



Telecom Corporation of New Zealand Limited
Level 9, North Tower, 68-86 Jervois Quay
PO Box 570
WELLINGTON

Telephone: + 64 (04) 498 5677 Fax: + 64 (04) 473 5926
Email: debra.blackett@telecom.co.nz
www.telecom.co.nz

Debra Blackett

Assistant General Counsel - Competition & Regulatory

30 October 2006

Rachel McLauchlan
Senior Legal Counsel
Commerce Commission
P O Box 2351
WELLINGTON

Dear Rachel

Ihug / CallPlus – Telecom – Paragraph 208 of Decision 582 – adjustment to bitstream access price

1. Further to my letter of 27 October we now attach and submit public and confidential versions of spreadsheets containing Telecom's adjusted bitstream price, and the supporting information for that calculation, for 22 September and 26 October 2006 ("**the information**").

Restricted Information

2. The information is attached and submitted under the Order made pursuant to s100 of the Commerce Act 1986 and s15(i) of the Telecommunications Act 2001, issued by the Commission on 26 October 2006 ("**the Order**").
3. Telecom seeks protection of the information in the spreadsheet headed "Restricted Information Version" as Restricted Information under the Order, in accordance with clause 2 of the Order.
4. As required under clause 2 we attach
 - a certificate in the form required under clause 8 of the Order; and
 - a deed of undertaking;

signed by me as Telecom's Nominated Counsel.

5. The public version of the information is provided as required under clause 10(c) of the Order.

Reasons for Protection

6. The reasons protection is sought have been stated in previous correspondence (see for example our letter of 21 September 2006) but in essence:

[The information] provides full information about the success of many variants of Telecom broadband plans. The information is significantly disaggregated, enabling Telecom's competitors to assess the sales success of individual plans and consequently Telecom's marketing initiatives. That kind of information would not otherwise be available to any of Telecom's competitors and would be highly valuable to a competitor in terms of providing information about the preferences of Telecom's customers and therefore how to compete with Telecom. For that reason, disclosure of the information to any of Telecom's competitors would cause material and unreasonable prejudice to Telecom's commercial position.

7. We ask that any Official Information Act requests relating to the information proved as Restricted Information should be refused on the basis that disclosure would unreasonably prejudice Telecom's commercial position.
8. Please note that assuming the Commission approves the adjusted price of \$27.77 we do not intend on this occasion to pass this on to customers. This is due to the scale of the increase and the relatively recent nature of the previous adjustment.

Yours sincerely

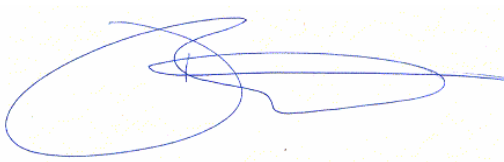


Debra Blackett
Assistant General Counsel
Competition & Regulatory

Certificate of Nominated Counsel

In accordance with clause 8 of the Confidentiality Order dated 26 October 2006 ("Order") in respect of the review of Telecom's adjusted bitstream access price under Decision 582, I certify, as Nominated Counsel for Telecom, that I consider that the protection of the information requested by the Commission (the supporting information to Telecom's adjusted bitstream access price) as Restricted Information in accordance with the Order is necessary in order to avoid likely unreasonable prejudice to the commercial position of Telecom who supplied and is the subject of the information. This certificate is given in my capacity as an officer of Telecom and on the basis of the instructions and information provided to me by persons within Telecom's business.

Dated this 30th day of October 2006

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Debra Blackett
Assistant General Counsel
Competition & Regulatory