



POST P.O. Box 11-881, Wellington, New Zealand  
PHONE +64 4 495 2119  
FAX +64 4 495 2115  
EMAIL [office@internetcz.net.nz](mailto:office@internetcz.net.nz)  
WEB [www.internetcz.net.nz](http://www.internetcz.net.nz)

Dr Robert Deuchars,  
Chief Advisor, Regulation  
The Commerce Commission

Email [regulation.branch@comcom.govt.nz](mailto:regulation.branch@comcom.govt.nz)

24 August 2012

### **Unbundled Bitstream Access (UBA) – Price Review**

This submission is from InternetNZ (Internet New Zealand Inc).

#### **InternetNZ**

InternetNZ is a membership-based not-for-profit organisation and is the recognised delegated manager for the .nz country code top level domain.

Our mission is to protect and promote the Internet in New Zealand. We advocate the on-going development of an open and uncaptureable Internet, available to all New Zealanders. InternetNZ is non-partisan and is an advocate for Internet and related telecommunications public and technical policy issues on behalf of the Internet Community in New Zealand – both users and the Industry as a whole.

#### **Submission**

Thank you for the opportunity to make this submission. InternetNZ made a similar submission in relation to pricing of the unbundled copper local loop (UCLL). We note that the two pricing reviews are complementary, follow much the same requirement to establish a forward looking cost-based benchmarking approach and the Commission must consider the relativity between the UBA and Chorus UCLL services. Our submission is therefore short and restricted to answering the questions posed and does not repeat detail provided in our UCLL submission.

Question 1 Do you agree with the Commission's view regarding the absence of "similar Services" from the benchmarking criteria for UBA?

Answer 1 Yes.

Question 2 Given that both the UCLL price and the UBA price will be cost-based in future, are there any other considerations relevant to the relativity requirement?

Answer 2 No

Question 3 What should the Commission consider in its section 18 analysis of the price review of the UBA service?

Answer 3 The Commission took into consideration investment in the Ultra-fast Broadband (UFB) initiative in its determination of UCLL pricing in accordance with the new subsection 2A of section 18. We consider that consideration will flow through to the UBA pricing review as the Commission must consider the relativity between the UBA service and Chorus's UCLL service.

Question 4 Do you agree with the use of teledensity criteria for determining comparability?

Answer 4 Yes.

Question 5 Are there any other comparability criteria that could and /or should be used?

Answer 5 We are aware that submitters to the UCLL price review submitted at length on this topic and upon the set of countries that comprised the benchmarking set. We trust that the Commission has reviewed these submissions in detail and will take into account any other comparability criteria proposed at that time.

Question 6 If comparable countries that meet the comparability criteria are limited, what other information should the Commission gather in order to establish a price for the UBA service?

Answer 6 We consider that as the Commission must consider the relativity between the UCLL price and the UBA price that the UCLL price will be the most significant influence on the UBA price. Operators will be in a better position to comment upon the cost differences between UCLL and UBA – we look forward to seeing their submissions and commenting upon them in the cross-submission process.

Question 7 What key cost drivers do you think need to be taken into consideration when benchmarking the UBA service variants?

Answer 7 We consider that the approach outlined – i.e. to benchmark variants in accordance with the benchmarking criteria and if necessary impute the additional costs with reference to other wholesale broadband services that include prioritisation is a satisfactory approach.

Question 8 Do you consider there is any other appropriate approach for determining the price of the UBA variants?

Answer 8 We anticipate that operators will make detailed submissions on this question and they will have access to information that InternetNZ is not privy to. We consider that the Commission is best placed to review such submissions objectively.

Question 9 Do you agree that the Commission's proposal for adopting the UCLL STD core charges for the comparable UBA core charges is appropriate for the purpose of the UBA price review?

Answer 9 Yes

Yours Sincerely

A handwritten signature in black ink that reads "Vikram Kumar". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Vikram Kumar  
Chief Executive  
+ 64 4 495 2336  
vikram@internetcz.net.nz