

From: [Bruce Parkes](#)
To: [Osmond Borthwick](#)
CC:
Subject: FW: Vodafone local service - cross submissions
Date: Wednesday, July 12, 2006 4:16:14 PM
Attachments:

Dear Osmond

You may have already seen the attached edition of The Line, which discusses Slingshot's proposal to extend its new VOIP service which includes functionality allowing a customer to use a phone number allocated to one calling area (e.g. Christchurch) in a different calling area (e.g. Auckland). Slingshot confirms that the service would allow people to take advantage of free local calling, even when they are not located in the same calling area as the called party.

This is a timely example of the extension of the bill and keep regime highlighted in Telecom's submissions on the Vodafone interconnection draft determination. Because the calls originate and terminate in different LICA's, they fall outside the ambit of the TSO. However, applying the rationale in the Commission's draft determination, Telecom would not be able to recover its costs for terminating these calls – either under the TSO or by way of a retail charge.

We highlight this to illustrate (with a real life example), why it is important to allow Telecom to recover its costs by way of a retail charge to Vodafone's and other non-TSO services. These examples, coupled with other potential interconnect scenarios, could mean that Telecom cannot recover its interconnection costs, while other providers are free to do so. If the Commission is not inclined to allow Telecom to charge for calls to Vodafone's proposed service, this at least highlights the importance of clearly defining Vodafone's service beyond the point of interconnection to limit the potential impact.

We note that Vodafone only provided brief submissions confirming their agreement with the Commission's draft determination. Accordingly, we don't propose to make further cross-submissions.

Kind regards

Bruce

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