



15<sup>th</sup> May 2005

Mobile Termination Draft Report  
Network Access Group  
Commerce commission  
PO Box 2351  
Wellington

Dear Osmond,

Re: Consultation on Service description for Mobile Termination

*Question: Will the service description achieve the effect of regulating the termination of 2G voice calls while excluding from regulation all 3G voice calls? If not why not?*

CallPlus finds it difficult to respond on the proposed description as we believe that this is highly dependant on how the mobile network operators 2G & 3G networks are deployed and operated. Mobile users will experience a number of different permutations depending on where they are, what handset / SIM they are using and how the network is configured. Furthermore we, as an operator, would have no visibility of what technology the call was transiting or terminating on.

We would like to reiterate that we believe that the approach of separating "3G", however defined, is fundamentally flawed. As a provider of fixed to mobile calls we will have two different supply prices and will either have to: -

1. Charge a different retail price for the different calls.
2. Charge at the higher rate thereby disadvantaging the customer.
3. Absorb the higher cost of 3G calls, due to competitive pressure, and be severely competitively disadvantaged against the vertically integrated operator with mobile and fixed networks ( Note that fixed to mobile calls are our largest single calling expense today.)

Options 2 & 3 are diametrically opposed to the commerce commissioner's role and option 1 is only possible if a consumer, and an operator, can identify a 2G call from a 3G call at the point of making the call.

We believe these fundamental questions are unanswered. Thank you for the opportunity to respond, we strongly urge the commissioner to reconsider the approach or indicated the proposed solutions to issues raised by ourselves and other parties.

Regards,

Graham Walmsley,  
Manager - Business Marketing & Regulatory