

## Media Release

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### **Commerce Commission will monitor fixed-to-mobile prices**

The Telecommunications Commissioner today announced that the Commission will extend its monitoring of the telecommunications market to include fixed-to-mobile pricing.

The decision follows an announcement by the Commission on Tuesday that an application from Vodafone to buy TelstraClear was cleared to proceed. The merger means that Vodafone will move from being a provider of mainly mobile services to also having the fixed line services currently owned by TelstraClear.

“The merger of Vodafone and TelstraClear will bring about major changes in the telecommunications sector. Now that the merger has been confirmed, we plan to observe its impact on fixed and mobile pricing – separately and in bundles – and monitor any changes in the market,” said Dr Stephen Gale, Telecommunications Commissioner.

“We aren’t anticipating any anti-competitive pricing arrangements coming from the newly merged entity. However, we are required to monitor developments in the telecommunications sector,” said Dr Gale.

“We already regulate mobile termination rates to minimise the barriers to competition in the mobile market, and monitor mobile pricing in case any barriers are raised by new pricing plans. We have similar concerns in fixed-to-mobile pricing so will watch and see what fixed-to-mobile pricing plans appear in the market,” said Dr Gale.

The clearance application from Vodafone to acquire TelstraClear was assessed under the Commerce Act. Dr Mark Berry, Commerce Commission Chair, then notified the Telecommunications Commissioner of the decision. Dr Berry advised the Telecommunications

Commissioner that there were no competition issues under the Commerce Act, but invited the Commissioner to monitor developments under the Telecommunications Act.

The Commission will add fixed-to-mobile price monitoring to its suite of telecommunications market monitoring under section 9A of the Telecommunications Act.

## **Background**

Section 9A of the Telecommunications Act 2001 empowers the Commission to conduct inquiries, reviews and studies into any matter relating to the telecommunications industry for the long-term benefit of end-users of telecommunications services within New Zealand.

The Commission currently publishes an annual monitoring report summarising developments in the telecommunications industry. For more information on market monitoring, visit the Commission's website: [www.comcom.govt.nz/telecommunications-market-reports](http://www.comcom.govt.nz/telecommunications-market-reports)

Following the Commission's regulation of the wholesale price of mobile termination access services (MTAS) – the cost for a carrier to deliver a call to a mobile network – the Commission began monitoring mobile-to-mobile voice calls and texts. As part of its decision on MTAS, the Commission also set the wholesale price for terminating calls from fixed-lines to mobile phones.

You can find more information about the MTAS standard terms determination on the Commission's website: [www.comcom.govt.nz/mobile-termination-access-services-mtas-std](http://www.comcom.govt.nz/mobile-termination-access-services-mtas-std)

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