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Keston Ruxton
Chief Adviser
Regulation Branch
Commerce Commission

By email: telco@comcom.govt.nz

25 August 2014

Dear Keston

Cross-submission on UCLL and UBA Proposed Views Paper: Aerial

Further to Vodafone's cross-submission on the Commission's Proposed Views Paper, we welcome the opportunity to provide further comment in cross-submission on technical topics relating to aerial deployment.

We attach to this submission an expert report prepared by Network Strategies (**NWS Aerial Deployment Report**), which provides a response to Chorus' submission as well as its supporting expert reports.

In particular, the NWS Aerial Deployment Report concludes that:

- (a) Chorus' claim that today's network operator would deploy a very small amount of aerial infrastructure is doubtful (observing, for example, that LFCs are already using up to 60% aerial plant in practice);
- (b) Chorus' attempt to demonstrate that overseas regulatory precedents suggest the use of very little aerial deployment in cost modelling is not supported by evidence (and so the Commission should not be artificially constrained to these levels);
- (c) the hypothetical efficient operator (**HEO**) is the "new Chorus, not a competitor to Chorus"; and
- (d) as such, the HEO must be permitted to share existing civil infrastructure (with Chorus and third parties) where it is efficient to do so (and it simply does not make sense to develop an efficiency standard based on an HEO that is artificially more constrained than the regulated entity).

Vodafone supports the conclusions set out in the NWS Aerial Deployment Report.

Yours sincerely

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