



## COMMERCE COMMISSION

Please refer to:

0.1/J5295  
375170-1

4 February 2005

### **Mobile Termination Conference**

The purpose of this letter is to outline the procedure for the Commission's conference on the Mobile Termination Draft Report, which is to be held on 23 February to 25 February 2005 in the ground floor conference room located at 44-52 The Terrace, Wellington. The administrative and logistical arrangements for the conference are described in the attachment to this letter.

The Commission has considered all submissions and cross-submissions made by interested parties and identified the key issues that it wishes parties to address at the conference. In the interests of ensuring that the Commission is best able to explore with participants the issues of most concern to the Commission in the time available, the Commission has decided that each party wishing to participate at the conference will be allocated 30 minutes at the beginning of the conference to present an opening statement, and another 30 minutes at the end to present a closing statement. Between opening and closing statements, the Commission will schedule time to ask parties specific questions on the following issues:

- The state of competition in the markets for mobile services and fixed-to-mobile/toll services.
- Whether the market for mobile services is two sided and the waterbed effect applies.
- If 2G networks are regulated, should 3G networks also be regulated.
- Whether any adjustments should be made to the Commission's CBA modelling.
- Whether the Commission should apply the consumer surplus or total welfare test.
- The wording of the service specification.

The Commission requests that parties have their nominated experts available to respond to questions put by the Commission in relation to relevant issues. Please note that the questions relating to the consumer surplus or total welfare test will be restricted to legal matters and therefore economic experts will not be required for questioning on this issue.

The Commission also requests that Telecom and Vodafone have senior representatives available to respond to questions on their submissions and cross-submissions after their respective opening statements.

Several parties have submitted that the Draft Report is unclear on whether the Commission proposes to regulate mobile termination when the call originates on a mobile network. The Commission is considering this issue and will clarify its position shortly.

A proposed schedule detailing when specific issues will be discussed is attached. The Commission has not allocated time for parties or their experts to make presentations at the conference, and therefore does not require parties to provide a statement of issues or written submissions prior to the conference.

If you wish to present an opening and/or closing statement at the conference, please provide the names of the presenters to Treena Daly. Please also provide the names of your nominated experts who wish to participate in the discussion on the relevant issues (if any).

Yours sincerely

Osmond Borthwick  
Manager, Network Access Group