



COMMERCE COMMISSION

Draft Terms of Reference

Study on Demand Side Issues

Background

1. This study is conducted under section 9A of the Telecommunications Act 2001, which empowers the Commission to conduct, among other things, studies, including international benchmarking, into any matter relating to the telecommunications industry or the long term benefit of end users of telecommunications services within New Zealand.
2. The Government's investment of up to \$1.5 billion into the ultra-fast broadband (UFB) initiative alongside private sector investment, proposes to deliver uplink speeds of up to 50Mbps and downlink speeds of at least 100 Mbps to 75% of the New Zealand population over the next ten years.
3. It is the Government's economic policy goal that, with the availability of fibre technologies through its UFB roll out, New Zealanders will be encouraged to adopt fibre based high speed broadband access in their businesses and homes.
4. The Commerce Commission (the Commission) considers a demand side study to identify any factors that may impede the uptake of ultra-fast broadband in New Zealand will contribute to the promotion of competition in telecommunications markets for the long-term benefit of end-users of telecommunications services within New Zealand.
5. This document sets out the terms of reference for the demand side study.

Terms of Reference

6. The proposed approach for this study is:
 - i. Analysis and Research
 - a. To analyse the drivers of uptake of high speed fibre broadband access in other jurisdictions.
 - b. To identify whether there are any barriers likely to inhibit the uptake of high speed fibre broadband services in New Zealand, including peering, IP interconnection, data caps and content arrangements.
 - c. To determine whether network neutrality (where all data on the internet is treated equally, whatever its source or destination) is an issue in New Zealand.

- d. To analyse what steps, if any, need to be taken to promote effective competition for services requiring high bandwidth.
- ii. Discussion Paper

The analysis and research phase will conclude with the publication of a discussion paper summarising the results and identifying any issues arising.
- iii. Consultation

The discussion paper will form the basis for a consultation with interested parties, including members of the telecommunications and other relevant industries and consumer groups.
- iv. Conference

An industry conference will follow the consultation phase, to discuss the issues identified in the discussion paper. The conference will provide an opportunity for individual presentations, panel discussions and will be a focus for pan-industry discussions.
- v. Report

A report will be completed outlining the findings from the Commission's conference.

Timing and Process

- 7. Draft TOR: 5th April 2011
- 8. Final TOR: April 2011
- 9. Analysis and Research phase: April – June 2011
- 10. Discussion paper published: 30 June 2011
- 11. Consultation with interested parties: July/August 2011
- 12. Conference: October 2011
- 13. Final report published: 9 December 2011

Dated: 5th April 2011