



**Public Affairs**

**Telecom New Zealand Ltd**

Level 2, North Tower, Telecom House  
68-86 Jervois Quay, PO Box 570, Wellington  
Telephone: (04) 498 9435  
Facsimile: (04) 473 2615  
Email: john.wesley-smith@telecom.co.nz

18 June 2008

**To**

Dr Ross Patterson  
Commerce Commission  
PO Box 2351  
Wellington

**By email**

**And to**

The Chairman  
Independent Oversight Group (IOG)  
c/o IOG Support Office  
PO Box 570

Dear Ross

**Notification of material change in the scope of the Chorus business**

Thank you for your letter of 28 May 2008 addressed to Paul Reynolds.

We are mindful that the Undertakings require Telecom Wholesale to have control and influence over network assets used to provide relevant Telecom Wholesale services.

The key written arrangement that covers this situation is the Wholesale Influence Policy. This policy provides Wholesale with influence over the assets it is required to have influence over under the Undertakings. It also gives Wholesale the ability to periodically (and at least annually) identify the assets it is required to have influence over, and notify other Telecom business units (e.g. Chorus) of that list. We have already provided the Commission with a copy of this policy, and will provide any further updates as they occur.

We do not consider the extension of the Chorus scope of business to have any effect on Telecom Wholesale's level of influence over these assets, and note that the activity in question (field service activities) if not in Chorus, would otherwise be performed within Telecom's T&SS unit and not Telecom Wholesale.

If your concern relates to physical network planning, as explained in the covering memorandum which we sent you with the notification, there is a group of access planners sitting within Chorus. This is covered by clause 100 of the Undertakings, but we included it in the notification for completeness.

Yours sincerely

A handwritten signature in blue ink, appearing to be "JWS", written over a light blue rectangular background.

**John Wesley-Smith**  
**Head of Regulatory Affairs**