

4 November 2016

Dr Stephen Gale
Telecommunications Commissioner
PO Box 2351
Wellington 6140

By Email: Stephen.Gale@comcom.govt.nz

Dear Stephen

Conference question: local access and calling investigation

I thought it would be useful to respond briefly to the question Vodafone raised at the local access and calling conference on Tuesday relating to whether removing local access and calling services from Schedule 1 of the Act ("**deregulation**") might be considered a "Regulatory Event" in the context of relevant resale agreements. Vodafone asked whether deregulation would give Spark any substantive rights to cancel the WSA or the discounts provided. We didn't have a response to hand, as the question had not occurred to us, and the Commission asked us to come back to it on this matter.

We have now had a chance to review and obtain legal advice on the relevant provisions in the wholesale services agreements ("**WSA**") and discount arrangements between Spark and its wholesale customers for local access and calling ("**discounts**"). Our conclusion is that deregulation would not constitute a regulatory event for the purposes of the relevant arrangements and would not provide Spark with substantive rights to cancel the services or the discounts it provides to RSPs.

[] **SPKCI** We will write to our customers confirming this.

Yours sincerely



John Wesley-Smith
General Manager
Regulatory Affairs