

TELECOMMUNICATIONS ACT 2001
SECTION 64 REVIEW INTO UNBUNDLING THE LOCAL LOOP
NETWORK AND THE FIXED PUBLIC DATA NETWORK

SUPPLIMENTARY SUBMISSION IN RESPONSE TO THE ISSUES
PAPER FROM

BROADCAST COMMUNICATIONS LIMITED

BCL's Supplementary Submission

1. Broadcast Communications Limited ("BCL") submitted a response the Section 64 Review into Unbundling the Local Loop Network and the Fixed Public Data Network date 23 May 2003.
2. In the submission dated 23 May 2003 BCL did not take a position of support or non-support of unbundling the local loop network and the fixed public data network.
3. Although this question was not specifically asked in the issues paper, BCL would like to clarify its position now.
4. BCL does not agree with unbundling of either the Local Loop Network or the Fixed Public Data Network at this point in time for the following reasons:
5. BCL has undertaken and is continuing to undertake substantial investment in a network that provides last mile access and supports both voice (switched and IP) and data. This network is a wholesale only network and is available to any reseller on agreement of commercial terms and conditions. The Access network is sold on a rate card basis, with discounts only available for contract term and volume.
6. BCL's network will be operational in the 4th quarter of this year.
7. Given the nature of the network – there are three issues to consider
 - (a) That the BCL network roll-out may impact on the necessity for the unbundling of Local Loop and Public Data Networks
 - (b) That the unbundling of these networks may affect the return on investment to BCL from its Access Network (particularly if designated).
 - (c) The unbundling of these networks may affect decisions to invest any further in Access Networks.
8. BCL notes that there are a number of other organisations providing alternative last mile access solutions.
9. Given that the timing of New Zealand's investigation into unbundling in relation to the establishment of alternative networks is not comparable with overseas examples, BCL believes that the government could potentially expose BCL and the other alternative network providers to substantial risk if it decided to unbundled at this time.
10. Unless the government can provide firm guarantee that unbundling would not have a detrimental effect on the investment made by BCL in its Access Network, BCL would suggest that the Commission either;
 - (a) Decide not to unbundled the local loop and public data network, or
 - (b) Decide to defer any decision until such time as the extent of effectiveness of alternative networks and the economical impact of unbundling on these networks can be assessed.

BCL is happy to provide any further information the Commission requires and looks forward to making further submissions through the investigation process.

Yours faithfully

Broadcast Communications Limited