

SUBMISSION ON THE UNBUNDLED BITSTREAM ACCESS PRICE REVIEW CONSULTATION



**24<sup>TH</sup> AUGUST 2012**

1. This brief submission is made jointly by CallPlus and Kordia.
2. We thank you for the opportunity to comment on the discussion paper on the UBA Price Review.
3. The pricing of UBA is a critical issue for CallPlus and Kordia as this service underpins the majority of our broadband services currently and for the foreseeable future and has a critical impact on our ability to compete in the market.
4. CallPlus and Kordia support the submission by Vodafone New Zealand Limited<sup>1</sup> and in particular we would like to highlight the following.
5. In transitioning to a cost-based pricing from a retail-minus pricing CallPlus & Kordia would expect a reduction in cost for the reasons highlighted in Vodafone's report. This move to cost-based pricing should see consumers benefit and encourage further uptake of broadband along with improvements in data caps and backhaul contention in New Zealand.
6. CallPlus & Kordia remain of the view that VDSL should have been included within the scope of the UBA determination, however the Commission has decided that this service is not covered by the determination therefore the Commission should exclude VDSL variants from the benchmarking.
7. Cost based UBA will not take effect until 30<sup>th</sup> November 2014 to allow a transition period for Chorus post separation. In general industry costs are declining over time and the Commission will need to factor into its thinking the delay in implementing the price review to ensure that an appropriate forward looking, efficient price is established.
8. If you have any questions on this submission please direct to the individuals below.

**Contact details** are:

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<sup>1</sup> Vodafone New Zealand Ltd "Changing the unbundled (UBA) service from retail-minus pricing to international benchmarking from jurisdictions using forward looking cost pricing – 24 August 2012

CallPlus Limited and Kordia Group Limited -Submission on the UBA Price Review Consultation discussion paper of 26 July 2012.

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