

18 July 2012

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Dear Mr Cosgrave

Public inquiry into the declaration of Wholesale ADSL services

I refer to the above inquiry and the Second Discussion Paper ("Discussion Paper") released by the Commission on Friday 6 July 2012 to which the Commission seeks submissions by 5pm on 3 August 2012.

In light of the number and breadth of questions in respect of which the Commission seeks the submissions of interested parties, it has become apparent that Telstra cannot respond fully in the relatively short time frame provided.

The Discussion Paper raises a number of important issues that will require detailed submissions from Telstra. We note that the scope of the Discussion Paper is wide and requires Telstra to provide comprehensive submissions on the following issues:

- (a) The application of standard access obligations;
- (b) Bundling with PSTN services;
- (c) Points of interconnection; and
- (d) General non-price terms and conditions.

In addition, Telstra is required to provide responses to more than 50 specific questions posed by the Commission ranging from the theoretical (for example, the impact of exemptions from the application of the Standard Access Obligations and economic efficiency gains from different types of unbundling)

to the technical (for example, the substitutability of ULLS and LSS-based services for wholesale ADSL, bundling with PSTN services and points of interconnection for the wholesale ADSL service). In particular, gathering technical information to respond to the issues of bundling with PSTN services and points of interconnection and preparing expert witness statements to assist the Commission on these matters will be difficult in the current timeframe.

We note that the Commission has now issued a notice of extension of the decision making period in respect of the wholesale DSL access determination. In that notice, it was stated that more time is needed *“due to the wide range of substantive issues raised in the course of the public inquiry to date, and the complexity involved in determining both price and non-price terms for the wholesale ADSL service—which has not been subject to access regulation prior to February 2012.”* For the same reasons, we consider that the deadline for responding to the Discussion Paper should be extended. Given the extension by the Commission, we do not see any detriment to extending the time for responding to the Discussion Paper and believe it will allow all interested parties to provide a full response to the many issues raised in this inquiry.

Based on the work undertaken so far, we believe that we require an additional three weeks to prepare our submissions, i.e. to 24 August 2012. In this regard, we note that the current deadline is considerably shorter than the time provided to respond to discussion papers on the Fixed Services FAD variation process (relating to WLR, LCS and PSTN OA exemptions), the DTCS and MTAS final access determination inquiries, as well as earlier inquiries into WLR, LCS and PSTN OA exemptions where similar types of issues were raised for consideration. We would be grateful if the Commission would consent to an extension to enable Telstra and other parties to usefully respond to the Discussion Paper.

Please contact Jennifer Barton on (03) 8649 2042 or jennifer.barton@team.telstra.com.au should you have any queries in relation to this matter.

Yours sincerely



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