allow competitors to gain any credible market share. It is considered that in depth analysis of Telecom’s proposed changes may show that the delays proposed may contribute to re-establishment of Telecom’s monopoly within the broadband market, counter to what is required by the legislation.

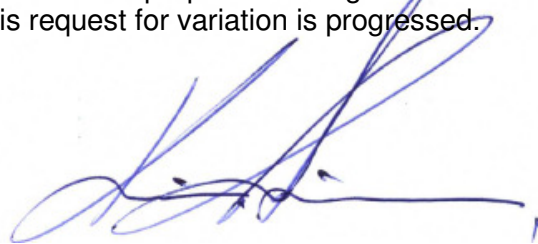
In conclusion, the Taitokerau Iwi CE Consortium agrees with a number of minor administrative amendments proposed by Telecom, but is not supportive of the proposed move to delay delivering equivalence for customer-facing systems until its internal back-end non-customer facing systems have been upgraded, as it believes the delays proposed may contribute to re-establishment of Telecom’s monopoly within the broadband market, stifle new entrants and subsequently impact Northern Maori, Iwi and Hapu.

Thank you for the opportunity to comment on the proposed changes. We look forward to engaging further with the government as this request for variation is progressed.

Regards,



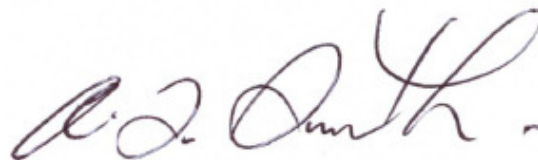
Teresa Tepania-Ashton
Chief Executive Officer
Te Runanga A Iwi o Ngapuhi
On behalf of the Taitokerau Iwi CE Consortium



Kevin Robinson
Chief Executive Officer
Te Runanga o Te Rarawa
On behalf of the Taitokerau Iwi CE Consortium



Allan Pivac
Chief Executive Officer
Te Runanga o Ngati Whatua
On behalf of the Taitokerau Iwi CE Consortium



Addie Smith
Chief Executive Officer
Ngati Wai Trust Board
On behalf of the Taitokerau Iwi CE Consortium