



COMMERCE COMMISSION

Please refer to:

4.3/J7821
521658-1

27 October 2006

Bruce Parkes
General Manager
Public Affairs
Telecom New Zealand Ltd
PO Box 570
Wellington

Dear Bruce

Interim spectrum management proposal for approval

1. Your letter dated 6 September 2006 submitted an interim spectrum management plan for the Commission's approval.
2. On the basis of the information provided in that letter, and further information provided by Telecom to the Commission and the industry since that time, the Commission has decided not to approve the interim plan. Instead, it is recommended that Telecom submit an alternative interim plan that would allow ADSL systems to be deployed without restrictions.
3. The implementation of the interim plan as submitted by Telecom would have a substantial impact on broadband customers while providing a modest increase in the typical reach of SHDSL systems and un-necessarily protecting all HDB3 systems when only a relatively small number are at risk. Other solutions are available and in use overseas which achieve the same purpose.
4. To comply with such an alternative plan, it is anticipated that Telecom would have to consider making other arrangements for the SHDSL and HDB3 systems which are deemed to be at risk. These could include:

SHDSL

For the existing 254 at risk systems and longer systems that are required for services for which a 4-wire option is not available, consider the conversion of 2-wire systems to 4-wire, the migration of Private Office customers to One Office or the development of a 4-wire Private Office option.

HDB3

For the approximately 1500 at risk systems, consider better pair selection, pair separation, insertion of a regenerator or replacement with SHDSL.

5. You advised in the 6 September letter that Telecom proposes to take a different approach with the 24,134 working lines provided by Conklin DSLAMs because of their limited bearer capacity, by restricting the downstream speed to 3.5 Mbps. The Commission agrees with this approach.

Yours sincerely

A handwritten signature in black ink, appearing to be 'D. Webb', with a long horizontal flourish extending to the right.

Douglas Webb
Telecommunications Commissioner
Commerce Commission