

Dear John

Please find attached a response to your question of 4 March seeking clarification on the TDL qualified revenue information disclosure requirements for 2012.

You asked:

My understanding is that we will be completing only template 1: that templates 2 and 3 do not relate to us, because there are no direct costs (payable to 3rd parties) to be deducted from our revenue. That is on the basis that the "Total payments made to [other respondents]/[non-respondents]" deductions would relate to situations, for example, like Transpower buying (from 3rd parties) some of the capacity it sells. We make no such payments. My understanding is that those deductions do not relate to payments we might make to 3rd parties for our own telecommunications needs.

I confirm that you do not have to complete the transaction specific rows of templates 2 and 3, if you are not claiming any deductions for payments to other respondents or non-respondents. These rows are intended for the disclosure of payments where the telecommunications services acquired were used by the respondent to provide telecommunications services to its own customers in New Zealand.

Purchases from other respondents which were not inputs into the activities which generated qualified revenue, should not be disclosed on template 2 as they are not deductible.

As noted in paragraphs 7 and 8 of our Notice these templates are intended to be for the disclosure of deductions. The footnotes on templates 2 and 3 both refer to the fact that some payments (or part of payments) would relate to non-deductible purchases.

Paragraph 30 of Attachment A notes that the amount deducted in template 3 should be calculated in accordance with the principles in clause 6. Clause 6 also applies to template 2 and includes requirements for correct(ness) and objectivity. Accordingly in identifying what payments to other respondents and to non-respondents are deductible, respondents should consider whether the decision is correct (e.g. in accordance with NZ GAAP) and would be seen by an informed reader as objective.

I will circulate this response to other respondents of Notices relating to the 2011/12 TDL and have it published on our website.

If you have any question relating to this clarification, please contact me at Neville.Lord@comcom.govt.nz

Yours sincerely

Neville Lord
Chief Adviser (telecommunications)
Regulation Branch
Commerce Commission