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Jason Woolley

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11 January 2007

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 your email of 10 January 2007 please find attached public and confidential versions of spreadsheets containing Telecom's adjusted bitstream price, and the supporting information for that calculation, for 26 October 2006 and 22 December 2006 ("**the information**").

Confidential Information

2. For reasons set out in previous correspondence we do not accept that a confidentiality order will only be necessary in the event the Commission decides to release the information to Callplus or Ihug. Telecom believes that the information should not be released to Callplus or Ihug or to other third parties and that an appropriate confidentiality order should be made to ensure this.
3. We therefore request that in relation to the information marked 'TCNZC' in the confidential version that this information is seen by the Commission only and that the Commission makes an order prohibiting the publication or communication of that information under section 100 of the Commerce Act 1986 and s15(i) of the Telecommunications Act 2001. We ask that the information not be available to third parties until such time as Telecom agrees to its disclosure.
4. In the event the Commission receives a request for access to the supporting information under the Official Information Act 1982 we ask that any such request is refused on the basis that disclosure would unreasonably prejudice Telecom's commercial position. We also ask that in the event any such requests are received Telecom is given the opportunity to comment before the Commission decides whether to grant the request.

Reasons for Protection

5. 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.

Approval of adjusted price

6. We look forward to hearing from the Commission as to whether the adjusted price is approved.

Yours sincerely



Jason Woolley
Senior Counsel, Group Competition & Regulatory (seconded)