



20 April 2010

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Commerce Commission  
PO Box 2351  
Wellington 6140

Attention: Daniel Vincent

Dear Daniel

Thank you for the opportunity to comment on the consultation over the market definition and competition assessment for UCLL and UBA backhaul.

### **Question 1 (para 14)**

Kordia considers that the geographic dimension of the market as applied by the Commission is the correct dimension as the relevant market is the route rather than the region. Assessments on build out are made on a route by route basis.

### **Question 2 (para 17)**

Kordia considers that the near entrant distance rules are appropriate and the time frame of one year is sufficient to assess supply side substitution

### **Question 4 and 5 (paras 22 and 23)**

Kordia considers that the Commission should consider that the presence of only two fibre operators (including Telecom) would mean that Telecom faces limited competition.

Kordia does not consider that the Commission's approach to market definition (being route by route) and competition assessment (limited competition where fewer than 3 fibre based networks) negatively affects investment decisions. The limited competition that exists when there are only two entrants provides for incentives for further market entry and further that market entry by the third entrant should drive service innovation.

### **Question 6 (para 26)**

Kordia is not aware of there being a significant increase in the number of backhaul competitors since June 2008.



## **Questions 7 and 8 (paras 31 and 32)**

Kordia considers that a twelve month review of competition is appropriate to reflect evolution in the market. In addition the reviews should be on a link by link basis, so that the market is appropriately assessed.

## **Question 9 (para 38)**

Kordia considers that the same framework should apply to UBA.

## **Question 10 (para 39)**

Kordia will discuss further points with the Commission on colocation in Telecom exchanges shortly.

Yours sincerely,



Susie Stone  
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Kordia Group