



Vodafone New Zealand Limited

Commercial Development

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Douglas Webb
Telecommunications Commissioner
Commerce Commission
PO Box 2351
Wellington

Dear Douglas

Mobile Termination Rates – Vodafone Commercial Offer

In July 2005, Vodafone tabled with the Minister of Communications a confidential commercial offer for voice calls originating on fixed networks and terminating on our 2G and 3G networks, commencing on 1 April 2006. This four year offer is available to all interconnect partners when their current contract term expires and has formed the basis for the Commission's counterfactual as part of the reconsideration investigation. By the end of May, all interconnect partners will have access to the offer.

As we are in discussions with several parties, our offer details are likely to become public. We have therefore decided that it is in the best interests of all parties that we take the initiative and make our offer public now. I am writing to give you advance notice of our intention and to inform you of an important extra benefit to the offer which Vodafone has decided to extend.

The focus of the investigation has rightly been on calls from fixed networks. We want our mobile customers to receive the benefits of lower prices as well. Therefore our extended offer now applies to all calls to our 2G and 3G mobile networks – regardless of their source. This extension of our commercial offer to include calls sourced from mobile networks is available to all access seekers who offer reciprocity.

Our interpretation of the Confidentiality Orders relating to your investigation indicate that although this information was tabled and accepted as Vodafone Restricted Information, since it is now in the public domain, it may now be treated in that way in your publications.

I would be happy to discuss these matters with you or your team should you have any questions. We have communicated our decision to publish directly to the Minister.

Yours sincerely

Tom Chignell
General Manager, Commercial Development