

Do you agree with the way this paper defines convergence? Why/why not?

Yes, but although we obviously need to focus on New Zealand, in the 21st Century cross-border transactions are both more important and also far less visible to ordinary everyday people. Therefore when considering convergence we must also consider how we are converging with the rest of the global community.

Do New Zealand's current regulations and policies need to change to account for convergence? Why/why not?

Yes. Although some good work has been done in the last decade there are still many areas of law that struggle to keep up with the pace of changes brought about by technology.

Do you agree with the proposed convergence work programme?

Yes.

Should the Government be doing anything else to address convergence?

One area the government will consider is how to increase consumer choice and accessibility. Consumers in the telecommunications market have benefited enormously from the mandatory introduction of number portability. As a core network design engineer at a telco, I can attest that it was not without technical challenge. However, it has undeniably been a force for good in terms of increased competition.

I believe consumers would benefit in the same way from portability of other services. Two in particular come to mind. Firstly, transaction and credit card account numbers. The biggest barrier to changing financial institutions is the same as the barrier to changing telecommunications services used to be: telling everyone your new account numbers.

In principle charging to accounts operates no differently to terminating a phone call - the account number prefix identifies the bank and branch, for a bank account, or the card issuer, for a credit card. Transactions are then routed to the correct institution for processing.

Account portability could be achieved using the same general solution as phone number portability: setup an industry-approved custodian of a national porting database and have all ported account numbers provisioned into it. Payments or charges to ported accounts would be routed through the payment networks by adding the equivalent of a routing number to the account number before sending it to the correct institution. International payments can be handled the same way; the SWIFT network codes also identify bank and branch. The losing institution would simply forward the transaction to the gaining institution for processing, and pass back the results.

The second issue we should consider is more challenging - email address portability. Inasmuch as New Zealand has no direct authority over the internet at large, no government edict can make it happen. But we have an opportunity to be world leaders by influencing standards to include it.

What barriers are you aware of that prevent you from benefiting from, or responding to, convergence?

There are many businesses and other organisations, not just in New Zealand, but globally, that are trying to cling onto business models and rights that made sense in a world where London or New York were days or weeks away. But in the 21st century where increasingly business is transacted via the internet, national borders and indeed distance are less relevant.

Instead of increasing punishments for people who want to, for example, bypass Sky TV's extortionately expensive TV service by watching US Netflix, we should be legally enshrining the rights of the people to do exactly that. I am not advocating piracy; I am simply suggesting that I should be allowed to pay whoever I want to pay for such a service rather than being forced to pay Sky, or any other local provider.

The government has every right to consider the GST and/or duty implications, but our local services should only expect to survive by being *good*, not because people are punished for not using them.

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