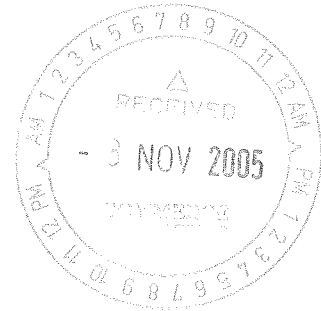




27 October 2005

Douglas Webb
Telecommunications Commissioner
Commerce Commission
44-52 The Terrace
WELLINGTON



Dear Mr. Webb

**Commerce Commission Statement for Consultation in respect of
TelstraClear's bitstream application**

Thank you for this opportunity to provide late comment regarding the Commission's published consultation in respect of TelstraClear's bitstream application.

BayCity New Zealand Limited through its "Farmside" brand provides ubiquitous nationwide broadband services to 100% of rural New Zealand and employs more than forty people in Timaru.

Our Farmside Community Broadband service is delivered as appropriate by the carrier class networks of wholesale Telecom UBS, BCL Extend Wireless and IPSTAR broadband satellite. DSL access is critical to our rural broadband service, which we believe will be adversely affected if the Commission requires Telecom to provide Unconstrained Downstream Speeds.

Farmside Community Broadband is uniquely focused on the needs of rural New Zealand. Over the past 5-years we have acquired a deep understanding of rural customer requirements and as a result have successfully invested in and developed expertise in the access technologies required to connect 100% of rural New Zealand to broadband. Flyers from our current "Connect More" campaign accompany this letter - a good example of the Government's Digital Strategy and private enterprise in action!

Our experience with DSL technologies suggests customers located more than 2-3 kilometers from a copper centre will receive inferior broadband speeds if people closer to the copper centre are connected with Unconstrained Downstream Speeds. An unconstrained DSL broadband determination by the Commission on the basis envisaged represents a significant risk to our business. Furthermore, in rural areas any benefits for a few customers will be to the detriment of a large number who due to their distance from a copper centre will not be able to access such services or worse may not even obtain the basic 256k access.

We endorse the same concerns for rural and some provincial broadband subscribers as detailed in Telecom's letter to the Commission dated 27 October 2005. We urge the Commission to carefully consider the negative effect Unconstrained Downstream Speeds will have on those of us who live and work in rural New Zealand. The impact this would have on rural broadband service should not be underestimated.

We appreciate submissions on this matter have closed and are grateful for this late opportunity for BayCity to provide you with our views. If helpful to the Commission, we would be happy to meet with you to discuss further.

Yours sincerely

Barry Payne
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Copy forwarded to: Hon David Cunliffe
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