

6 March 2013

To interested parties:

Timetable for the UBA price review

1. I am writing to you to seek your view of the implications, for the current UBA price review timetable, of the Government's recent announcement that the statutory review of the policy framework for regulating telecommunications services in New Zealand will now begin immediately.

Current status of the UBA price review

2. As required by s 77 of the 2011 Amendment Act, the Commission is in the process of determining a new cost-based price for the unbundled bitstream access (UBA) service under section 30R of the Telecommunications Act 2001. Under the current legislation, that price would have effect from 1 December 2014.
3. The 2011 Amendment Act required the Commission to make reasonable efforts to determine cost-based prices for the UBA services within one year of separation day (ie, by 1 December 2012).
4. The Commission released a draft UBA price review determination on 3 December 2012. We have now received submissions and cross-submissions on the draft determination.
5. The Commission recently updated its timetable for the UBA price review. Our current expectations are:

Conference	23-24 April
Final Decision	15-30 June

6. Following public notice of the Commission's determination of a new cost-based price for the UBA service, parties will have 25 working days to request that the Commission commence a price review in accordance with the final pricing principle for the UBA service. Under s 78(3) of the Amendment Act the Commission must make reasonable efforts to complete the final pricing principle—if called for—by 1 December 2014.

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The policy framework review

7. The Government announced on 8 February 2013 that it was bringing forward a review of the policy framework for regulating telecommunications services in New Zealand under section 157AA of the Telecommunications Act 2001.¹
8. In addition, the Government stated its intention that “both the implementation date for the cost-based UBA price set by the Commerce Commission and the deadline for the Commission to complete the UBA review is to be extended to a date no later than 30 November 2015, to allow time to give effect to any changes recommended by the regulatory review.” The Government has further stated that it intends to implement the change in dates through legislative change by the end of 2013.
9. You are invited to submit on the implications of the Government’s announcement on the appropriate timetable for completion of the UBA price review. Please provide your submission no later than 14 March 2013.

Yours sincerely



Dr Stephen Gale
Telecommunications Commissioner

¹ <http://www.beehive.govt.nz/release/review-provide-certainty-consumers-industry>