

The Commerce Commission
Wellington
My Submission on

Feedback sought on approach to determining financial loss asset for new fibre regulatory regime

It appears that the Commission is charged under section 177 of the Telecommunications Act 2001 to make a determination how great the so-called financial loss asset of the firm Chorus would be. And the commission would then allow a certain percentage or sum the firm could charge subscribers to their service.

I object to the whole process of determining such so-called loss and even worse, to call such so-called loss an asset. One could of course argue that this “loss” at least will be regulated by a state department, and not left to the so-called free market. On the other hand, this determination by the commission gives a degree of certainty to the company, which the company can incorporate into their balance sheets. This in turn means that the state to a degree guarantees the income of that company. But it will be not just the state, but the taxpayer, as the service of that company is a near monopoly, and there will be hardly any choice for consumers/taxpayers to go elsewhere, thus the consumer would subsidise the company.

To find yourself in such a situation –created by the state—is against the principles of Natural Justice!

This whole matter only shows that the government of the time (Key) out of political expediency created this situation.

The company will most likely be able to write off certain losses when it comes to paying taxes; that should be enough.

To give the company access to another stream of income through the suggested process is unacceptable, and only shows, who had favoured whom

On another note: It seems that the Commission has a certain degree of bias, when it calls the so-called Ultra-fast broadband more reliable-----that is not so! The broadband supplied over the copper network performed very well over the past COVID-19 lock-down time, as shown by the Commission’s own contractor “Sam Knows”.

There is not need to replace the copper network with a fibre-optic one-----only for political expediency there is.

I reject the proposed measure by Commerce Commission.