

N.Z. Telecom forms retail, wholesale units

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New Zealand Telecom is taking the long-awaited plunge and splitting its retail and wholesale operations into separate units.

The move announced Tuesday comes amid the possibility of stronger government intervention to force Telecom to comply with orders to grant rival broadband providers with access to its nationwide fixed-line infrastructure.

Telecom said in a statement that all wholesale customers would be treated equally with oversight provided by an independent committee of industry and stakeholder representatives.

"The planned separation structurally reinforces the wholesale charter which we've been working through with wholesale customers for the past few months," Chairman Wayne Boyd said in company statement. "It is another step to deliver customers the benefits of the new regulatory environment as soon as possible."

The split will be modeled after a similar realignment by BT (British Telecom) although the new units will not be spun off into separate companies.

Telecom will issue an update on its strategy and outlook for the separation on Aug. 4.

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