

28 April 2006

David Cunliffe
Minister of Communications
PO Box 151 111
New Lynn
Auckland

Dear Mr Cunliffe,

NZ BROADBAND SPEEDS ARE GETTING WORSE, NOT BETTER

On behalf of the Internet Service Providers Association of New Zealand (ISPANZ) I would like to bring to your attention to the most serious issue relating to broadband in New Zealand currently.

Despite an extensive marketing campaign advertising faster broadband for New Zealanders, Telecom has not only failed to deliver on this promise but has actually made the average speed of broadband worse for many customers.

Our members (26 of New Zealand's leading internet providers, including ihug, TelstraClear, CallPlus and Orcon) have noticed a steady increase in the number of customer complaining that their broadband service does not come close to meeting the maximum line speeds promoted by Telecom. Shockingly, at busy times many customers experience speeds worse than dial-up.

Telecom's broadband is only a "best efforts" service, with the marketed speeds available only when the network is not busy. The backhaul capacity allocated by Telecom from each DSLAM is shared between all customers, wholesale and retail. The amount of capacity allocated to each customer by Telecom used to be 24kbps, but now Telecom are refusing to state any number, saying simply that "all customers receive a minimum throughput reflecting the best efforts nature of the service". (For background on Telecom's attitude on this topic please see attached their UBS public submission (12 April 2006) and their public wholesale informer).

No Telecom ADSL customers, either retail or wholesale, will be receiving anywhere near the speed they may think they are paying for, except perhaps in the early hours of the morning and only then if they are extremely lucky. Broadband simply does not exist in New Zealand.

ISPANZ members are already requesting that Telecom address the deteriorating broadband performance levels for all customers. However, we are also appealing to the Government to take this issue into consideration so that New Zealanders and the New Zealand economy can benefit from true broadband.

Telecom's approach to broadband is like the NZ Police forcing all drivers to only use first gear whenever other drivers are sharing the road and it must be stopped!

Yours sincerely,



David Diprose
President - ISPANZ