



COMMERCE COMMISSION

Please refer to:

2.6/J6863
432926-5

9 December 2005

Bruce Parkes
General Manager
Government and Industry Relations
Telecom New Zealand Limited
68-86 Jervois Quay
Wellington

Dear Bruce,

UBS Proceeding: "Future Telecom Broadband Pricing Plans"

I refer to your letter of 6 December, forwarding 'Commission only' and public versions of a document entitled "Future Telecom Broadband Pricing Plans".

As you are aware, the Commission concluded the consultation phase of the UBS proceeding on 27 October 2005, when the period for submissions on the 12 October "Statement for Consultation" expired. During the consultation phase of the proceeding, the parties were given ample opportunity to comment on all aspects of the proceeding. The parties, including Telecom, availed themselves of those opportunities and made extensive submissions, including on the basis for calculation of the bitstream access price and implications for the market of particular approaches to that calculation.

The new proposal you have provided concerning bitstream access pricing revisits the same subjects that have already been dealt with in earlier submissions. It comes well after the Commission has completed the consultation phase for this determination. As the court noted in *Wellington International Airport v Commerce Commission* (2002) 10 TCLR 460, the Commission should not be subjected to "a never-ending iterative process."

The Commission does not accordingly regard the new proposal as a proper submission and therefore declines to consider it. The Commission believes that the appropriate course is to return the "Commission only" material to you and it is returned with this letter.

In accordance with the Commission's policy of procedural transparency, this letter and your letter of 6 December (excluding the powerpoint annexure) will both shortly be published on the Commission's website.

Yours sincerely


Douglas Webb
Telecommunications Commissioner