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30 March 2012

Ms Jane van Beelen
Executive Director
Regulatory Affairs
Level 11, 400 George Street
SYDNEY, NSW 2000

By email: Jane.vanBeelen@team.telstra.com

Dear Ms van Beelen

**Telstra's Structural Separation Undertaking
Extension of implementation period for metrics relating to ULLS Cutovers**

I refer to your letter of 29 March 2012 requesting that the ACCC approve an extension of the period in which Telstra is required to implement the commitment set out in paragraph 5 of Schedule 3 of Telstra's structural separation undertaking (SSU). I note your subsequent correspondence which confirmed that this request relates only to the implementation period for Metric 15.

The ACCC may approve or reject a request for a variation to the implementation period pursuant to clause 21.3(a) of the SSU. In deciding whether to approve or reject any such request, the ACCC must have regard to the matters listed in clause 21.3(b) of the SSU.

The ACCC has considered Telstra's letter, as well as additional confidential material provided by Telstra, and has consulted with the ULLS Wholesale Customer identified by Telstra as being the access seeker most likely to be affected by this extension to the implementation timeframe.

In having regard to this information and the matters listed in clause 21.3(b), the ACCC has decided to approve Telstra's request to vary the end of the Implementation Period for Metric 15 (set out in paragraph 5 of Schedule 3 of the SSU) to be 2 months after the Commencement Date. The end of the Implementation Period for the remainder of Schedule 3 is unchanged (i.e. the start of the first Quarter which commences after the Commencement Date). In making this decision, the ACCC is satisfied that Telstra has made reasonable efforts to comply with the implementation requirement.

Notwithstanding its decision to grant the extension, the ACCC is disappointed that this extension was required so soon after the Commencement Date for the SSU. This is particularly so given the concerns raised by wholesale customers in relation to the ULLS service levels during the SSU consultation process.

I note that a copy of this letter, and your letter dated 29 March 2012, will be made available on the ACCC's website. If you have any questions please contact Ed Seymour on (03) 9290 1886 or me on 03 9290 1914.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael Cosgrave', with a stylized flourish at the end.

Michael Cosgrave
Group General Manager
Communications Branch