



# Consumers' Institute

8 October 2003

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Mr Alex Cheetham  
Unbundling Draft Report  
Network Access Group  
Commerce Commission  
PO Box 2351  
WELLINGTON

Dear Mr Cheetham

***Investigation into unbundling the local loop network  
and the fixed public data network draft report***

Having considered the detail of the draft report the Institute remains in favour of unbundling the local loop. We believe the Commission has been very conservative in its estimate of residential consumer use of broadband. In our view, it is likely to be higher than predicted. If our assessment is correct, unbundling the local loop takes on greater importance. Increased volume will provide an economy of scale and a greater incentive for companies to compete for a slice of an ever-increasing market.

As we mentioned in our initial submission, we acknowledge the competition that is developing particularly in the wireless sector. Whether this will be as successful as its promoters claim, remains to be seen. Nevertheless, the launch of Woosh and the promise from Walker Wireless that its service will cover 70% of Auckland by Christmas, and 70% of the rest of the country within a couple of years, could provide significant competition for the fixed wire local loop.

I am sure the Commission will take this into account in reaching its final determination. On the question of the public data network, we are not in a position to comment except to note that it doesn't appear to be a standard approach overseas to unbundle such services. Again, we are confident the Commission will listen carefully to the commercial arguments presented by the interested parties.

Yours sincerely

PP - David Russell  
Chief Executive