



COMMERCE COMMISSION

Please refer to:

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13 May 2008

Hon. Barry Patterson
IOG Chairman
Telecom
P O Box 570
Wellington

Dear Barry

Telecom Broadband Promotions and Separation

The Commission has received a complaint (attached) from Orcon about potential information flows between Telecom Wholesale and Telecom Retail. As you are aware, the Separation Undertakings proffered by Telecom are designed to remove any potential for Telecom to favour its various operational units to the detriment of other Service Providers.

The functions of the IOG include the processing of complaints about compliance with the undertakings (clause 79.1 (b)). The Commission therefore considers that the IOG should in the first instance investigate the issues raised by Orcon in its letter to the Commission. (Orcon has advised that it has raised the issue with Telecom, and is not satisfied with the response).

This is the first complaint since Separation day. The manner and timeliness of the resolution of this complaint will, no doubt, have a bearing on how the effectiveness of Operational Separation is perceived by stakeholders and the general public. The Commission would therefore like to be informed of the process to be used, and the indicative timeframe for resolving the complaint.

The Commission will be happy to work with the IOG to put in place a process for the resolution of complaints. The Commission could assist in making such information available to stakeholders, so that there is a general understanding and acceptance in the industry that robust procedures and channels are available for the swift resolutions of complaints.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Ross Patterson', with a long horizontal flourish extending to the right.

Dr. Ross Patterson
Telecommunications Commissioner

cc: Alison Burton – GM IOG Support Office