

SUBMISSION

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To: Shane Kinley
MTAS Reconsideration
Regulation Branch
Commerce Commission
shane.kinley@comcom.govt.nz

Submission on: Draft Reconsideration Report on whether the mobile termination access services should become designated or specified services

From: Federated Farmers of New Zealand

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Contact: **MATT SCOTT**
POLICY ADVISOR
Federated Farmers of New Zealand
Box 715, Wellington 6140
P 04 470 2161
F 04 473 1081
www.fedfarm.org.nz

1. Introduction

- 1.1 Federated Farmers welcomes the opportunity to comment on the draft reconsideration report on whether mobile termination access services (MTAS) should become designated or specified services.
- 1.2 Federated Farmers has a vital interest in ensuring reliable supplies of telecommunications and other utility services are supplied to rural consumers at reasonable prices. Mobile communications are particularly important given the nature of farming activities. Our interest in telecommunications is illustrated by the large number of submissions and other engagement the organisation has had with Government at all levels.
- 1.3 Federated Farmers is part of the “Drop the Rate, Mate!” campaign. This a public campaign launched in August of 2009 to support the Commerce Commission’s draft recommendation to regulate MTAS.
- 1.4 This has been a long-running issue, dating back to 2005 (at least) when the Commission recommended to the Minister of Communications that MTAS should be regulated. The Minister asked to reconsider its advice and in 2006 the Commission reiterated its advice, only for the Minister of Economic Development to instead accept a voluntary offer from Vodafone and Telecom to cut charges. In February 2010 the Commission recommended accepting new voluntary cuts instead of regulation but the Minister of Communications invited it to reconsider its advice in the light of Vodafone’s ‘Talk Add-on’ product. The Commission has changed its view, and now considers that the final undertakings by Telecom and Vodafone will not address competition concerns which will impede the expansion of new entrants.
- 1.5 Any regulatory regime that relies on voluntary undertakings to achieve desired competitive outcomes requires a credible regulator to step in when necessary. Federated Farmers believes that the time for relying on voluntary undertakings has passed and it therefore supports the regulation of MTAS.

2. Recommendations

- 2.1 ***Federated Farmers endorses the submission of the Drop the Rate, Mate! campaign.***
- 2.2 ***Federated Farmers supports the Commerce Commission’s draft reconsideration that the Minister regulate MTAS.***

3. About Federated Farmers of New Zealand

- 3.1 Federated Farmers of New Zealand is a primary sector organisation that represents farming and other rural businesses. Federated Farmers has a long and proud history of representing the needs and interests of New Zealand farmers.
- 3.2 The Federation aims to add value to its members' farming business. Our key strategic outcomes include the need for New Zealand to provide an economic and social environment within which:
- Our members may operate their business in a fair and flexible commercial environment;
 - Our members' families and their staff have access to services essential to the needs of the rural community; and
 - Our members adopt responsible management and environmental practices.