

# **Beyond the RIO – dealing with anticompetitive conduct in Telecoms**

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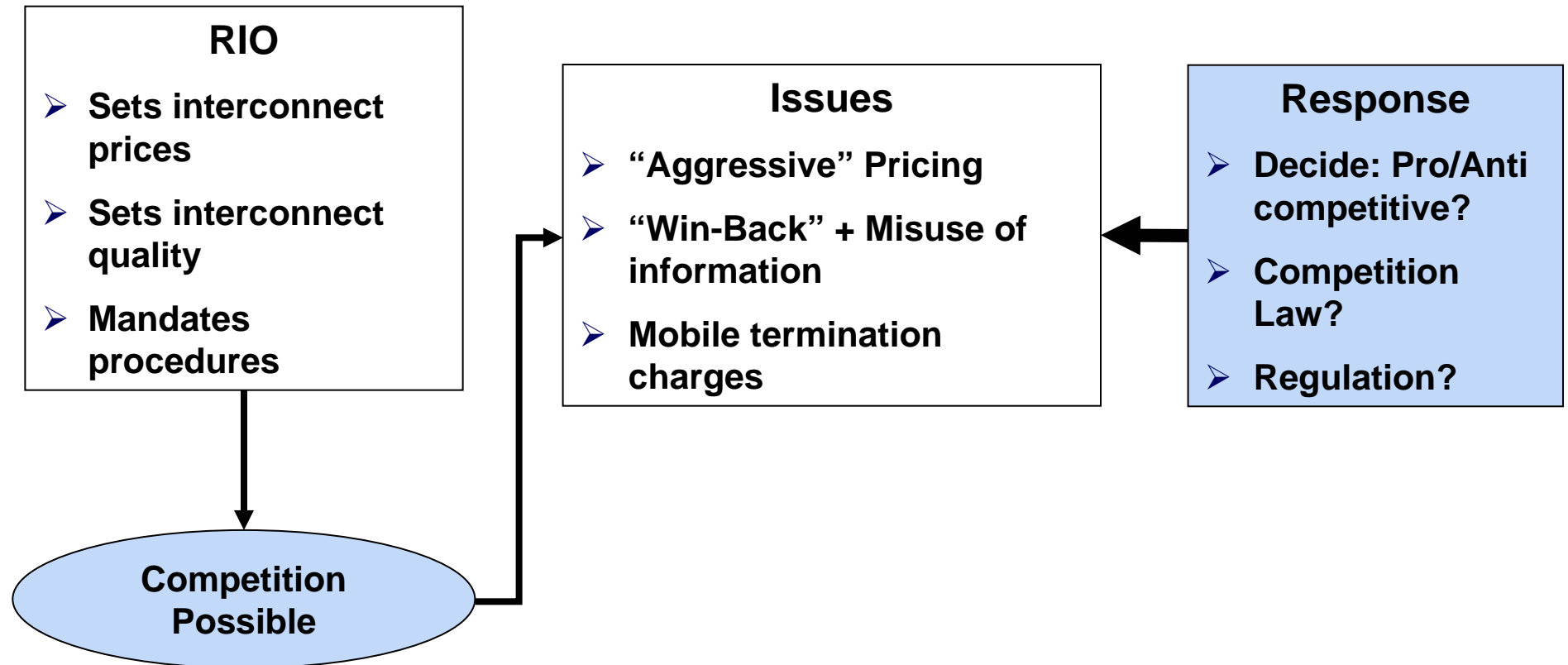
New Zealand

## **OOCUR Conference**

**David Ehrhardt**  
**Nassau Bahamas 2005**

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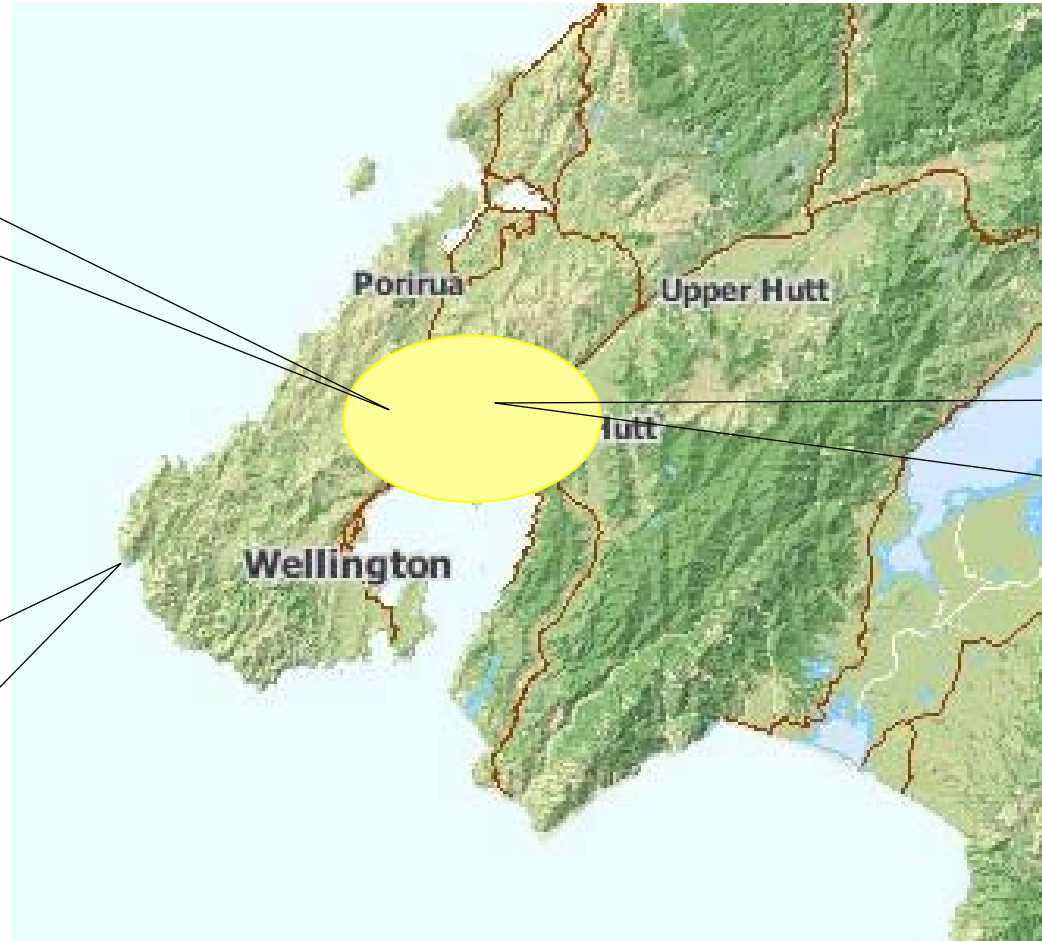
## Overview – Beyond the RIO



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**Telecom NZ drops price to beat out Saturn - 1998**

**Telecom NZ loyalty discount: \$5 for the Lower Hutt area**



**Saturn, entrant cable company:  
\$30 residential phone service for Lower Hutt area**

**Telecom NZ: \$35 residential phones service national wide**

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## **Response – Telecom NZ Price Competition**

- **Was this pro- or anti- competitive?**
- **Commerce Act – Similar to Caribbean Fair Trading Acts**

### **Section 36 — Taking advantage of market power**

*(2) A person that has a substantial degree of power in a market must not take advantage of that power for the purpose of—*

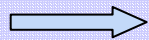
*(a) restricting the entry of a person into that or any other market; or*

*(b) preventing or deterring a person from engaging in competitive conduct in that or any other market; or*

*(c) eliminating a person from that or any other market.*

### **Commerce Commission Conclusions**

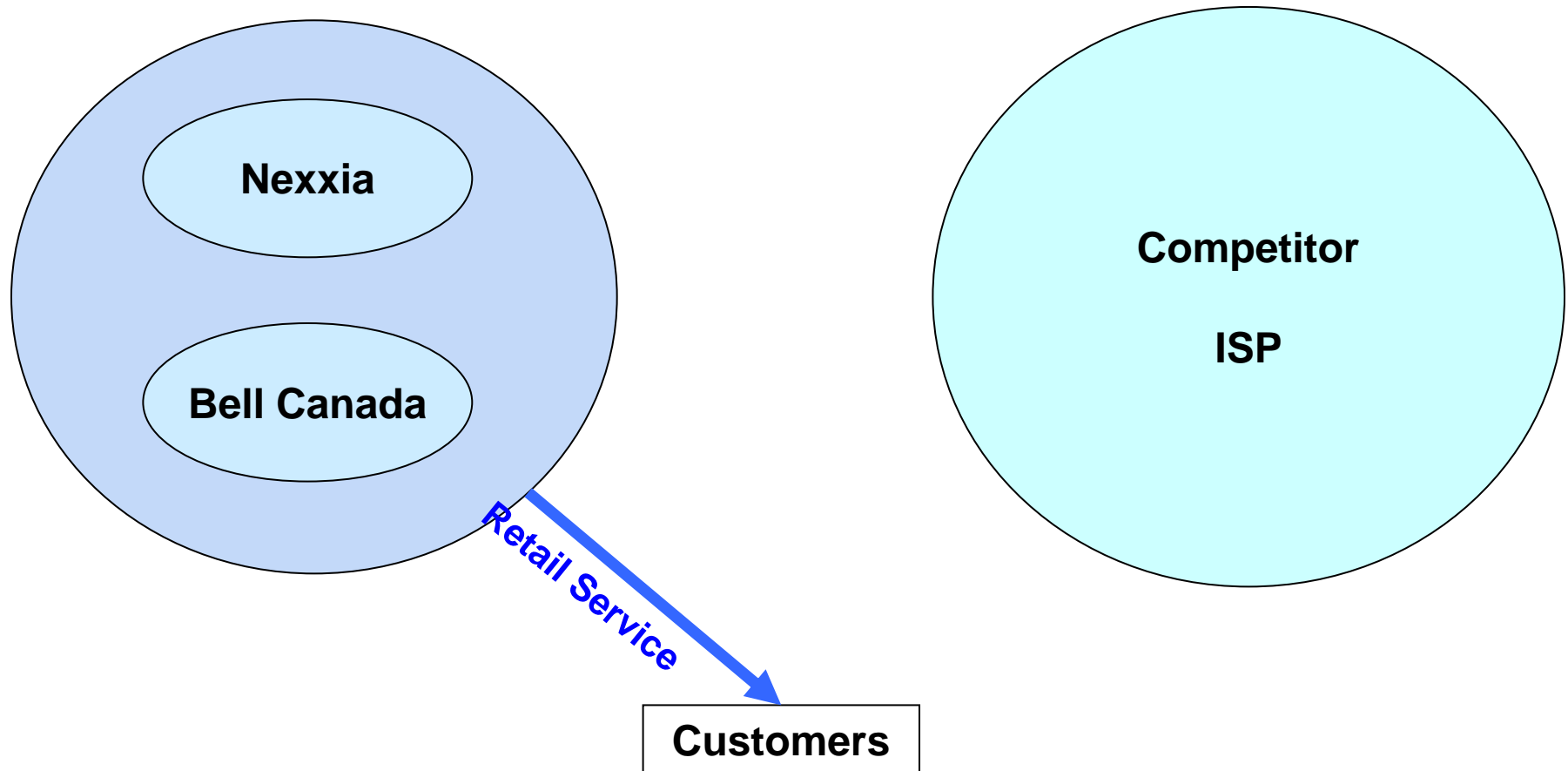
- **Price > Marginal Cost ⇒ Not predatory pricing**
- **Regionally Based pricing: - Not per se illegal**
  - Not misuse of dominant position



**No Action taken**

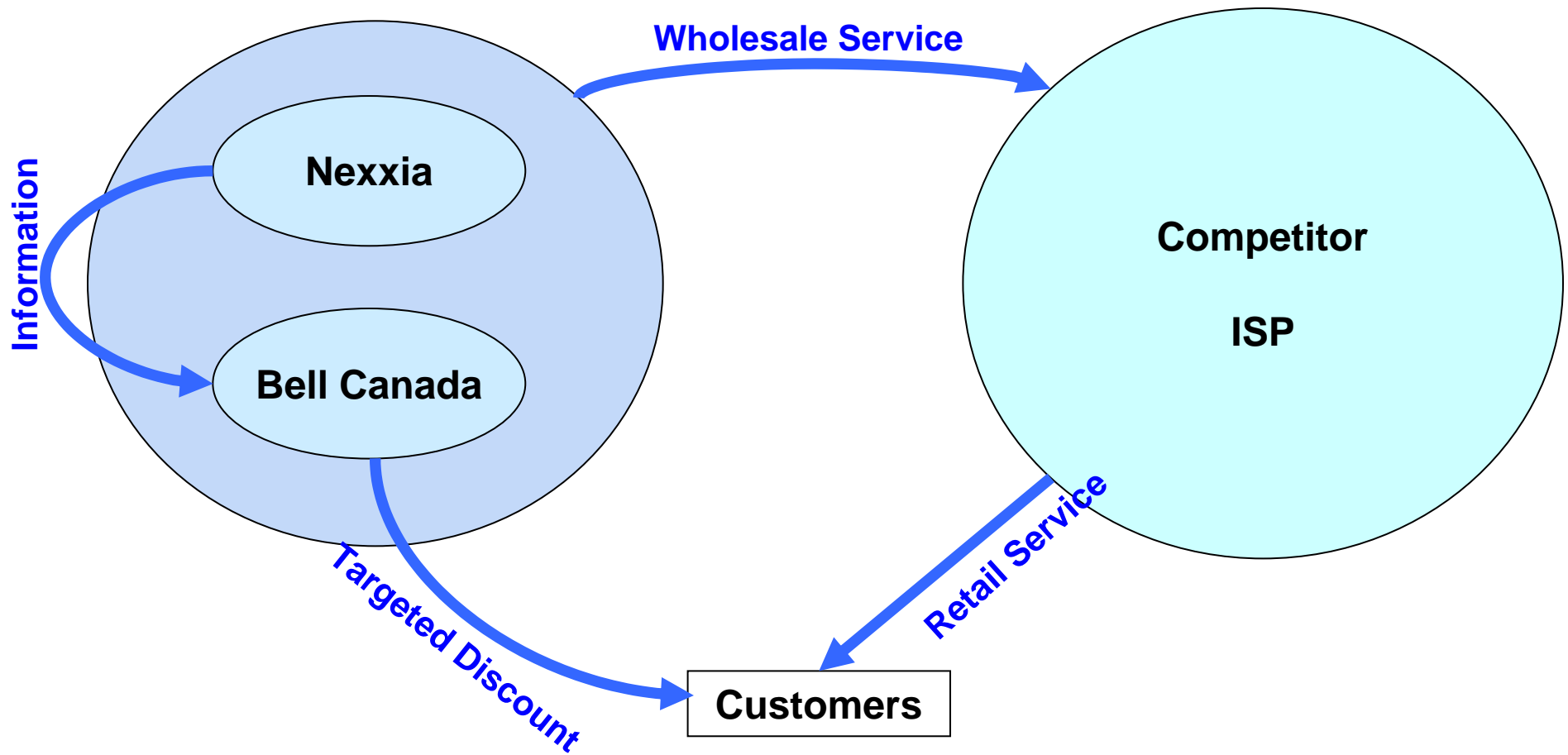
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**Bell Canada – DSL “Win-Back” Strategies**



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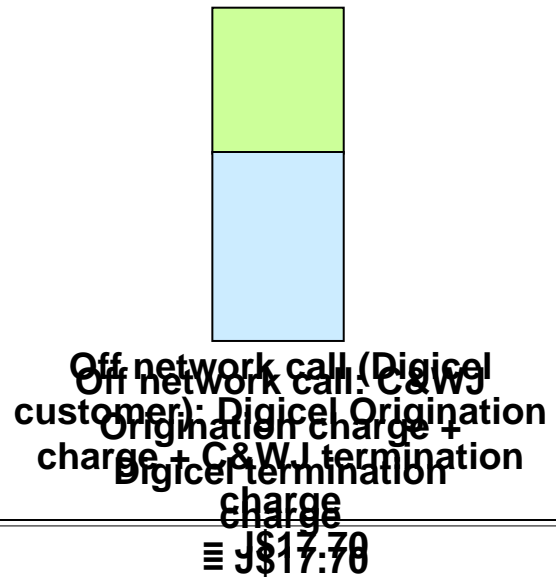
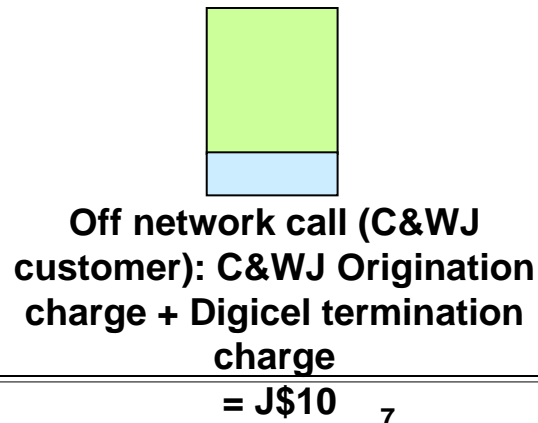
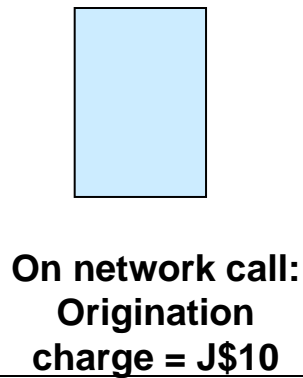
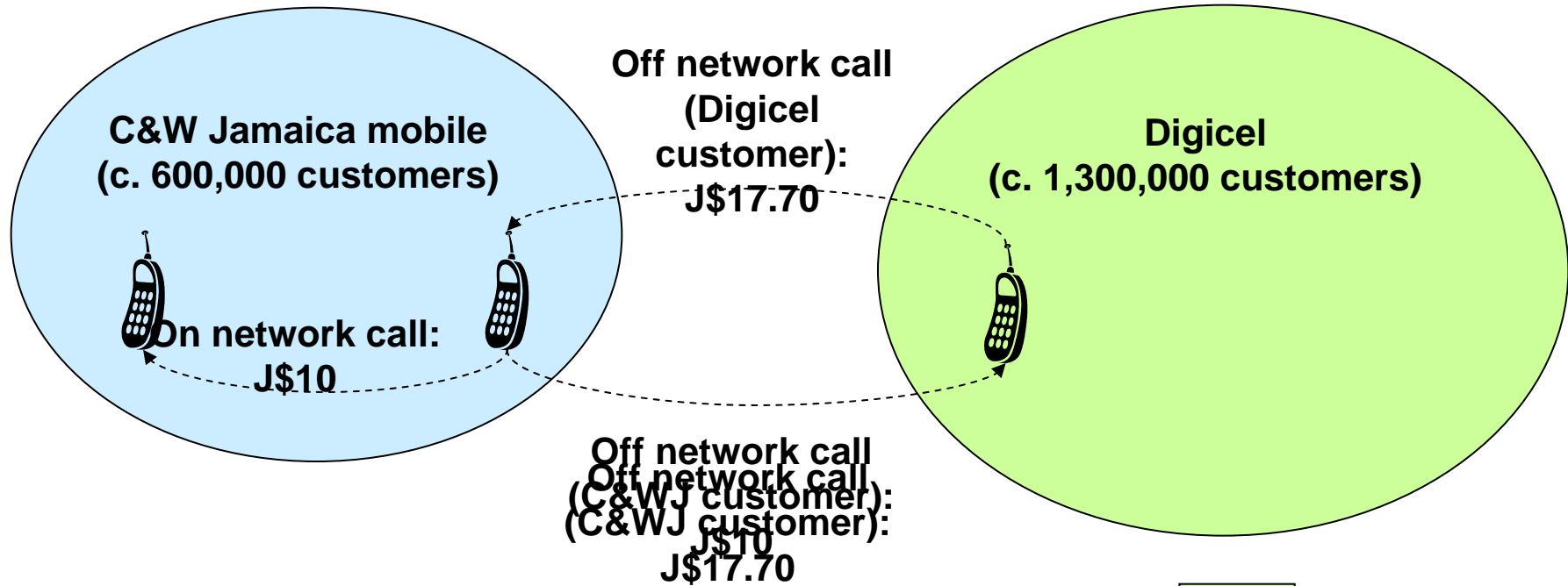
**Canadian Radio-television and Telecommunications Commission**

- **Found Bell Canada had not breached rules on use of confidential customer information**

**But**

- **Introduced “Win-back” rules stopping Bell Canada from:**
  - **marketing directly to customers who, through another ISP, have cancelled their Bell DSL service**
  - **offering special inducements to customers who cancel directly with Bell Canada (applies until 90 days after Bell DSL disconnected)**

# Cable and Wireless Jamaica – Changing Mobile Termination Rates 2005





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## ***Summary Issues***

- **Judging whether actions are pro- or anti- competitive**
  
- **Choice of using Competition law, Telecoms Regulation, or both.**