

Pricing of fixed network access



What we were asked to do	<p>We were commissioned to:</p> <ul style="list-style-type: none">• Do an international benchmarking study of unbundled copper local loop (UCLL) prices in 2007 and present the results of that study to the New Zealand Commerce Commission• Comment on the pricing of unbundled bitstream access (UBA – which was on a retail-minus basis)• Comment on the methods used by the Commission to undertake its pricing reviews, and• Participate in the Commission conference on these reviews.
How we approached the project	<p>The benchmarking study for UCLL was groundbreaking as the Commission had not previously undertaken such a study. We gathered price data from North America and European countries, and used statistical techniques to test the data and to infer estimates from them. We used economic and statistical perspectives to recommend improvements to the pricing methods used by the Commission, and to test the consistency of these methods with the legislative purpose of the Telecommunications Act 2001.</p>
Our findings	<p>In our UCLL benchmark study in 2007 we found sufficient price data on international UCLL prices to derive robust estimates for these prices. The Commission used the data we assembled and our statistical methods in its pricing determination.</p>
Link to the report	<p>www.comcom.govt.nz/dmsdocument/8625</p>

