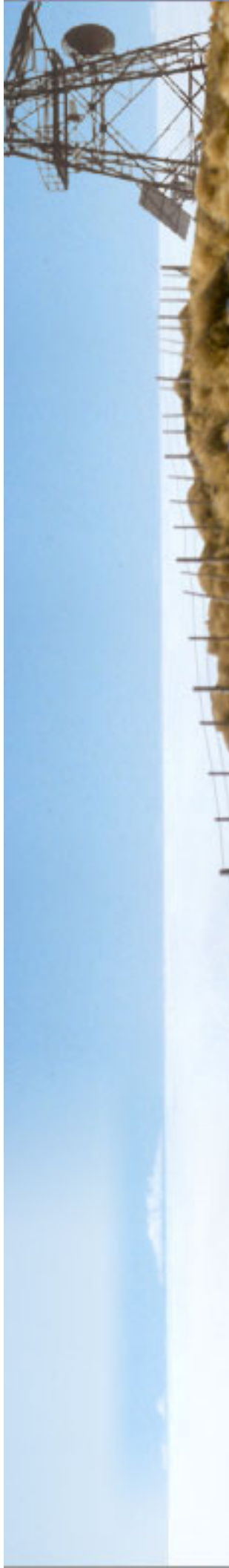




The Business of BCL

As part of BCL's Submission to the Commerce
Commission's Draft Report on unbundling the local loop
and the fixed public data network



Introduction



Geoff Lawson, Managing Director

- Background information
- Effect of Regulation on BCL

Philippa Bowron, Government Relations Manager

- Alternative Technologies

Michael Jamieson, Legal Counsel

- Legal points

Susan Stone, Consultant

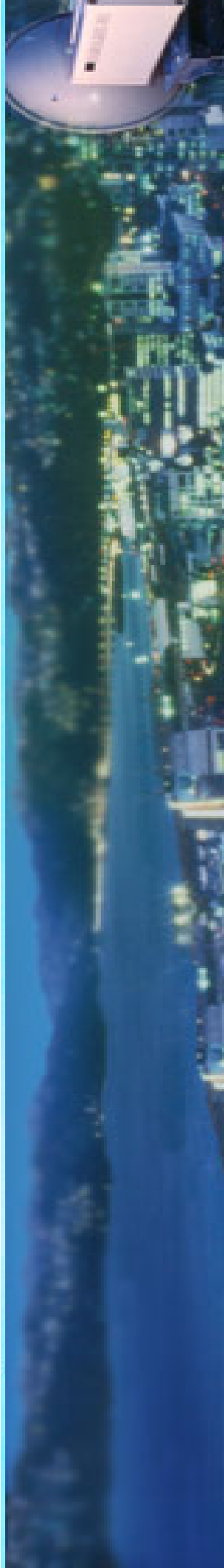
- Key Points of BCL's Submissions



History of BCL



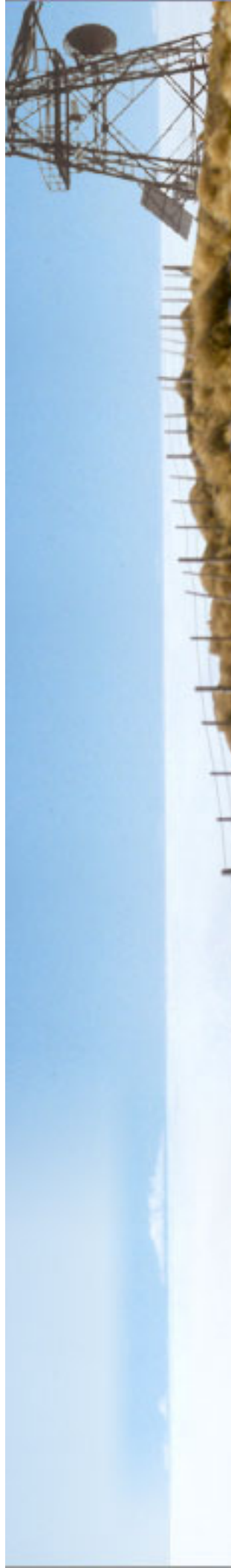
- BCL has been providing radio based technology services for around 60 years.
- Provides broadcast services to all national broadcasters of television and FM radio.
- Provides voice and data linking to most major Telco's and ISP's.
- Proven ability to build, operate and maintain highly reliable networks that support multiple 'streams' to end users.



BCL Business Strategy



- BCL aims to be a world-class, agile, customer-intimate wireless solutions company.
- BCL is a long established service provider to the radio and television broadcasting market.
- BCL seeks to grow its value by expanding into the broader telecommunications market by leveraging its core competencies.
- BCL seeks to identify niche telecommunication opportunities that are profitable and sustainable.



BCL Investment Strategy



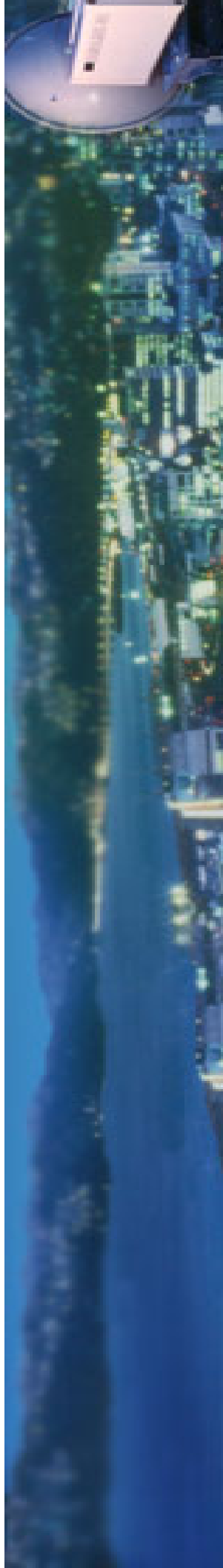
- As an SOE, BCL is expected to generate a commercial return
- BCL has adopted a predominantly 'sell then build' investment strategy
- BCL sought to expand into the 'access' segment of the telecommunications market
- BCL will be a 'wholesaler' not a 'retailer'



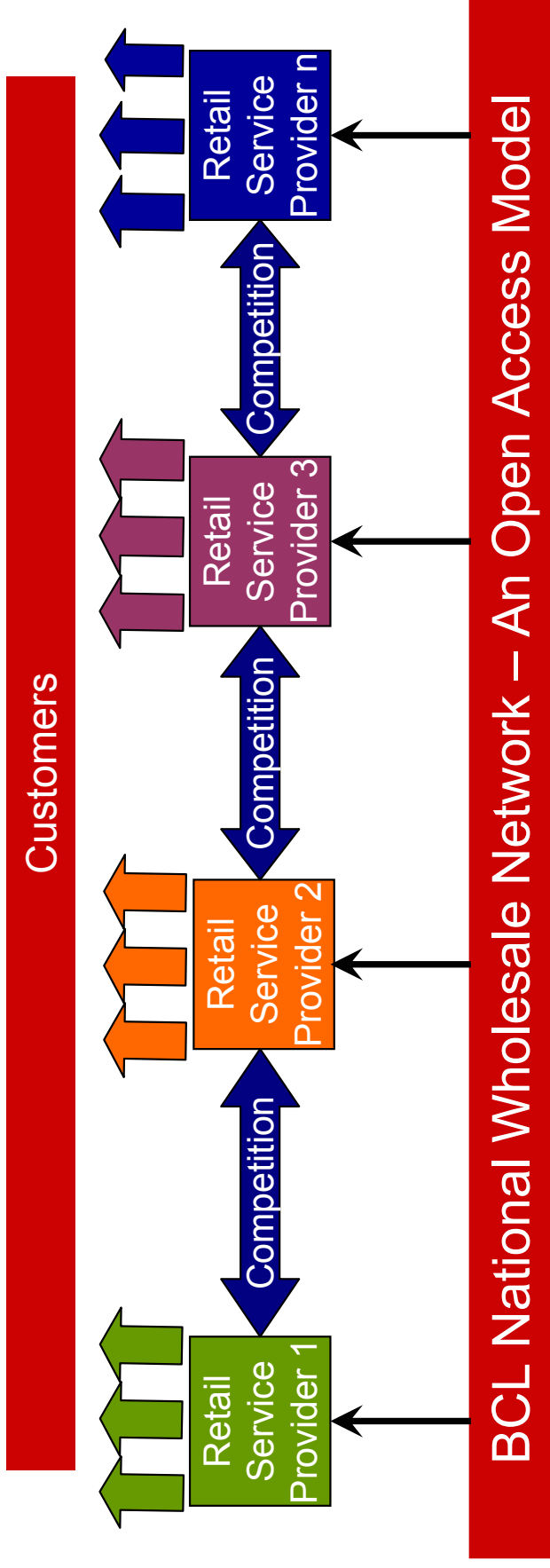
Wholesale Business Model



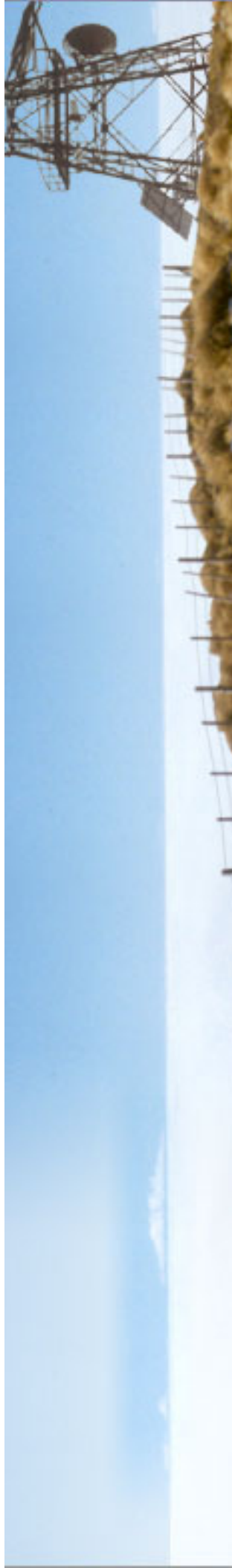
- Identified a need for a Telco that provided access to multiple Retailers without competing for the end customer.
- Based on how BCL operated in the broadcast and FM radio markets.
- NZ FM radio market is one of the most successful in the world
 - High share of the overall advertising revenue
 - High number of stations per capita



Wholesale Model



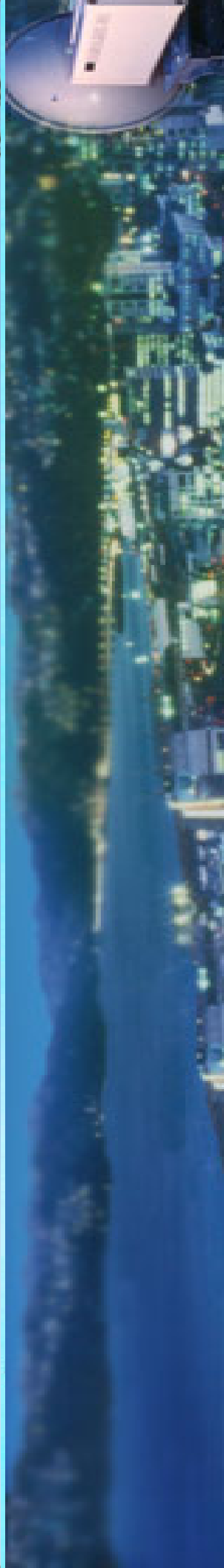
Efficient Network Provision, Competitive Service Provision



Airspan Wireless Technology



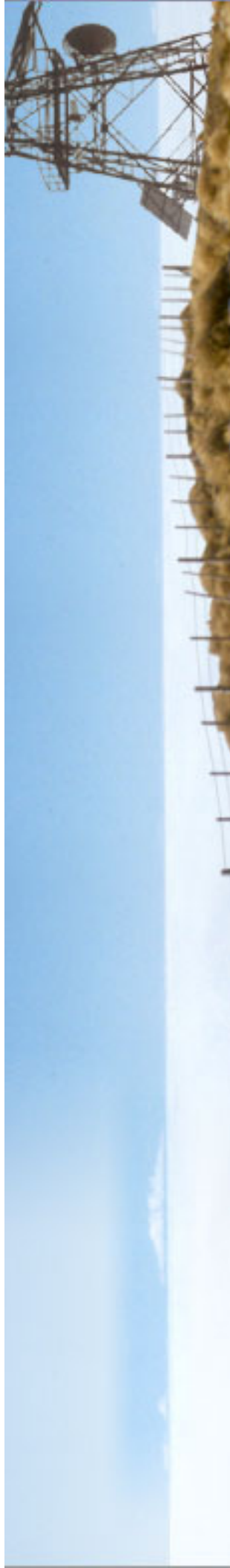
- Studied over 40 different wireless access products
- Chose Airspan because of fit with BCL's network and initial target market.
 - 50km coverage distance from site
 - POTs voice capability
- Proven to be reliable – both the technology and the organisation.



EXTEND Roll Out



- Stage 1
 - 28 sites
 - Sees approx 100,000 new subscriber locations
 - Sees approx 600,000 total subscriber locations
 - Went live 31 October – all of it!
 - It works
- What's next
 - Currently negotiating with Retailers for further extensions
 - Developing business case to roll-out in metropolitan areas



Capability of EXTEND relative to Copper



COPPER	EXTEND
Voice POTS & VoIP	Voice POTS & VoIP
Support 111	111 calls treated as per existing Telecom network
Works when power off	Works when power off with battery back option
Standard handsets & wiring	Standard handsets & wiring
Standard dial tone, ring cadences, busy tones, call forward, caller ID and fax	Standard dial tone, ring cadences, busy tones, call forward, caller ID and fax
With DSL – data rates vary depending on service definition – ADSL up to 9Mb/s downstream (distance limited)	Data to 2Mbps – out to coverage edge
5-7kms of copper length (depends on quality of copper)	50kms from site



Effect of Regulation



- Potential effect of regulation
- Potential effect of designation
- Assessment in context of application
- Effect on end users

