

Annex: Glossary of terms

Access seeker – defined in the Telecommunications Act to mean someone who may apply for a regulated service under the Act.

Access provider – defined in the Telecommunications Act to mean someone who provides a regulated service under the Act. Telecom is an access provider.

Accounting separation – a regulated set of accounting policies, procedures and techniques that provides for a disaggregation of costs, revenues and capital employed between disaggregated regulatory services of a vertically integrated company.

Backhaul – when a wholesale customer makes use of LLU to provide a broadband service they have a connection from the end-customer to the **DSLAM** in the local **exchange** (or roadside cabinet). They need to get the customer's traffic back to their own network. The wholesale customer either builds links to carry this traffic, or purchases a commercial data service from Telecom or an alternate network provider, to haul the traffic back to their network. Hence the term backhaul.

Co-location – ability to co-locate a wholesale customer's equipment in Telecom's exchange or cabinet, for the purposes of local loop unbundling.

xDSL – DSL (Digital Subscriber Line) is technology for delivering a high bit rate link to customers over ordinary copper wire. DSL can be asymmetric (ADSL).

DSLAM – DSL And Multiplexer – the piece of equipment that sits on the copper line and splits the frequency into voice and data.

Equivalence of Inputs – means that wholesale customers and Telecom Retail receive from Telecom Wholesale the same product or service, on the same timeframes, terms and conditions, using the same systems and at the same price. It also means Telecom Wholesale will provide the same commercial information about products, services, systems and processes. Everyone gets exactly the same deal.

Equivalence of Outcomes - means that wholesale customers get substantially the same outcome as Telecom Retail. There may be different IT systems used, for example, but the actual end result will be substantially similar.

Exchange – building that houses equipment and software that run telecommunications services.

IP (Internet Protocol) - A principal communications protocol used in the internet.

IPTV – A range of TV services provided over your broadband connection.

LLU (Local Loop Unbundling) – a requirement on the incumbent telecommunications provider to allow other service providers to access and use the copper circuit from the telephone **exchange** to the customer premises.

Naked or Standalone DSL – a **DSL** service provided without a requirement for the retail customer of the broadband service to also purchase an analogue telephone service from either the **DSL** wholesaler or the incumbent.

Network competition – competition based on different physical networks or infrastructure. Also referred to as infrastructure competition. **Network competition** is contrasted with **service competition**, which is competition based on services that are all provided over Telecom's network by different service providers.

NGN – Next Generation Network – the **NGN** is an all-**IP** digital network built on the same **IP** technology that underpins the Internet. An **IP**-based network has benefits for Telecom and for our customers. We are very excited about the possibilities and capabilities that the **NGN** offers, and moving to this platform and associated business model is the number one priority

for Telecom at the moment. We are currently in the design phase for our **NGN** and expect to launch services over this new technology in 2008.

Re-sale services – services provided by wholesale customers that simply re-brand Telecom’s service. This is the “shallowest” regulated service, in the sense that it requires the least investment by the wholesale customer.

Targeted Access Services – access services to be specified and delivered according to Telecom’s planned operational separation undertakings, including:

- **UBS** services (including naked DSL) and related **backhaul** as proposed to be extended by the Bill
- **Local Loop Unbundling** and associated **co-location** and **backhaul**
- other **DSL** services that fall within the relevant designations in the Bill.

TCF – Telecommunications Carriers Forum.

TSO - The TSO (Telecommunications Service Obligation) deed specifies that Telecom will: maintain free local calling; maintain the standard rental rate (in real terms); charge rural residential customers no more than the standard rental; and, among other things, continue to provide local residential services as widely as was available at 31 December 2001. Telecom is entitled to receive contributions from other industry participants towards the costs it incurs in meeting its TSO obligations.

UBS (Unbundled Bitstream Service) – A partial circuit service developed by Telecom to meet the needs of service providers who wish to extend the geographic reach of their existing network.

UPC (Unbundled Partial Circuit) – A high-speed IP access service which allows access seekers to bundle and deliver internet-grade services to their markets.

Wholesale Charter – can be found on Telecom’s website:

<http://www.telecom.co.nz/content/0,8748,205230-204216,00.html#top>