

ISPANZ *update*

October/November 2007

Progress on peering

A letter from the President

ISPANZ continues to progress local peering discussions with Telecom.

Ever since full national peering with Telecom and TelstraClear ceased back in 2004 there has been debate about getting back to that arrangement. However, that is not on offer and appears unlikely to be able to be achieved directly.

ISPANZ last year took the position of seeking regional peering as a way forward, and the Directors have been working towards that end.

Telecom, likely for reasons political or that possibly relate to future IP services such as VoIP, has put forward a local peering proposal. This has been modified somewhat through consultation with ISPANZ.

The remaining debate centres on whether what is on offer is too fragmented to be useful or unacceptably favours Telecom, and whether it could be improved by further negotiation.

It would appear unwise to turn away an opportunity to increase peering (of any form) on the New Zealand Internet. The Directors recognise that the current proposal does not meet all needs right now, but they also recognise incremental wins over time are more achievable than waiting for the perfect solution all at once. To borrow a phrase from Winston Churchill; "Now this is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning."

"The end of the beginning" as an agreement may also put pressure on TelstraClear to also take a step back to peering in some form.

It is my view that if we turn our backs to the Telecom proposal it will be the beginning of the end. Over the last few months, the concept of peering has had an incredible level of scrutiny by a number of stakeholders, including InternetNZ.

InternetNZ put together a carefully constructed report for the industry and public to provide feedback on. It's fair to say the feedback has been minimal. Combine this with being unable to agree on even a partial solution with Telecom, and it is my view that the peering argument risks becoming irrelevant.

However, it would be great if there was unanimity on the final position from ISPANZ members. So let us summarise the main points and consider the possibilities of the arrangement in the hope that any remaining issues can be resolved further on down the track:



Xtra email problems

Telecom Xtra's email problems have caused problems for other ISPs, an issue picked up in the media towards the end of November.

It appears that the YahooXtra email service has been misclassifying large quantities of genuine email from the New Zealand public and businesses as Spam.

The problem has arisen since Telecom moved its email servers to Australia under the YahooXtra arrangement. ISPANZ has requested that Xtra correct its email filtering policies in order to reduce the misclassification of New Zealand originated email.

Telecom's answer has been to push the problem onto ISPs and their customers, rather than deal with it themselves.

ISPANZ President Jamie Baddeley says this would be an unworkable and unacceptable impost on ISPs and customers.

"Telecom is expecting all ISPs and customers with email servers to fill in multiple forms on a regular basis in order to ensure email is not misclassified. The Internet is dynamic, making this impractical, and besides which this is a problem of Telecom's creation."

"It is unbelievable that at a time when email has become an essential service for businesses, that Telecom would allow this situation to drag on. The impact on business productivity to date is likely to have been huge."

ISPANZ meet at NZNOG

There will be an ISPANZ gathering for members and potential members during the NZNOG (New Zealand Network Operators Group) event in Dunedin in January. NZNOG runs from Wednesday 23 to Friday 25 January, and the ISPANZ meeting will be at 5.45pm on Thursday 24.

Time to rate Telecom

The ISPANZ Scorecard, which rates Telecom's performance across a range of categories of interest to ISPANZ, is being updated in the week prior to the Christmas break. All ISPANZ members are asked to rate each category out of 10 for a total score out of 100. The average scores will form a basis for further discussion with Telecom so please make sure you respond.

ISPANZ working groups

Working groups are an easy way to become more involved:

Broadband Reform - Working with Government and Telecom for a vibrant wholesale market.

Operational Support - About encouraging Telecom to provide a higher level of operational support.

Backhaul and Interconnection Dealing with congestion, efficiency and scalability of network interconnection.

ICOP - Involvement in Internet Code of Practice, being developed by InternetNZ.

Peering - Supporting and helping to facilitate the re-introduction of local peering.

Membership Participation

Increase participation of the members in ISPANZ activities.

- Telecom's offer divides New Zealand into 29 local regions in line with the architecture for its NGN network. It is prepared to bilaterally peer its traffic from those regions and each ISP can define for itself what it regards as the local traffic that it is peering with Telecom.
- Telecom has proposed charges through to its adjacent regions that would result in a total lower price than a full transit deal. An agreement cannot be reached until those "step" charges are known and it remains an ISPANZ goal to have them eliminated in order to reduce the number of peering points and maximise the region size. These draft step charges are due next week.
- ISPANZ can nominate 10 of the peering points where Telecom will come; for the rest of its 29 points a peering connection would require a shared cost between the ISP and Telecom.
- Through a process of trading Telecom routes, ISPANZ members could conceivably build up a result similar to national peering and reduce transit costs. For example if one ISP were to cover an area down South, they could trade access to those routes settlement free with an ISP covering an area somewhere North - using the WIX as a main exchange. Thus national peering through just a few regional exchanges may be possible through cooperation. This is an important point for ISPANZ members to consider.
- Notwithstanding that, if the remaining 19 peering points and associated Xtra customers were simply ignored and left on national transit interconnects, there are still 10 areas where Telecom is offering to peer locally - which could amount to up to 1.2 million Xtra subscribers on a cost neutral basis. We would be crazy to say no!
- We accept not all ISPs would benefit to the same degree, as it depends on how much you host content versus "connect eyeballs" to content, but this is the beginning not the end of the story.
- Continuing pressure on Xtra regarding the offshoring of Xtra email needs to be applied. Xtra announcing the email servers at the exchange points would be a good thing.
- Telecom declines to peer Corporate Internet Direct (CID) on the basis that it is a legacy product that won't be sold from December next year. Their rationale for this is that CID is simply not built to integrate with a peering world, and they need to release a new product. Whether that is true is arguable, but arguing about it won't make them peer CID.

Finally, this letter is written in the hope that we can look forward to a future where through cooperation between ISPANZ members we are able to overcome limitations of what a telco can deliver.

Regards
Jamie Baddeley

Disclosure: Jamie is GM Internet Services at FX Networks, which is actively discussing implications of Telecom's proposal with its customers and potential customers.

If you have any queries on the information in this newsletter or actions for ISPANZ to consider please contact the directors individually, or jointly at directors@ispanz.org.nz