

22-09-2006

Ms Paula Rebstock
Chair
Commerce Commission
Fax 04 9243700
Wellington

Copy to:

Mr Douglas Webb
Telecommunications Commissioner
Commerce Commission
Fax 04 9243700
Wellington

Dear Chairperson,

Re: Telecom

I am writing to endorse the submissions you have received this week from ihug, CallPlus and Orcon to urgently address the Telecom broadband price squeeze. ISPANZ believes this is in breach of Section 36 of the Commerce Act.

The ISPANZ Board met this week and the directors unanimously agreed to support ihug, CallPlus and Orcon in this action, as we share the very real concern that the consequences of Telecom's actions will have serious detrimental impact on broadband competition in New Zealand.

Following ihug, CallPlus and Orcon, ISPANZ invites the Commerce Commission to consider seeking an urgent remedy in relation to new broadband pricing just announced by Telecom.

We also believe the resulting price squeeze will have serious negative consequences for the public and the industry (to the ultimate detriment of the public), and that there is a breach of, at least, s36 of the Commerce Act.

Yours sincerely,



David Diprose
President
ISPANZ

About ISPANZ

ISPANZ is a non profit, industry group that represents most Internet Service Providers operating in New Zealand. Our membership includes all the major ISPs except Telecom Xtra; plus a broad range of medium and small ISPs. We exist to promote a fair and fully competitive Internet marketplace where our members can deliver the full benefits of the Internet to the New Zealand public and our economy. Our primary goals are to:

- Improve New Zealand's poor International ranking for broadband uptake,
- Enable New Zealand businesses to become more competitive internationally through use of Internet enabled technology,
- Improve Internet pricing and services for ordinary Kiwis,
- Enable New Zealand to reap significant economic benefits as it becomes a broadband enabled society.