



COMMERCE COMMISSION

Please refer to:

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20 July 2009

David Kreider
General Counsel
Vodafone New Zealand Limited
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Private Bag 92 161
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Dear David

Investigation into Mobile Termination Access Services

I refer to your letter to Dr Mark Berry, Commerce Commission Chairperson, dated 14 July 2009 in respect of the Commission's Schedule 3 investigation into mobile termination access services (**MTAS Investigation**). Your letter raises two substantive points:

- a. the Commission's revised timeframes for the MTAS Investigation; and
- b. public statements made by the Commission in relation to mobile termination rates.

I address each of these points below.

Revised timeframes

As noted in your letter, the Commission recently revised its proposed timetable for the MTAS Investigation. The date for the Commission's Conference has been moved forward. In setting this revised date for the Conference the Commission has been mindful of its obligations to ensure that its MTAS Investigation process is fair to all parties. No other key players have signalled any significant issues with the proposed timetable.

The Commission Conference is primarily an opportunity for the Commission to test the views interested parties expressed in their submissions. The Commission does not consider that an extended period between formal submissions and the Conference is required. The Conference is only one aspect of the Commission's consultation processes. Interested parties such as Vodafone have already had considerable opportunity to engage with the Commission and express their views through submissions and application of the undertakings regime. Accordingly, the Commission intends to retain the proposed dates for the Commission Conference.

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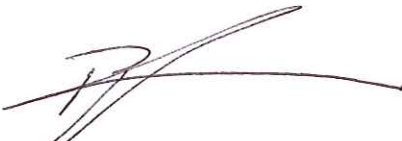
Public comments in respect of the MTAS Investigation

As you know, the Commission recently released its draft Report for the MTAS Investigation, which contains the Commission's preliminary views in respect of the likely costs of mobile termination in New Zealand. The Commission had also previously released preliminary views in response to undertakings received from access providers. While in both cases these views are necessarily preliminary, they have been informed by extensive research and analysis on the part of Commission staff and submissions from interested parties, including Vodafone. Accordingly, the Commission considers that its preliminary views are the result of a fair and robust process.

Recent public comments by the Commission regarding mobile termination rates have been made in this context. The Commission notes that there has been significant public interest in respect of this issue, and considers that it is appropriate to explain its position when a formal process results in a Commission view being released, whether in draft or final.

The Commission looks forward to its preliminary views as set out in the draft Report being discussed and tested as the consultation process continues, as it maintains an open mind in respect of all final decisions to be made in respect of the MTAS investigation.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Peter Taylor', written over a horizontal line.

Peter Taylor
Acting Chief Executive

cc Hon Steven Joyce, Minister for Communications and Information Technology