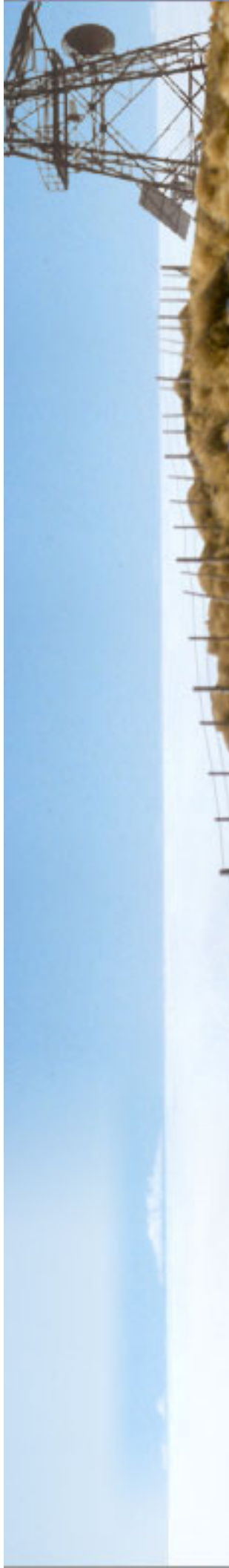




Alternative Technologies

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

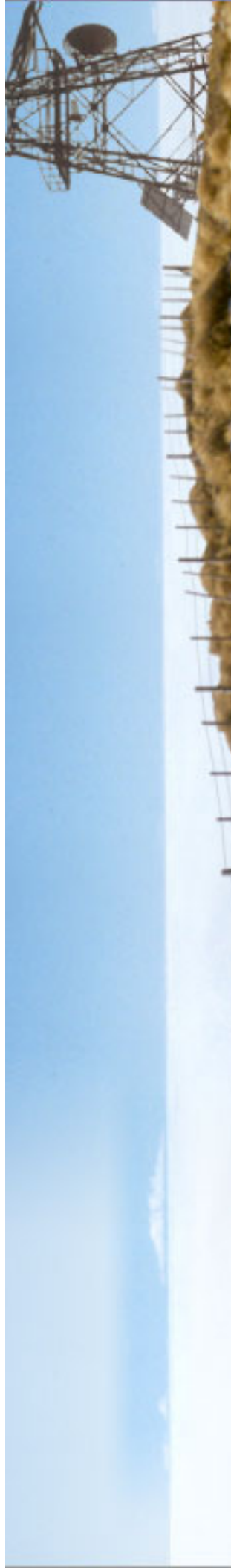


Introduction



BCL submits that alternative technologies

- Are at a critical stage in product life-cycle.
- Are vulnerable to market regulation at this stage.
- Will provide significant benefits to end users in the long run.



Technologies



BCL considers that the following technologies deserve stronger consideration in the Commissions' report and the cost benefit analysis:

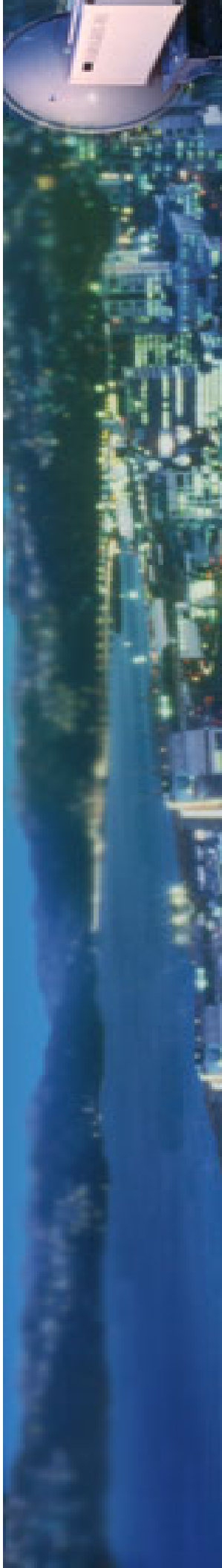
- Wireless Access
- Mobile Data & Voice
- Satellite



Wireless Access



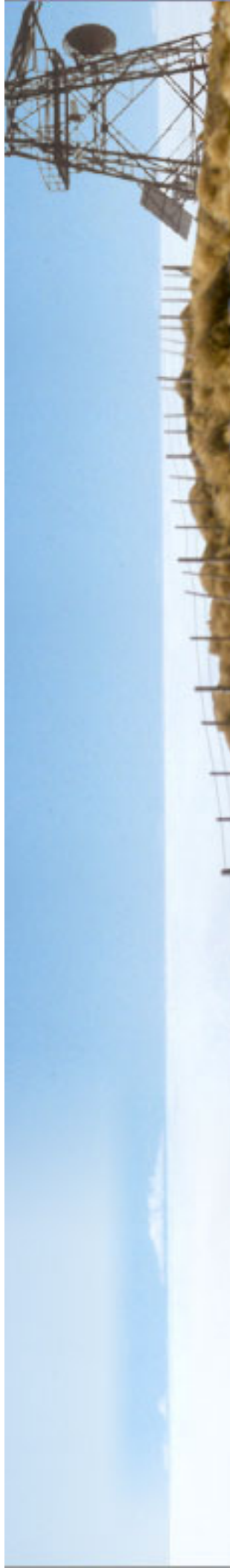
- Is here now
- Development to the extent of constraint on Telecom is at the least imminent.
- Has functionality that equals or exceeds copper based technologies for example portability and mobility.
- Is reliable.
- Will provide end users with more benefits than Telecom's copper Network.
- Has a future that includes compelling standards and cost reduction.



Mobile Voice & Data



- Voice
 - is capable of competition to wireline services
 - Is likely to become more competitive within 5 years
- Data
 - 3G networks imminent
 - data compression and integration developments allow delivery of ‘broadband’ applications
 - already provide consumer choice in some situations



Satellite



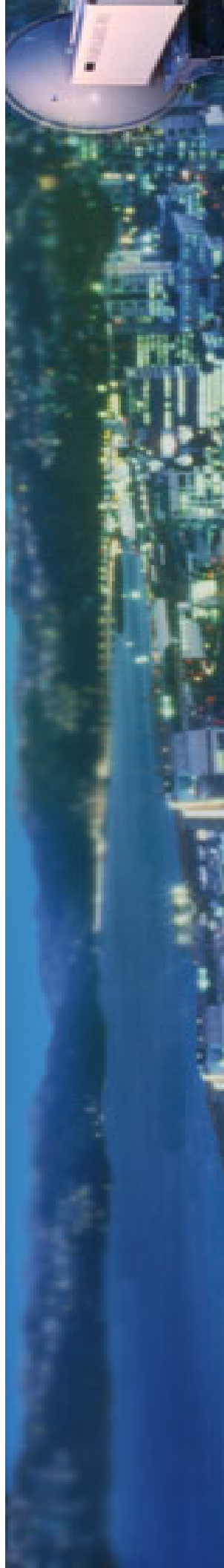
- Already provides alternative in some situations.
- Cost decreases and performance increases indicate that this technology could be considered as at least partial constraint within a five year forward-looking time frame.



Combination



- The combination of alternative technologies and market participants is likely to provide end users with a range of choices for both voice and data services.
- In considering dynamic efficiency over a five year forward-looking approach, BCL believes it would be appropriate to give these technologies weight in both the assessment of competition and the cost benefit analysis.
- Therefore the counterfactual adopted in the draft report is incorrect.



Counterfactual



BCL submits that it is not correct to assume status quo for the counterfactual given:

- The infrastructure investments today
- The anticipated infrastructure investments over the next five years.
- Anticipated technology development that will provide differentiated service and functionality to end users over the next five years.
- The competition constraints this will place on the incumbent.

