



**INDUSTRY & REGULATORY AFFAIRS**

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25 August 2009

Ross Patterson  
Telecommunications Commissioner  
Commerce Commission  
PO Box 2351

Dear Ross

**RE: Investigation into Mobile Termination Access Services (MTAS)**

I refer to Vodafone's letter to you of 20 August 2009 on this subject, and provide brief comment on the proposals made by Vodafone in relation to registered Undertakings. As you are aware, Telecom has written separately to the Commission on the matter of confidentiality and has submitted extensively on the Commission's approach to preparing a cost benefit analysis of the services covered by its MTAS investigation.

In the latest round of submissions, Telecom alone submitted a revised Undertaking as an alternative to regulation. This Undertaking would see termination rates more than halved from their current levels and would commence these reductions, and provide important certainty to the industry, well before any regulation could take effect. We think it is a compelling commitment, and we want to see the other mobile network operators sign up to matching it.

That will require that they have further opportunity to do so in the course of the Commission's process, and may also require that the Commission has the opportunity to provide more feedback on the Undertakings it has received to date.

Registered undertakings have the potential to resolve regulatory and policy issues at much lower cost and with much greater certainty than imposed regulation. It goes to follow then, that the process by which regulation is considered should encourage, to the greatest extent feasible, the submission of Undertakings throughout the process. To that end, we support Vodafone's requests for a further opportunity to submit revised Undertakings and for a workshop to resolve any incompatibilities between revised Undertakings.

We also support the proposition that further consultation on the Commission's MTAS cost benefit model - if key parameters of that model are changed - would assist in encouraging those other mobile operators to submit revised Undertakings.

We consider that these extra process steps could be accommodated without causing undue delay to the Commission's process and note that similar post-conference consultation rounds have been carried out successfully by the Commission in the past to refine service descriptions and pricing models in 2005 (Mobile Termination Rate investigation) and 2009 (Sub-loop Services Standard Terms Determination).

We would welcome the opportunity to discuss these proposals further with the Commission and interested parties before, during or after the Commission's MTAS conference.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'JWS', is centered below the text 'Yours sincerely'.

**John Wesley-Smith**  
**General Manager**  
**Industry & Regulatory Affairs**