

TelstraClear Bitstream Application – Statement for Consultation
Commerce Commission
PO Box 2351
WELLINGTON

Chris.Abbott@comcom.govt.nz

Date: 14-11-2005

Dear Chris,

Comments on the TelstraClear Bitstream Application - Statement for Consultation

The area of telecommunications services and infrastructure development is one that presents both opportunities and obstacles to economic development in New Zealand. The easy access to high speed Internet services makes a strong contribution to the growth of businesses within regions and encourages relocation of others. The absence of such access will have the converse results. Accordingly, telecommunications infrastructure development is a central component of our regional economic development strategies.

While we are very supportive of any moves by the Commission to increase access to high speed broadband services, we are concerned to note that the increased access to high-speed Internet services could have detrimental effects on current and potential users located further away from the infrastructure equipment delivering those services. We are also concerned about the impact on Telecom's future broadband investment decisions that may come about as a consequence of the Commission's recommendation to regulate a single wholesale price point for broadband.

The Commission in its consultation statement "considers that they [the additional risks] would be unlikely to outweigh the benefits to competition that an unconstrained service would offer." As a regional economic development agency with a substantial public interest, we do not have the luxury to play off users of services to achieve our overall goals. We have a mandate to develop whole-of-region strategies that while taking into account local realities, do not create inequities in the ability of businesses to access the benefits of their regional economic development strategies.

In our region, locating and developing businesses outside of traditional urban settings is emerging as a powerful trend in the future development of our region. The widespread availability of core services, and particularly of telecommunications services of a comparable level to that available in the metropolitan areas, is critical to this process. We would be very concerned if the proposed unconstrained bitstream service were to counteract this emerging trend by decreasing or preventing the ability of businesses located beyond the reduced reach of the broadband network to effectively access those services.

Finally, we note the important role we play in the development of communities within our region. For many remote communities, the application of economic development thinking has led to revitalisation of remote communities through new business initiatives. Our points made above are equally relevant in this case.

We ask the Commission to take into account our concerns about the impacts of the proposed unbundled bitstream service on the ability of remotely-located businesses and communities to fully participate in regional economic development. We advocate strongly for a policy frameworks at the national level that is conducive to economic development throughout every part of our region and that will encourage ongoing growth and investment for all.

Yours sincerely,

Brian Roberts
CEO
Enterprise Northland