

COMMSDAY 2012

Commissioner Anita Mazzoleni
26 July 2011



THE LADDER OF INVESTMENT

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Most flexible.
Greatest
investment by
Access
Seekers.

Least
Flexible.

Least
investment by
Access
Seekers

- Facilities based competition – competitor builds own network
- Local loop unbundling – access to raw copper and fibre
- Bitstream access – access to last mile transmission capability
- Resale of Telecom's retail services

SSION

THE LADDER OF INVESTMENT

3

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Facilities based competition – competitor builds own network



Local loop unbundling – access to raw copper and fibre

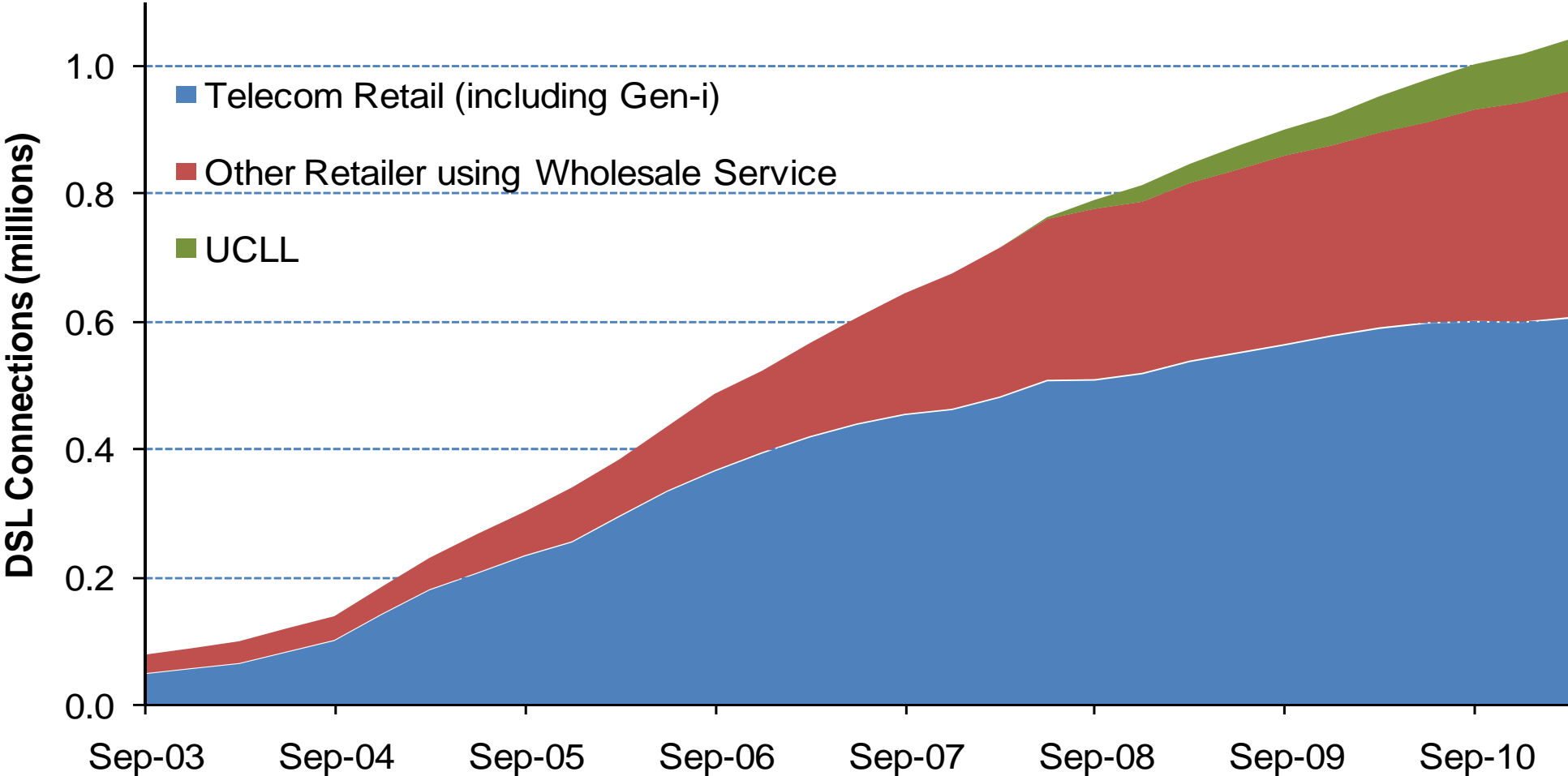


Bitstream access – access to last mile transmission capability



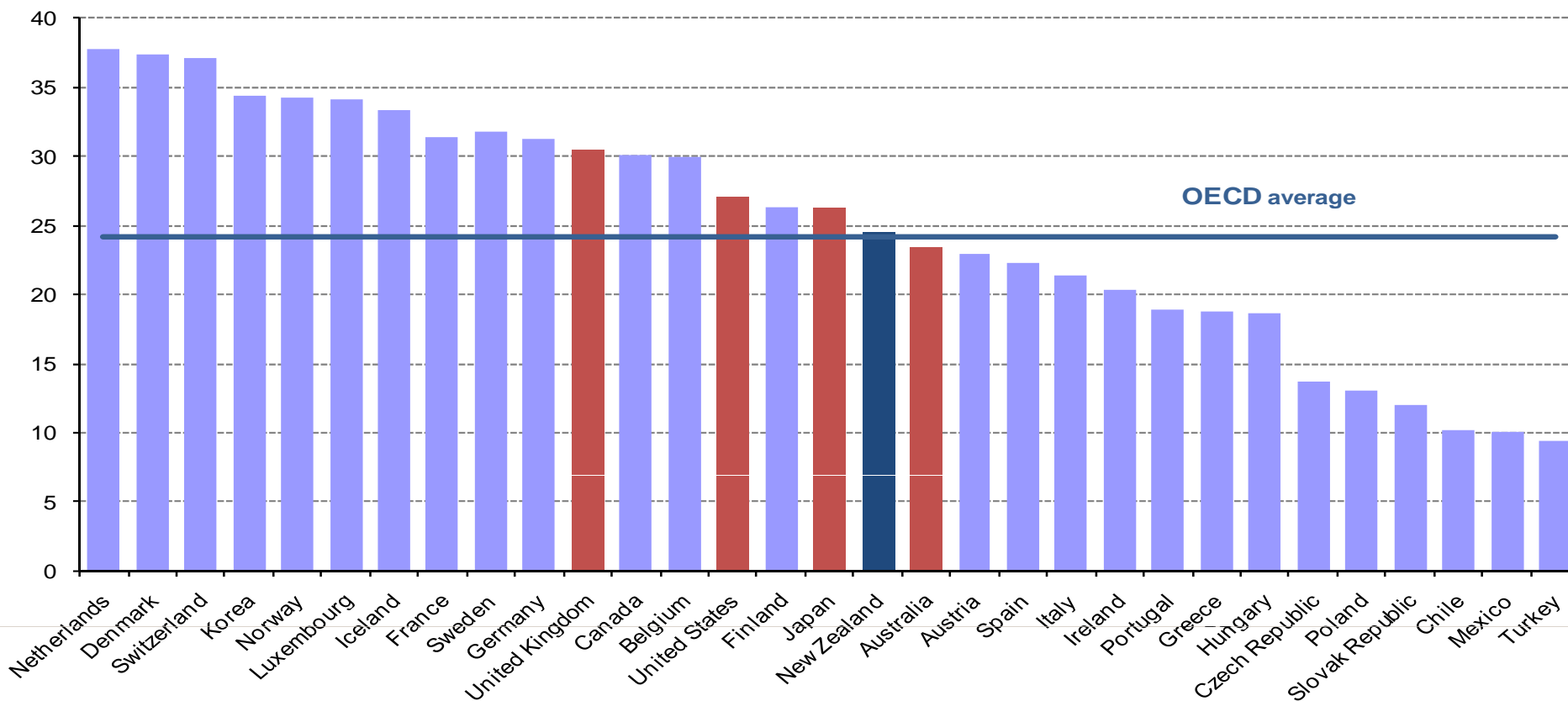
Resale of Telecom's retail services

UNBUNDLING CONTINUES TO GROW



OECD FIXED LINE BROADBAND RANKING

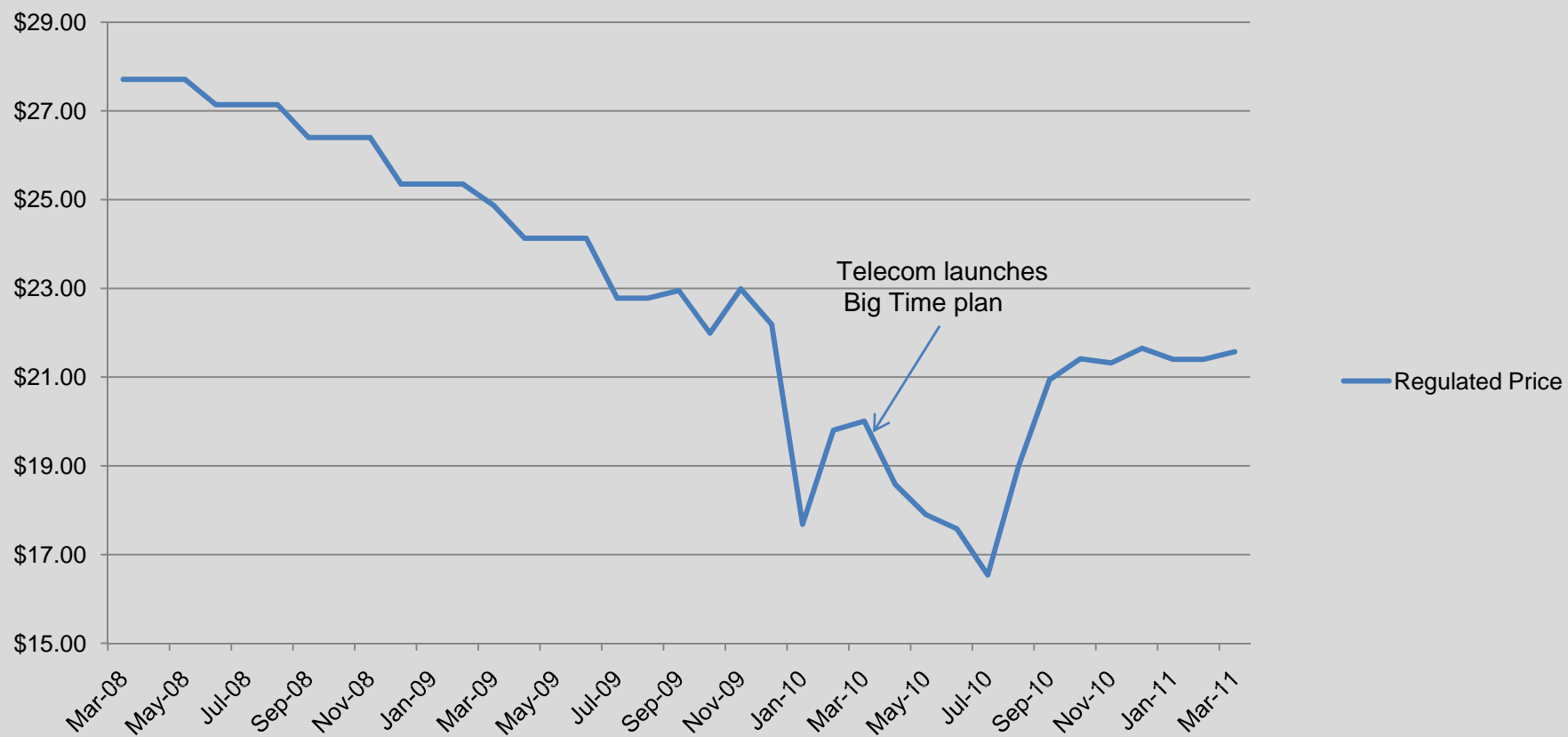
OECD Fixed (wired) broadband subscriptions per 100 inhabitants June 2010



Source: OECD

WHOLESALE PRICES FOR BROADBAND

Regulated Price

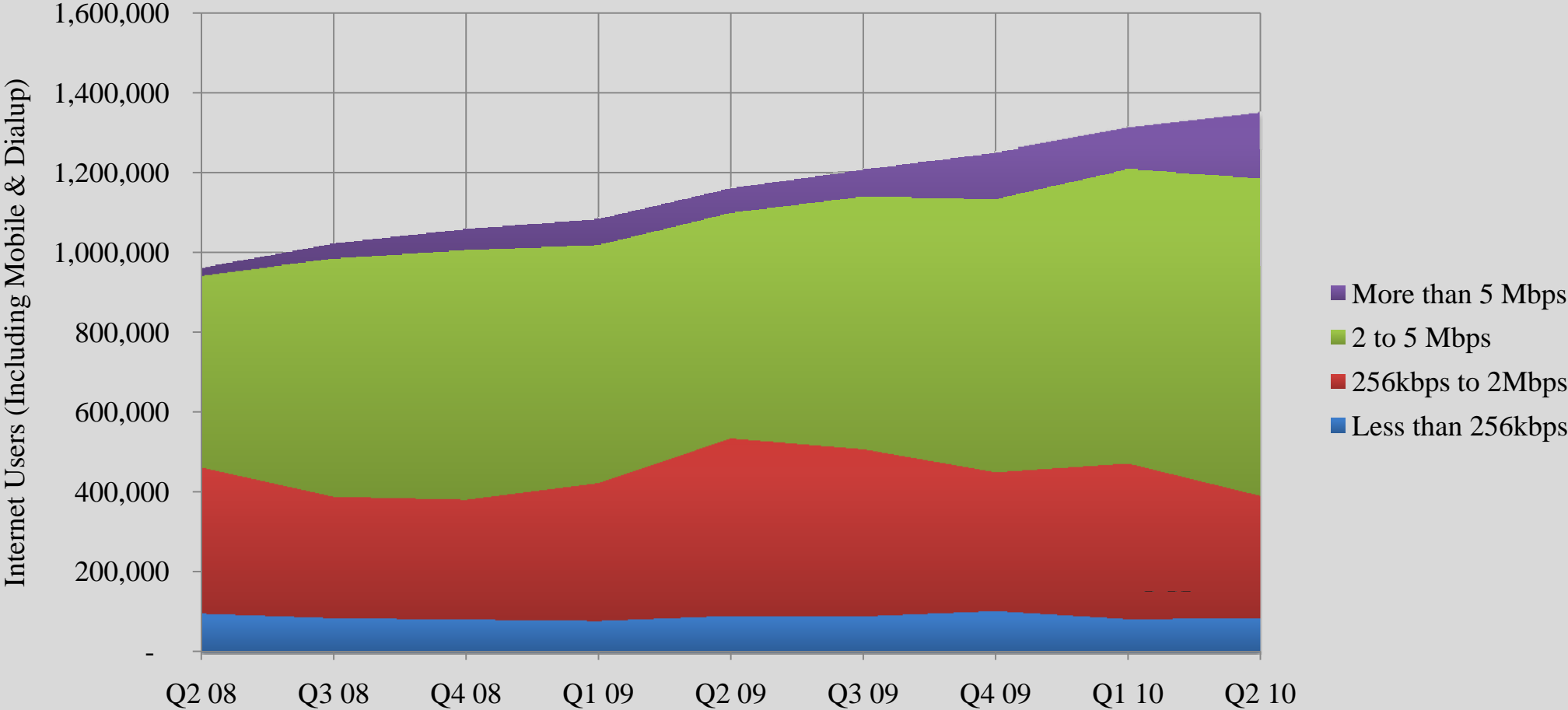


RETAIL PRICE FLAT AND AVERAGE DATA USAGE GROWS

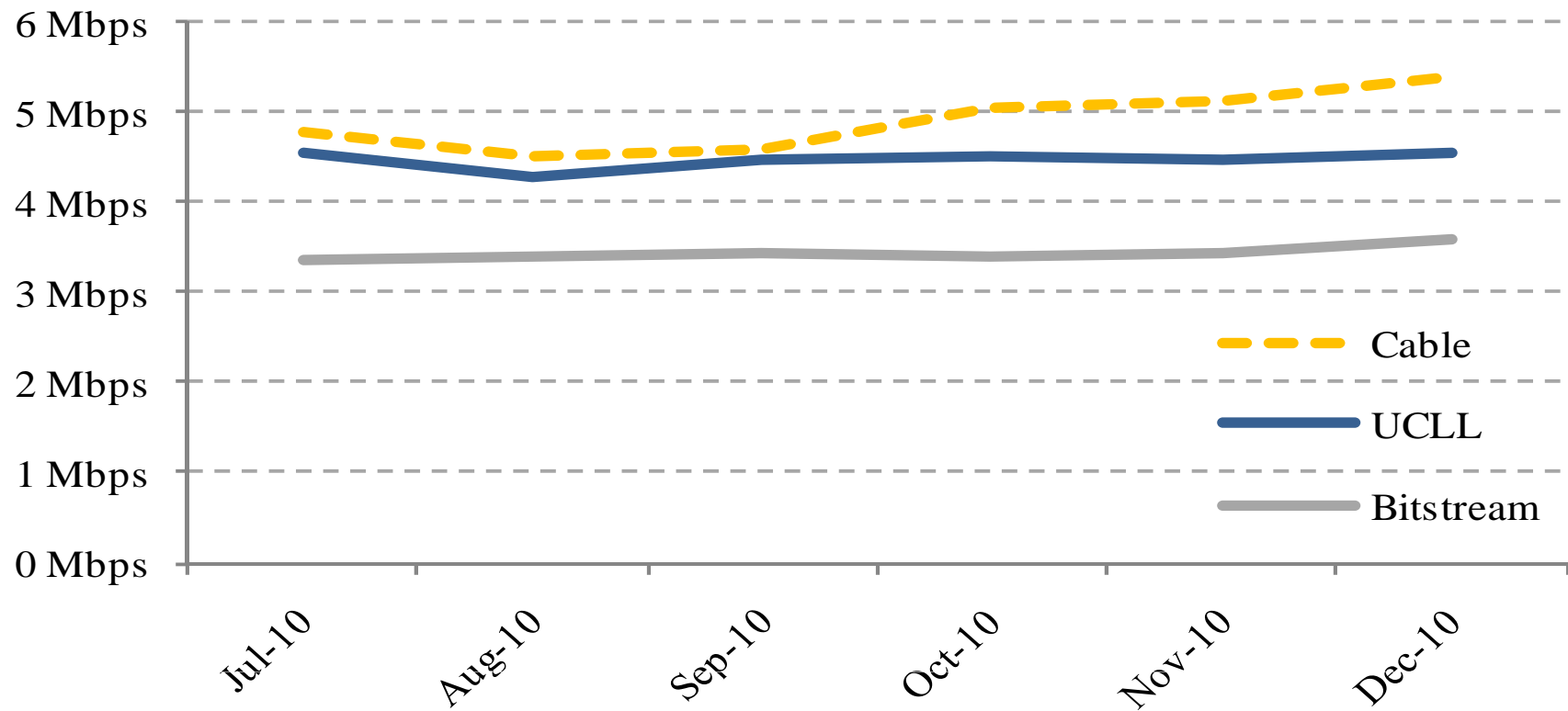


BROADBAND QUALITY BY UPLOAD SPEED

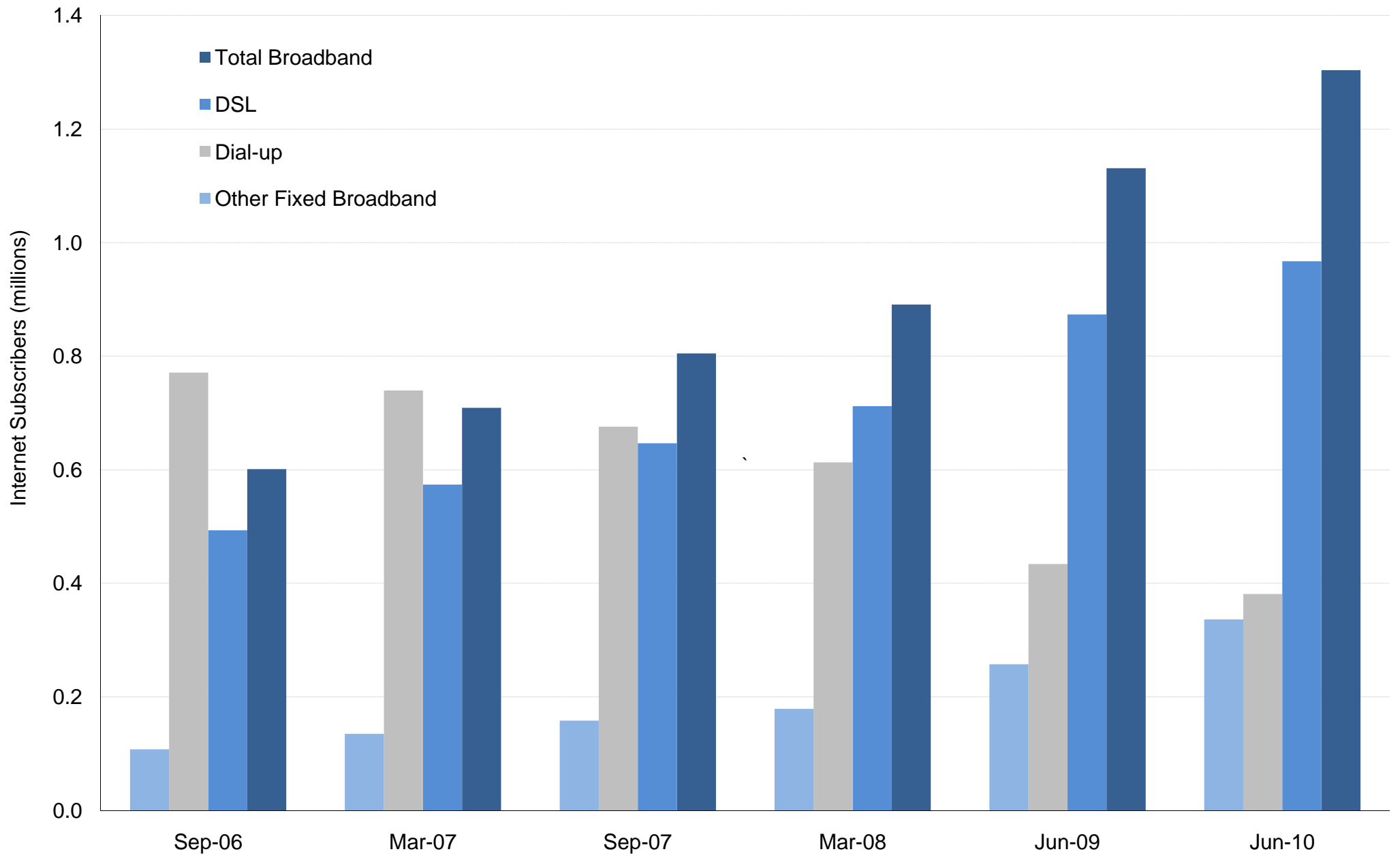
NZ Population of Users of Akamai Servers



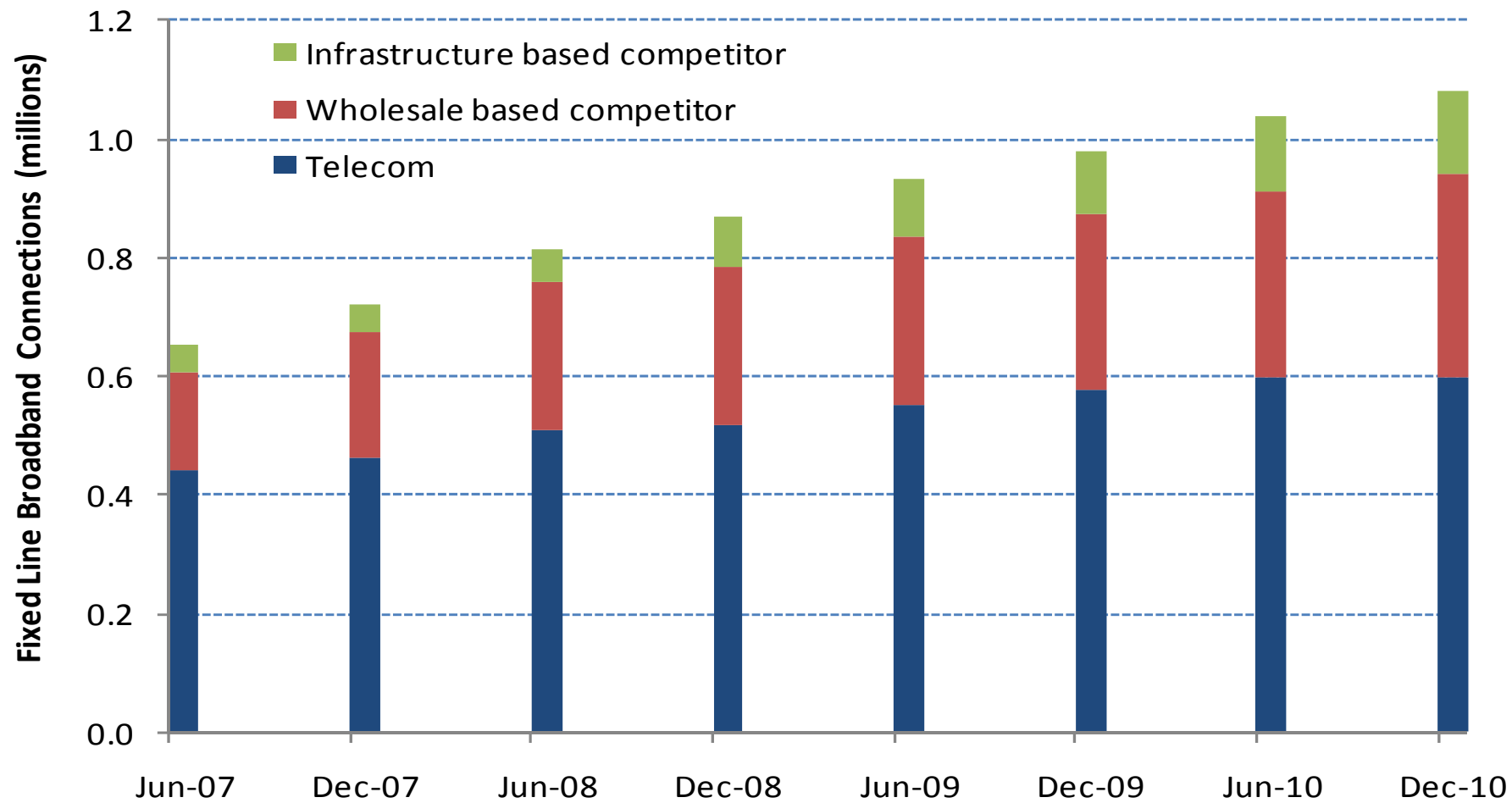
New Zealand web browsing by line type



Consumer broadband uptake



FIXED LINE BROADBAND UPTAKE



“To identify ... any factors that may impede the uptake of high speed broadband delivered over both fibre and wireless networks.”

DEMAND SIDE STUDY - APPROACH

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Analyse the drivers broadband uptake access in overseas and in NZ.

Identify the **factors** that may affect this e.g. home wiring, network neutrality, peering, IP interconnection, data caps and content. Assess if these create barriers to entry or expansion.

Identify sectors like e-health and e-education where high speed broadband can be a enable significant enabler.

Monitor market developments.

Rural

Urban

Consumers

SMEs

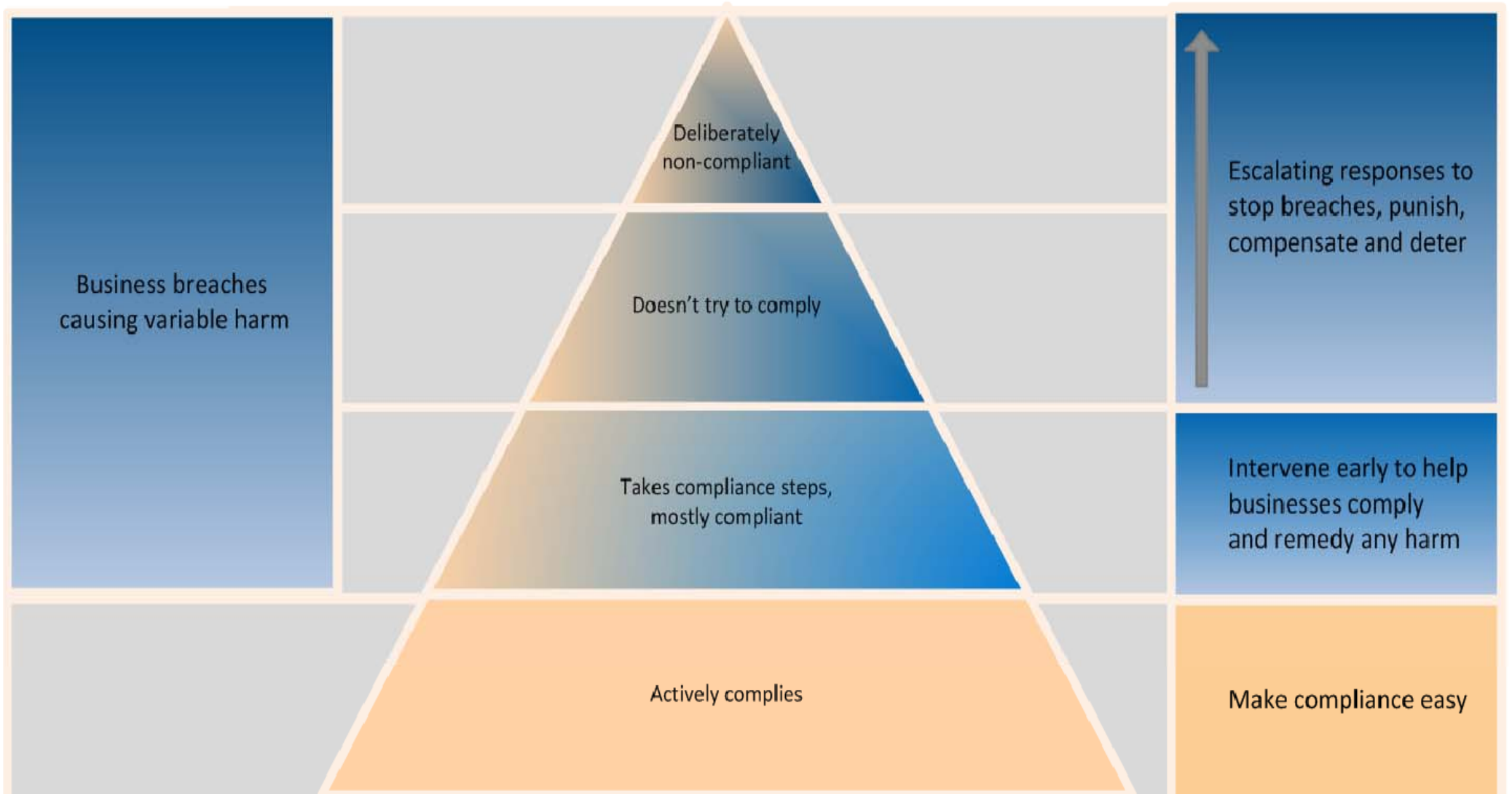
Big Business/ Government/ Community including

- Education
- Health
- Iwi

COMPLIANCE PYRAMID: OUR APPROACH TO COMPLIANCE

Business Approach to Compliance

Commission Approach



PRINCIPLES WE WILL APPLY

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We will confine our mandate to competition

We will not intervene unless competition is harmed

We will intervene promptly to remove discrimination that harms competition

We will deregulate where we can

We will focus our efforts on removing access bottlenecks.

STANDARD COMMISSION WORK

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Compliance
monitoring

Market
monitoring

STDs

Information
disclosure

Investigations

Monitor compliance with undertakings (including EOI build)

Investigate complaints relating to alleged breaches of the Undertakings

Gather data related to the costs of building and operating fibre optic networks

Promote competition in telecommunications markets for the long-term benefits of end-users

Publish reports on LFC operations and industry trends

Monitor costs and characteristics of the relevant services (layer 1 + layer 2) and the LFC networks used to provide them

Monitor copper as a constraint to fibre

Monitor the impact on competition from the fibre monopoly

DEMAND SIDE STUDY TIMETABLE

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Analysis and Research: June 2011 – January 2012



Conference: February 2012



Final report : April 2012

The Commission will engage with parties, on a formal and informal basis, throughout the project.

www.comcom.govt.nz

CONTACT

To contact the Commission with information about false or misleading trading practices, or anti-competitive behavior by businesses:

CALL the Contact Centre on 0800 943 600

WRITE to Contact Centre, PO Box 2351, Wellington

EMAIL contact@comcom.govt.nz