

12 March 2013



Dr Stephen Gale
Telecommunications Commissioner
L6 Vector Building
44 The Terrace
PO Box 2351
WELLINGTON, 6140

POST P.O. Box 11-881, Wellington, New Zealand
PHONE +64 4 495 2119
FAX +64 4 495 2115
EMAIL office@internetcz.net.nz
WEB www.internetcz.net.nz

Dear Stephen

Timetable for the UBA price review

Thank you for your letter of 6 March 2013 asking our views on the implications for the Commission's current UBA price review timetable.

The Government has brought forward the commencement date of the statutory review of the policy framework for regulating telecommunications services in New Zealand. The Government is fully entitled to do that, but any legislation resulting from the review is unlikely to be introduced for quite some time.

We consider that the Commission is obliged by the 2011 Amendment Act to continue both the UCLL and UBA determination processes. Notwithstanding the legal requirement to continue with the determination, we consider that the Commission should continue the determination process as it will provide significant information that will be of value both to the review and any future determination.

The Government has stated its intention to introduce legislation to extend both the implementation date for the cost-based UBA price set by the Commission, as well as the deadline for the Commission to complete the UBA review, to 30 November 2015. It has not indicated that it wishes to stop the Commission's determination process or change the basis of the determination. If the Government wished the Commission to stop these processes it would have signalled that it

would introduce legislation to that effect in 2013. Any legislation that may arise from the statutory review would be likely to arise after the completion of the determination, and so does not have any impact on the need for the Commission to complete it.

We are aware that Chorus and others have requested a price based on the final pricing principle for UCLL. The outcome of this process will flow through to the total UBA price. We also think it likely that Chorus or others will seek a price based on the final pricing principle for UBA - we imagine that there will be a significant overlap and a lot of complimentary work the Commission will do in this regard. We support the Commission conducting these reviews in tandem and pursuant to its legal obligations.

We would welcome the opportunity to clarify or expand on any matters in this letter if that is helpful to you or your staff.

With many thanks for your consideration,

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jordan Carter', with a stylized flourish at the end.

Jordan Carter
Chief Executive (Acting)

InternetNZ

04-495-2118 | jordan@internetnz.net.nz