

Submission from Simon Green:

Dear Sirs/Madams,

In regards to the regulation of pricing for monthly copper access fees chargeable by Chorus, I note that there are two conflicting price pressures, representing the different interests involved. Chorus wishes to keep prices high, firstly because in general, high prices are a good thing for Chorus, but also because Chorus feels that a low copper access price would discourage take up of UFB services. Whilst I personally feel this is a strawman argument - because many people most certainly would want to move to fibre services once they see how much better they are - it must be addressed.

The public interest is served by a lower wholesale cost, both in general, and as financial incentive for Chorus to get on with the UFB roll-out and complete it in the shortest possible time so as to increase revenues and reduce costs by migration to UFB services. In an ideal world, Chorus would like to discontinue the copper network completely.

These interests are conflicting but are not mutually exclusive.

The Commission should consider a split price model. Chorus is allowed to charge increased copper prices in areas already served by UFB - this alleviates Chorus' concern that there will be little incentive for subscribers in UFB areas to make the switch. In areas where Chorus has *not* completed (or does not plan to perform) a fibre rollout, a reduced copper access price more in line with Commission's earlier draft proposal should be enforced. This alleviates the public's concern that Chorus has little incentive to expedite the planned rollout or indeed expand upon it.

As a broadband customer approximately 500m from the end of the 'urban' zone, I find it insulting to have a punitively increased price imposed upon me for not taking up a UFB service Chorus has no plans to ever offer. I believe the split price model serves addresses everyone's complaints.

--

Cheers
Simon