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17 December 2007

Dr Tony Warren
General Manager - Regulatory Affairs
Public Policy & Communications
Telstra Corporation Limited
Unit 11, Level 2 Engineering House
11 National Circuit
BARTON ACT 2600

By facsimile: (02) 9261 8390


Dear Dr Warren

Telstra local carriage service and wholesale line rental exemption applications: Request for further information

Pursuant to section 152AU of the *Trade Practices Act 1974* (the Act), the Australian Competition and Consumer Commission (ACCC) requests Telstra Corporation Limited (Telstra) to give the ACCC the following information for the purpose of assessing Telstra's exemption applications in relation to the local carriage service and wholesale line rental service, which were lodged on 9 July 2007, under section 152AT of the Act.

1. For each exchange service area (ESA) in the proposed Exemption Area¹, please provide the number of customers that acquire Telstra's retail basic access service, as at the date of this information request. What was the level of take-up of these services as at 30 June 2005, 30 June 2006 and 30 June 2007? What are Telstra's projected numbers for these services at 30 June 2008 and 30 June 2009?
2. For each ESA in the Exemption Area, please provide the number of wholesale line rental services and local carriage services sold by Telstra to access seekers, as at the date of this information request. What was the level of take-up of these services as at 30 June 2005, 30 June 2006 and 30 June 2007? What are Telstra's projected numbers for these services at 30 June 2008 and 30 June 2009?

¹ Exemption Area as defined on p.3 of Telstra Corporation Limited, *Submission to the Australian Competition and Consumer Commission, Telstra's Local Carriage Service and Wholesale Line Rental Service Exemption Applications, supporting submission*, public version, July 2007.

3. For the Exemption Area, please provide the number of Telstra's retail customers that acquire:
 - a) retail line rental and local calls only
 - b) a fixed voice services bundle (retail line rental, local calls, national and international long distance calls, and fixed to mobile calls) only
 - c) a fixed voice services and broadband service bundle

as at the date of this information request.

What was the level of take-up of these services as at 30 June 2005, 30 June 2006 and 30 June 2007? What are Telstra's projected numbers for these services at 30 June 2008 and 30 June 2009?

4. Does Telstra market its fixed voice services and broadband retail offerings to end-users in the Exemption Area in a different way to geographic areas outside the Exemption Area? If so, what are key features of this marketing strategy and how does this differ from Telstra's marketing strategy in geographic areas outside the Exemption Area? How do ARPU's in the Exemption Area differ to geographic areas outside the Exemption Area? What was the level of ARPU's in the Exemption Area as at 30 June 2005, 30 June 2006 and 30 June 2007? What are Telstra's projected ARPU's in the Exemption Area at 30 June 2008 and 30 June 2009?
5. What does Telstra consider to be the primary factors that affect whether an access seeker deploys DSLAM infrastructure within a particular ESA?
6. In which Exemption Area ESAs is there at least one other service provider offering a connecting fibre backhaul link?
7. In which Exemption Area ESAs is Telstra the only provider of PSTN switching? For which Exemption Area ESAs is Telstra the only provider with connecting fibre transmission capacity?
8. How many services within each Exemption Area ESA are on lines that are affected by pair gain systems or RIMs?
9. In which Exemption Area ESAs is the rack capacity or MDF capacity above 80 per cent? Above 90 per cent? At or near 100 per cent? What is the threshold before Telstra starts to provide an external interconnection cable (EIC) or builds an outside unit at a particular exchange? How many access seekers have taken up the EIC service? What are the terms and conditions of access associated with the EIC service?
10. Please provide details on any of Telstra's proposed network upgrades and modifications in the Exemption Area as at the date of this information request for the period until 1 July 2009. In particular, please provide details of:
 - a) Any IP core network upgrades – the date and locations at which Telstra's PSTN switching equipment is expected to be removed.

- b) Any fibre upgrades to the customer access network – the date and locations, if any, at which Telstra intends to de-commission existing copper lines and replace these with optical fibre between the Local Exchange and Remote Access Units within its customer access network.

How would these developments affect existing and potential DSLAM-based access seekers in the Exemption Area? Are there any notification and/or transitional mechanisms for access seekers in relation to these types of network upgrades? If so, please provide details of these provisions.

11. Telstra has previously stated that it has no immediate plans to establish a LSS to ULLS managed network migration process due to limited demand for such a service.² Is this still Telstra's position?
12. In relation to the information provided by Telstra in accordance with paragraphs 1-11 above, what parts of the information (if any) are confidential? In the event that Telstra claims confidentiality to any part of the information, Telstra should provide the ACCC with both a confidential and public version of the information; and set out what process Telstra intends to use for responding to any requests for access to the confidential information.

Please forward the requested information (in both hard and electronic format) to:

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In accordance with section 152AT(11)(b) of the Act, a day during any part of which this request (or part of this request) remains unfilled, is disregarded in calculating the period within which the ACCC must make a decision about the exemption applications.

Should you have any questions regarding this request, please contact Arek Gulbenkoglu on (03) 9290 1892.

Yours sincerely



Richard Home
General Manager
Strategic Analysis and Development Branch
Communications Group

² Telstra Corporation Limited, *LSS Re-declaration inquiry – Supplementary information*, dated 27 July 2007.