



Media Statement

9 September 2011

COMMERCE COMMISSION MEDIA RELEASE – COMMISSION'S DRAFT DECISION RESULTS IN SMALL PRICE REDUCTIONS FOR UNBUNDLED COPPER LOCAL LOOP SERVICE

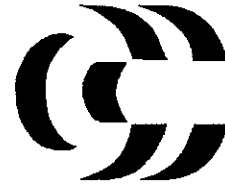
The Commerce Commission has today released the attached media statement in relation to the "Commission's draft decision results in small price reductions for Unbundled Copper Local Loop Service".

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COMMERCE COMMISSION

Media Release

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Commission's draft decision results in small price reductions for Unbundled Copper Local Loop Service

The Commerce Commission today published its draft review of prices for the Unbundled Copper Local Loop Service (UCLL).

Under changes made to the Telecommunications Act the Commission is required to calculate an average price for the UCLL service, to be implemented three years after separation day. The Commission has also updated the prices of the current urban and non-urban UCLL prices, and UCLL connection charges.

The UCLL service allows Telecom's competitors to use Telecom's copper network between the exchange and the end-user's premises to provide their own services to their customers. The Commission had undertaken an international benchmarking exercise to determine the movement of UCLL prices since 2007 when the UCLL STD was put in place.

"There has been a very small decrease in monthly prices since 2007. The Commission has applied that decrease to the 2007 UCLL prices to calculate the urban and non-urban prices that will apply. The current urban and non-urban UCLL prices are then averaged to calculate the price that will apply for UCLL three years from separation day, and from separation date for network access when customers take a naked DSL service," said Dr Ross Patterson, Telecommunications Commissioner.

The proposed updated prices (and effective dates) are as follows:

- geographically de-averaged UCLL monthly prices \$19.41 for urban lines and \$35.83 for non-urban lines (from the date of the final decision)

- geographically averaged UCLL monthly prices \$23.93 (from three years after separation day)
- Basic UBA service: \$44.59 (from separation day)
- 40 kbps enhanced UBA service: \$48.83 (from separation day)
- 90 kbps enhanced UBA service: \$56.87 (from separation day)
- 180 kbps enhanced UBA service: \$63.75 (from separation day)
- UCLL connection charge, where no truck roll is required - \$53.57 (from the date of the final decision)
- bulk transfers - \$40.18 (from the date of the final decision)
- new UCLL connections, which require a truck roll - \$160.71 (from the date of the final decision).

Submissions on the Commission's draft decision are due by 5pm on Friday 30 September 2011. Cross submissions will then be due by 5pm on Wednesday 12 October 2011. If substantive issues arise in submissions which would benefit from a Conference being held, then the Conference will be held on Wednesday 19 October 2011. The Commission expects to release its final decision on these matters by 18 November 2011.

For information on this review please see:

<http://www.comcom.govt.nz/review-to-average-ucll-sub-loop-ucll-and-uba-prices>

Background

Unbundled copper local loop.

The unbundled copper local loop network service (UCLL) enables telecommunications companies to have access to, and interconnect with, Telecom's copper local loop network. When telecommunications companies have this service they can supply voice and broadband services to retail customers without needing to replicate the local loop.

Unbundled bitstream access

UBA refers to the service that enables telecommunications companies to access, and interconnect with, the part of Telecom's fixed public data network that connects the end-user's building to Telecom's first data switch (or equivalent facility) other than a digital subscriber line access multiplexer (DSLAM).

The Commission's Standard Terms Determination that regulates the price and non-price terms for the UCLL and UBAs service and related documents can be found at:

<http://www.comcom.govt.nz/standard-terms-determinations>

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