



COMMERCE COMMISSION

Please refer to:

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7 August 2008

Dr Paul Reynolds
Chief Executive
Telecom New Zealand
Private Bag 92028
AUCKLAND

Copied: Hon David Cunliffe
Mr Barry Paterson, IOG
Richard Scott, Chorus
Reg Hammond, MED

Dear Paul

***Prima facie* Breach of Separation Undertaking: Telecom Zones 1, 2 and 3**

Thank you for your letter of 25 July regarding a prima facie breach of the separation undertakings. I am pleased to confirm that significant progress has been made towards remedying the breach.

Telecom has provided much of the detail on the geographic areas covered by the PSTN Zones, in addition to details of the method for classifying customer service addresses within these Zones.

I note that Telecom is actively consulting with the Commerce Commission and the Minister of Communications to ensure that the minor issues still outstanding will be resolved shortly. Once additional details on these minor matters have been provided to the Commission's satisfaction, the Commission will be able to advise that the breach has been remedied

Yours sincerely

Dr Ross Patterson
Telecommunications Commissioner