

COMMERCE COMMISSION

15 June 2005

By email

TelstraClear Bitstream Application Conference 4–5 July 2005

Purpose

The purpose of this letter is to outline the administrative and logistical arrangements for the Commission's conference on the TelstraClear Bitstream Application to be held on 4 and 5 July 2005 in the ground floor conference room located at 44-52 The Terrace, Wellington.

Background

The Commission has considered all submissions and cross-submissions made by interested parties and identified the key issues that it wishes parties to address at the conference. In the interests of ensuring that the Commission is best able to explore with participants the issues of most concern to the Commission in the time available, the Commission has provided time during the conference for the parties to the determination (TelstraClear and Telecom) to present opening and closing statements, with other submitting parties having the opportunity to make an oral submission during the conference. Some submitting parties have chosen not to present at the conference.

In these circumstances, the most efficient and cost effective way to organise the conference is to allow Commissioners to seek information that will clarify the remaining issues of concern. Between the opening and closing statements, the Commission has scheduled time to ask parties specific questions on the following issues:

Calculation of the Initial Pricing Principle ('IPP')

- the use of alternative functional forms / arithmetic approach to calculate the wholesale bitstream access price
- the impact of Telecom's revised retail business Jetstream prices

Technical Delivery of Bitstream Access

- the nature and viability of a non rate-shaped downstream bitstream service on Telecom's network

Price Discrimination

- the effect that a single residential or business wholesale bitstream access price would have on the retail price discrimination incentives

Markets and Competition Assessment

- use of a national vs. regional market
- the emergence of competition in the market

Operational Support Systems

- scale and scope economies of delivering OSS relative to overseas jurisdictions;

- relative benefits of retail-prime and neutral OSS systems

The Commission intends to hold a further technical workshop between Commission staff and the parties to gather further information relating to specific technical aspects of the Application. Details of the workshop will be provided in due course.

Please note that due to the availability of key experts, it has been necessary to schedule the IPP calculation discussion separately from the price discrimination discussion.

Conference Schedule

Monday 4 July 2005

Introduction	
9:00 – 9.10am	Commission
9:10 - 9.40am	TelstraClear
9.40 – 10.10am	Telecom
Calculation of Initial Pricing Principle	
10:10 – 11:15am	Joint session
<i>11:15 – 11:30am</i>	<i>Break</i>
11:30 – 12:20pm	Joint session
<i>12:20– 1:15pm</i>	<i>Lunch</i>
Nature and Viability of Bitstream Access service	
1:15 – 2:45pm	Joint session
<i>2.45 – 3.00pm</i>	<i>Break</i>
3.00 – 5.00pm	Joint session

Tuesday 5 July 2005

Price Discrimination	
9:00 – 10:45am	Joint session
<i>10:45 – 11:00am</i>	<i>Break</i>
Markets	
11:00 – 12:30am	Joint session
<i>12:30 – 1:30pm</i>	<i>Lunch</i>
OSS	
1:30 – 2:30pm	TelstraClear
2:30 – 3:30pm	Telecom
<i>3:30 – 3:40pm</i>	<i>Break</i>
Closing statements	
3:40 – 4.00pm	TUANZ
4:00 – 4:20pm	InternetNZ
4:20 – 4:50pm	Telecom
4:50 – 5:20pm	TelstraClear
5:20-5:30pm	Commission

Procedure for presenting statements

Statements will be made from the central table.

Where a joint session is held, the Commission expects to gather expert evidence from both parties.

An overhead projector, computer and data projector (for PowerPoint presentations) will be available for use by parties making statements. Any other equipment may be hired at the requesting party's expense.

All parties are required to provide 30 copies of any document (such as for a PowerPoint presentation) produced during the conference for public attendees. Following the conference, an electronic version of the document is also required (PDF format preferred) for publishing on the Commission's web site.

Other matters

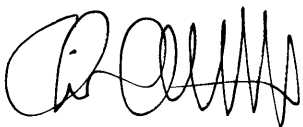
In accordance with section 64(4) of the Commerce Act 1986, the conference will be recorded on audiotape. Stenographers will also provide a transcript of the conference. Copies of the transcripts will be available on the Commission's website as soon as possible.

Tea and coffee will be available upon arrival and during breaks for all participants.

All mobile phones must be turned off during the proceedings.

Should you have any queries, please contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Abbott', with a stylized, cursive script.

Chris Abbott
Chief Adviser
Network Access Group