



17 September 2010

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Dear Michael

Closure of South Brisbane (Qld) Exchange

I refer to your letter dated 10 September 2010 to Telstra's Executive Director Regulatory Affairs, Jane van Beelen, requesting further information on the steps Telstra will take to keep our wholesale customers informed of impacts to their services following the agreement with the Queensland Government to close the South Brisbane Exchange to make way for a new children's hospital. In Jane's absence on leave, I am responding on Telstra's behalf.

We welcome the Commission's view that Telstra has been acting consistently with the notification regime developed in consultation with other service providers and the Commission.

We also reiterate that we are committed to keeping our wholesale customers and the Commission informed and updated as the South Brisbane Exchange project progresses.

We can clarify that contrary to the assumption that Telstra would be withdrawing all access seeker services on 1 March 2011, our current intention is that decommissioning of both wholesale and retail services will commence on or around 1 March 2011, and will be staggered over the next few years up to the end of December 2012. It is certainly not the case that all customer services will be withdrawn in March 2011.

It is important to note that Telstra is in the early stages of work on the South Brisbane project, a complex undertaking the type of which has not been done before. As a result, we have not yet undertaken detailed planning and are unable to provide firm timetables regarding the migration of individual services. This applies equally to wholesale and retail services. Our first priority once the decision was taken to close the exchange and replace it with FTTP was to immediately notify customers of the pending changes and give them

appropriate notice of when they would start to occur.

Telstra will consult with and keep our wholesale customers fully up-to-date on how they are affected by the closure, including providing them with details of the project's timelines, notifications of withdrawal of services, proposed migration processes, and transitional arrangements. This includes the following commitments:

- We propose to provide wholesale customers with detailed descriptions of the substitute product set before 31 October 2010. If we miss this date, we will consider adjusting the commencement date for the decommissioning of services.
- We will make a base set of replacement product offerings available on an equivalent basis in both retail and wholesale, with appropriate pricing for our wholesale customers.
- We will survey wholesale customers on the applications and uses they are making of the services supplied in the ESA to help inform us in product development.
- We will convene a group representing affected customers with whom we will consult on the development of replacement products. This group will include representatives from Telstra's Wholesale Customers and Telstra's Retail Business Units.
- We will put in place a communication program under which:
 - information will be provided to wholesale customers on a monthly basis at a minimum. Updated information will also be posted monthly on the Telstra Wholesale website; and
 - wholesale customers will have an identified website address/channel in which to raise questions.
- The appointment of a Telstra troubleshooting contact for wholesale customers.
- Regular meetings for wholesale customers identified as needing a more hands-on approach, whether because of the nature of services provided or for any other reason identified by the parties.
- Provision of customer migration statements that document possible migration paths to alternate fibre products.
- Use of existing regular reporting for wholesale customers (for example Quarterly Cluster Communications) which provide status and progress reports of all pending product exits and migrations.
- Ongoing customer engagement via account management teams to deal with particular issues (for example, issues arising from the customer survey of wholesale services referred to above).

Telstra has already provided all affected ULLS and LSS access seekers with individual notifications containing the information required by the notification regime which was attached as Annexure A to the Commission's letter.

In relation to other wholesale services, on 30 July 2010 all wholesale customers received the equivalent of a 'general notification' in relation to the remaining services. The only substantive difference between that general notification and the individual notifications subsequently sent to ULLS and LSS customers was that the individual notifications to each access seeker confirmed details of their ULLS and LSS services affected by the South Brisbane project.

As stated above, at this time we do not have available sufficient information that would


allow us to provide details of wholesale access products that will be offered over the FTTP network. It is important to note the retail customers are in the same situation. However, Telstra will have a range of migration solutions available for our wholesale customers prior to decommissioning of the copper network. These solutions need to consider a range of requirements across various end user segments, such as residential, business and various special service categories. Telstra's experience with providing greenfields FTTP services (via Telstra Velocity) and more recently a trial of brownfields FTTP services (via the Point Cook trial that involves a wholesale layer 2 internet grade product) is a key input into the development of the South Brisbane migration solutions, but does not provide a ready-made or comprehensive product set to meet all customer needs in South Brisbane. We also need to be cognizant of NBN Co's bitstream product development intentions in our deliberations.

The next communication with our wholesale customers regarding this project will occur within the next ten days.

We are committed to working constructively with the Commission on this matter and will continue to provide the Commission with updates on key developments as more information becomes available.

Please feel free to contact me in the first instance on (07) 3455 3112 should you have any queries.

Yours sincerely



Christine Williams
Deputy Executive Director – Regulatory Affairs
Public Policy and Communications