

Friday, 9 March 2007

Tom Forster
Network Access Group
Commerce Commission
PO Box 2351
Wellington

**PUBLIC VERSION
BY EMAIL**

Dear Tom,

Submission on Undertaking Application

1. This letter is Vodafone's submission on our undertaking application. We have just some brief comments at this stage on matters of process, and one comment on the substance.

Process

2. We look forward to the Commission's advice on the process, and particularly when we can expect feedback or discussion with the Commission following submissions made by interested parties.
3. Vodafone understands that the regulatory process is useful to the Commission in terms of canvassing the issues that might need to be addressed in considering the undertaking. It would be rather unhelpful, however, if the Commission were to reject the undertaking without giving us an opportunity to respond to any concerns that the Commission may have with it. At this stage it remains unclear to us how that process of getting Commission feedback will work.
4. As we noted in the undertaking itself, the unfortunate timeframe gave us less time than we would have liked to develop the undertaking. We expect to amend our application based both on the submissions of interested parties as well as feedback from the Commission.

Substance

5. As is clear from our submission made today, we believe that further regulation of roaming and co-location is not warranted.

- [

]VNZRI

- We provide co-location under the terms of the recently approved co-location code, and we provide it on a cost share basis.

PUBLIC VERSION

6. Under these circumstances it is difficult to see what the designation of national roaming will add to the existing market. Overlaid on this is the fact that the roaming rate directly affects the extent of an entrant's rollout, and therefore any price regulation by the Commission has a direct impact on investment incentives.
7. However, as the Commission must proceed with its investigation, we believe that the only sensible form of regulation must involve our undertaking. We believe that this undertaking is fair and reasonable. If the Commission believes otherwise, then we would encourage it to discuss with us what it thinks reasonable terms and conditions would be.
8. We have had some feedback from Econet on the undertaking, but not from TelstraClear. We intend to respond to this and any other points arising by way of cross submissions.

Yours sincerely

Vodafone New Zealand Limited

Hayden Glass
Public Policy