



COMMERCE COMMISSION

**CLARIFICATION OF THE STANDARD TERMS DETERMINATIONS ON
TELECOM'S UNBUNDLED COPPER LOCAL LOOP NETWORK SERVICE
AND SUB-LOOP UNBUNDLED COPPER LOCAL LOOP NETWORK SERVICE**

DECISION NO. 697

Clarification under section 58 of the Telecommunications Act 2001 (the 'Act')
of Decisions 609 and 672

The Commission:

Dr Ross Patterson
Anita Mazzoleni
Gowan Pickering
Pat Duignan

Summary of Application and Initiation: The Commission received applications for clarification from Telecom (Chorus) to clarify Decisions 609 and 672 with regards to the applicability of the special rate for bulk connections and transfers.

Date of clarification:

7 September 2010

Request for clarification

1. The Commerce Commission acting under the Telecommunications Act 2001 (the ‘Act’) has made the following standard terms determinations:
 - a) Telecom’s unbundled copper local loop network, Decision 609, 7 November 2007 (‘**UCLL STD**’); and,
 - b) Telecom’s unbundled copper local loop network service (Sub-loop UCLL), Telecom’s unbundled copper local loop network co-location service (Sub-loop Co-location), and Telecom’s unbundled copper local loop network backhaul service (Sub-loop Backhaul), Decision 672, 18 June 2009 (‘**Sub-loop STD**’).
2. On 16 July Telecom (Chorus) sent clarification applications to the Commission requesting that amendments to the UCLL and Sub-loop STDs be made by the Commission under section 58 of the Act. These clarifications had been considered by the Telecommunications Carriers’ Forum (TCF) Working Party on 24 June 2010 and approval was given subsequently for these amendments by the parties in attendance – Vodafone, TelstraClear and Telecom.

The Commission’s Decision

3. The Commission’s Decision is that the service components 1.1, 1.2 and 1.3 of both the UCLL and SLU Price Lists be amended to include the word ‘simultaneous’ so that it is clear that the bulk rate is applicable for 20 or more simultaneous new connections or transfers at the same Exchange/Distribution Cabinet.

Analysis

4. The UCLL and Sub-loop STD decision documents are clear that the bulk rate is applicable when a certain number of transfers or new connections are done simultaneously.
5. Paragraph 293 of Decision 609 states that:

“Given a single ‘MPF Transfer’ charge of \$74.83 per transfer, the Commission has determined that the one-off charge for bulk transfers is \$56.12 per transfer (i.e. single rate less 25%), to apply where 20 or more connections at the same exchange are **simultaneously** transferred [emphasis added].”
6. Paragraph 149 of Decision 672 states that:

“For bulk transfers (for 10 or more **simultaneous** transfers), a bulk transfer rate of \$97.67 per transfer was determined, based on applying a 25% discount to the single transfer rate, as was the case for the full UCLL service [emphasis added].”
7. The wording in the UCLL and Sub-loop Price Lists does not however refer to the fact that the transfers or new connections need to be simultaneous, so Telecom (Chorus) have proposed that the word ‘simultaneous’ be included after ‘more’ in the charge column for service components 1.1, 1.2 and 1.3, as shown in the following table.

Service Component	UCLL Price List	Sub-loop Price List ('Charge' column)
1.1	<p>\$225 (individual new connection where site visit required)</p> <p>\$74.83 (individual new connection where no site visit required)</p> <p>\$56.12 (bulk rate for 20 or more <u>simultaneous</u> new connections at the same exchange where no site visit required)</p>	<p>\$258.94 (individual new connection where End User site visit required)</p> <p>\$108.77 (individual new connection where no End User site visit required)</p> <p>\$81.57 (bulk rate for 10 or more <u>simultaneous</u> new connections at the same Distribution Cabinet where no End User site visit required)</p>
1.2	<p>\$74.83 (individual transfer)</p> <p>\$56.12 (bulk rate for 20 or more <u>simultaneous</u> transfers at the same exchange)</p>	<p>\$108.77 (individual transfer where no End User site visit required)</p> <p>\$81.57 (bulk rate for 10 or more <u>simultaneous</u> transfers at the same Distribution Cabinet where no End User site visit required)</p>
1.3	<p>\$74.83 (individual transfer)</p> <p>\$56.12 (bulk rate for 20 or more <u>simultaneous</u> transfers at the same exchange)</p>	<p>\$108.77 (individual transfer where no End User site visit required)</p> <p>\$81.57 (bulk rate for 10 or more <u>simultaneous</u> transfers at the same Distribution Cabinet where no End User site visit required)</p>

8. It is the Commission's view that these amendments reflect what was intended in Decision 609 and 672, and will ensure that there is no dispute or disagreement between Telecom (Chorus) and Access Seekers as to when the bulk rate (and therefore the cost saving) applies.

Decision

9. No appeal is pending in respect of the determinations proposed to be modified in this draft decision, satisfying section 58(1)(c) of the Act.
10. The Commission considers that the clarifications set out in this Decision are likely to best give effect to the purpose set out in section 18 of the Act.

DATED at Wellington this 7th day of September



Dr Ross Patterson
Commerce Commission

