



Dr Ross Patterson
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Commerce Commission

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Dear Ross

Revised Draft s30R Review for UCLL Backhaul STD

1. This letter refers to the draft s30R review issued by the Commerce Commission on Thursday 23 September 2010 on UCLL Backhaul. Thank you for the opportunity to comment on the preliminary conclusions presented in the draft document.
2. We think it is a positive step that the Commission is proposing some amendments to the competition assessment framework in this market. In particular we'd like to commend the Commission for being prepared to revisit some of the earlier preliminary decisions following feedback in the latest submission round. We also support the 36 additional UCLL Backhaul links being assessed as not subject to limited competition.

Conclusions of the Review

3. Chorus supports the proposed changes when considering a nearby fibre network within 1-2km of an Exchange as a competitive constraint. The exceptions to this, where a network owner has made a public statement they do not intend to offer services from that Exchange in the near future, or specific information has been presented to the Commission, are reasonable. This proposal provides improved flexibility when assessing the competitive constraint placed by a nearby network, and is a positive step. In particular Chorus commends the proposal to remove the cost to build criteria when assessing near-entrant network competitive constraint.
4. We also support the use of the Broadband Map as a useful tool in the public domain for assessing near-entrant networks. We note that this tool can be up to 6 months out of date, and the information contained in it is dependant on network providers sending through regular updates in a timely fashion.
5. As previously raised, we do consider that vertically-integrated operators place a competitive constraint on the market, and continue to call for this to be recognised. We have outlined our reasons for this in previous correspondence which we won't reiterate here, other than to say we disagree with the Commission's conclusion that TelstraClear does not exert a competitive constraint to Telecom (paragraphs 20-25).
6. Chorus commends the re-assessing of 36 UCLL Backhaul primary links as competitive. This clearly demonstrates that the proposed near-entrant framework more accurately assesses the competition prevalent in the UCLL Backhaul market. Chorus would like to thank the Commission's willingness to undertake a re-review of the primary links, including those specific links we raised in our letter of 13 August.

7. We support the proposal to conduct a combined review process to be undertaken for both UCLL Backhaul and the UBA Backhaul reviews.
8. Chorus would like to thank the Commission for the positive steps proposed in the draft review, and appreciates the opportunity to provide feedback.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Justin Tighe-Umbers', with a horizontal line above the first part of the name.

Justin Tighe-Umbers
Manager, Regulatory Affairs