

SECTION 5

NATIONAL LEASED CIRCUIT SERVICES

Dedicated leased circuits provide an end-to-end service—from customer interface to customer interface.

All digital circuit speeds are defined in kilobits per second (kbit/s) or Megabits per second (Mbit/s).

There are limits on the carriage of information (voltage, frequency, etc) on the different types of circuits. These limits are defined for each circuit type, and are applied in order to protect the Telecom networks.

5.1 Leased-Circuit Charges—General Principles Charges for dedicated leased services are based on the following 4 principles:

- A once-only installation charge
- Monthly access charges per end of circuit within a local exchange area
- Monthly kilometre charges associated with transmission routes or junction routes. All junction routes are rounded up to the nearest kilometre for charging purposes.
- Charges associated with altering, reconfiguring or moving circuits at the customer's request.

5.1.1 Installation Charges

Installation charges vary, depending on the type of circuit leased, and are charged for each end of the circuit. Installation charges are generally a fixed charge for each type of circuit, but where electronic enhancement of the copper cable is required, or where service to the customer requires an extension to the Telecom networks, a capital contribution from the customer may be required. The size of this contribution will be negotiated between the Telecom Regional Operating Company and the customer.

5.1.2 Monthly Access Charges

Access charges cover the continuing costs associated with connection to the Telecom network. Basic access charges generally cover access to the central Telecom switching point (exchange) within the Public Switched Telephone Network (PSTN) local-calling area. A distance-based surcharge may be applied to some leased-circuit services if the circuit terminates beyond the specified maximum distance from the local exchange. There may also be an additional distance charge for those leased-circuit services which require access between exchanges within a local calling area. Any distance-based charges are charged per kilometre and the circuit length is rounded up to the nearest kilometre to calculate this charge.

5.1.3 Monthly Lease Charges

There are also charges for any equipment which is leased from Telecom in conjunction with the leased circuit.

5.1.4 Monthly Transmission Charges

Transmission charges are often distance-related and are charged, in addition to access charges, for circuits terminating outside of a local calling area. This means all circuits other than those entirely within the same exchange are charged transmission charges.

Transmission charges for Telecom's leased circuits are based on charging steps between zones. The 17 zones are geographical and are based on groupings of existing PSTN local—calling areas. Each zone has a Tariff Zone Centre, as follows:

Whangarei	Gisborne	Masterton	Dunedin
Auckland	Napier	Nelson	Invercargill
Hamilton	Wanganui	Greymouth	
Rotorua	Palmerston North	Christchurch	
New Plymouth	Wellington	Timaru	

Within the 17 tariff zones there are 1 or more local-calling areas, and each of these has a central switching point (toll centre).

Circuits between a customer's premises in different local-calling areas but within the same tariff zone are charged at multiples of the appropriate Step A rate. Circuits which cross tariff-zone boundaries are generally charged at Step B to Step E rates.