
From: Stephen Selwood [mailto:stephen.selwood@nzcid.org.nz]

Sent: Sunday, 30 May 2010 5:48 p.m.

To: Shane Kinley

Subject: Re: Telecommunications Act 2001: Schedule 3 Investigation into Regulation of Mobile Termination

Re: Telecommunications Act 2001: Schedule 3 Investigation into Regulation of Mobile Termination – support for regulation MTRs

The New Zealand Council for Infrastructure Development is an Associate Industry Group member of Business NZ. NZCID generally supports the position taken by Business NZ that the cost benefit of regulation should be a guiding determinant for the introduction of regulation. However we wish to advise that NZCID's interests are not aligned with the Business NZ position on the issue of regulation of mobile termination rates, on this occasion.

NZCID supports open access to markets and reduction of barriers to entry wherever possible across the infrastructure sector. We note that both Telecom and Vodafone have proactively moved to reduce MTRs in recent years and have provided a commitment to continue to do so. NZCID endorses these voluntary measures, but considers that the pace of change is unacceptably slow.

NZCID agrees with the Commissions view that competition concerns arise from the extent to which the combination of low on-net retail prices and above-cost wholesale MTRs erect a barrier to efficient expansion by a new entrant.

Accordingly, NZCID considers that, in the absence of any further commitments by Telecom and Vodafone to speed up the implementation of cost-based MTRs, regulation of MTRs would be in the best long term interests of end-users in accordance with the Act.

Kind Regards

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