STATEMENT OF [redacted]

I, [redacted] of [redacted], state as follows:

1 The information in this statement is confidential to Telstra Corporation Limited ("**Telstra**"). I have prepared this statement on the basis that the information in it will remain confidential and that the information will only be disclosed in accordance with the terms and conditions agreed with Telstra and the recipient of the information.

Background

2 I refer to my previous statement dated 25 June 2007 provided in relation to Telstra's applications for exemption from the standard access obligations applicable to it in respect of the declared local carriage service and the declared line rental service ("**First Statement**"). I also refer to paragraphs four to thirteen of my First Statement, setting out details of my position and experience.

3 I also refer to my previous statement dated 27 September 2007 ("**Second Statement**"). In this Statement, I adopt the definitions used in my First Statement as well as those further definitions used in my Second Statement.

Requirements for the provision of ULLS-based services

4 In order for a ULLS-based service to be supplied by an access seeker to an end-user, there must be an uninterrupted metallic (i.e. copper or aluminium) pair of wires between the end-user premises and the equipment of the ULLS access seeker located at the customer access module ("**CAM**"), which is generally located at the local exchange to which the end-user is connected.

5 Where there is a "pair gain system" at some point along the metallic path, this requirement will not be met.

Pair gain systems

6 Pair gain systems consist of "electronic boxes" at either end of copper or fibre pair(s) that create multiple electronic circuits on a line, permitting a single transport link to service multiple end-users. The sharing of lines is controlled by a microprocessor-based switching system, which selects lines from a common pool.

7 A line with a pair gain system on it has been "conditioned". The ULLS is not provided on that line, because the line cannot meet the description of the unconditioned local loop service.

Types of pair gain systems

8 Pair gain systems are often classified as small, medium and large, although this terminology is not 'hard and fast'.

9 Small pair gain systems service between two and ten SIOs. Medium pair gain systems service ten to 30 SIOs. Large pair gain systems service 30 or more SIOs.

[redacted]

[c-i-c]

11 Because small pair gain systems affect the viability of ADSL provision, Telstra has undertaken progressively to remove them from its network.

12 Large pair gain systems permit larger numbers of SIOs to be connected to a single "electronic box".

13 There are several kinds of large pair gain systems present on Telstra's network. These include Remote Customer Multiplexers (RCMs) and Remote Integrated Multiplexers (RIMs).

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15 Below is a photograph of a RIM.

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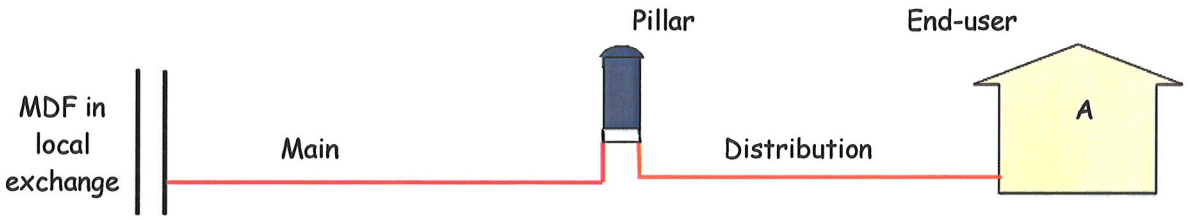
17 The diagram below shows an uninterrupted metallic pair of wires between an end-user premises and the local exchange to which the end-user is connected.



18 In the above diagram, the terms used, which have not already been described in this or previous statements, have the following meanings:

(a) Main - is a metallic mains cable which connects a MDF to a pillar;

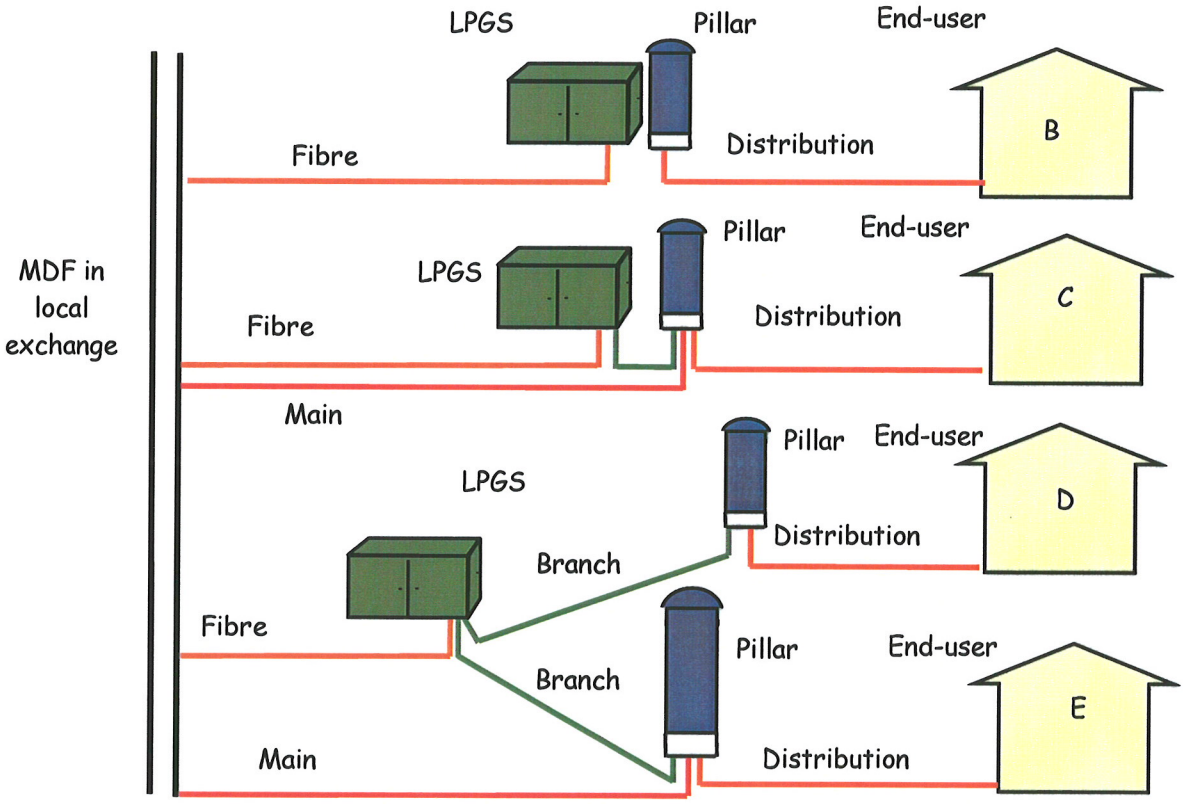
(b) Pillar - is a cross connection point which connects cables directly to the end-user with those to the exchange;

(c) Distribution - is a metallic distribution cable which connects a pillar to an end-user premises; and

(d) End-user - is an end-user premises.

19 In the above diagram, there is a metallic mains cable connecting the local exchange to a pillar, and a metallic distribution cable connecting the pillar to the premises of end-user "A". The requirements of paragraph four are met in relation to end-user "A". Accordingly, it would be possible to provide ULLS-based services from the local exchange to end-user "A".

20 The following diagram shows three methods of installing a large pair gain system (such as a RIM) on a mains cable.



21 In the above diagram, the terms used, which have not already been described in this or previous statements, have the following meanings:

(a) LPGS - is a large pair gain system;

(b) Fibre - is a fibre optic connection from a MDF to a LPGS; and

(c) Branch - is a metallic branch cable which connects a LPGS to a pillar.

22 The line connecting the MDF to end-user "B" is of typical of a greenfields (new) estate, in which telephone lines are provisioned at the same time as other utilities such as electricity and water. It does not include a mains cable from the local exchange. Instead, there is a fibre optic connection from the local exchange to the pair gain system. The pair gain system connects to a pillar (the connection is not shown), which connects in turn to the distribution cable leading to the end-user premises. Because there is not an uninterrupted metallic connection from the end-user premises to the local exchange, it is not possible to provide ULLS-based services from the local exchange to end-user "B".

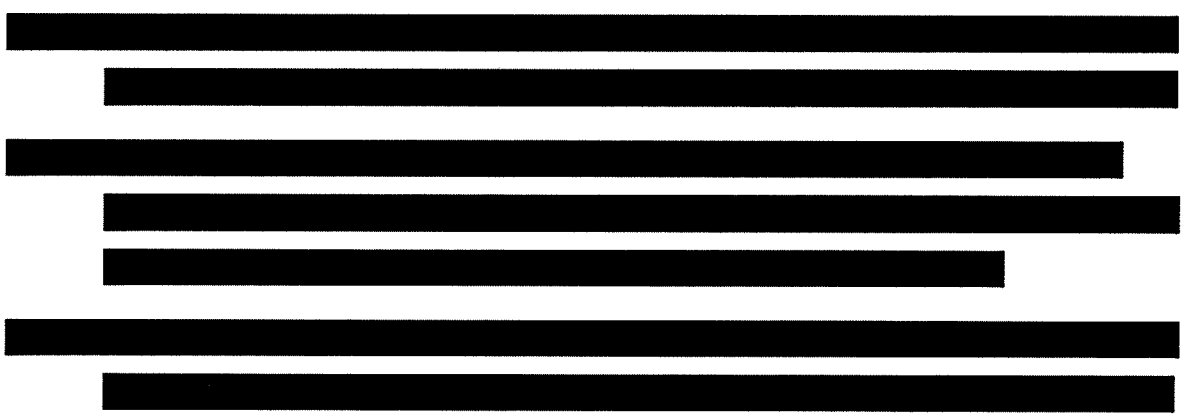
23 The line connecting the MDF to end-user "C" has a fibre optic connection leading to a pair gain system, which has been installed alongside the existing metallic mains cable. If end-user "C" is serviced via the fibre optic connection rather than the metallic mains cable, this prevents ULLS-based services from being provided from the local exchange to end-user "C".

24 The line connecting the MDF to end-users "D" and "E" has a metallic mains cable which has been supplemented by a fibre optic connection leading to a pair gain system. However, this pair gain system is connected by branch cables to two different pillars.

25 Because there is not an uninterrupted metallic connection from the premises of end-user "D" to the local exchange, it is not possible to provide ULLS-based services from the local exchange to end-user "D".

26 If end-user "E" is serviced via the fibre optic connection and the branch cable, rather than via the metallic mains cable, this prevents ULLS-based services from being provided from the local exchange to end-user "E".

SIOs that are affected by pair gain systems



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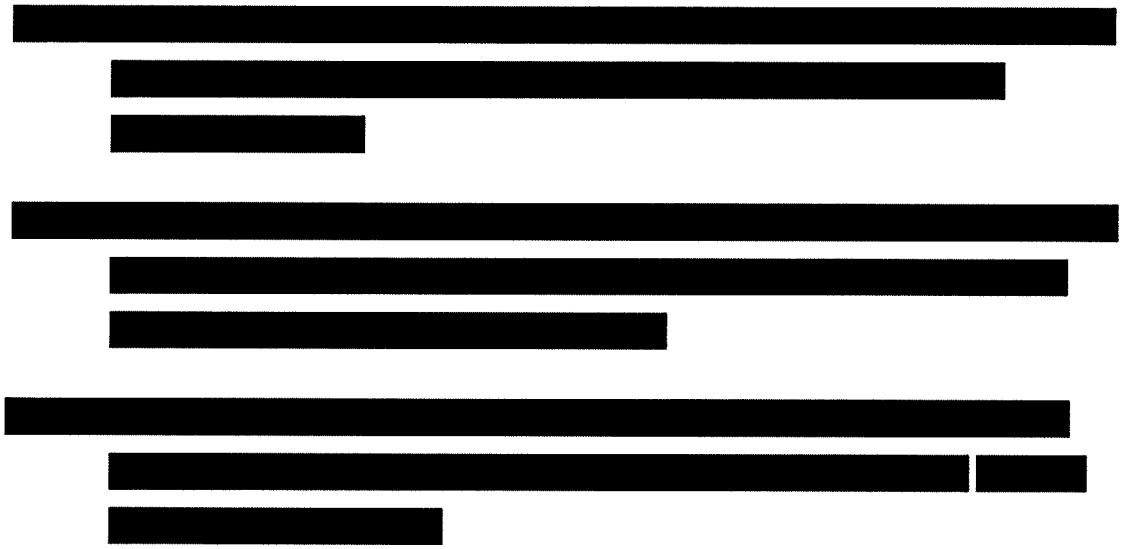

Providing ULLS to SIOs presently serviced by pair gain systems

36 Some of the SIOs that do not meet the requirements outlined in paragraph four can be provided with ULLS services, either by transpositioning the line to an unbroken copper path back to the local exchange CAM, or by the ULLS-acquirer remotely co-locating its DSLAM at the site of the pair gain system.

Transpositions

37 A transposition involves moving an end-user connection from the pair gain system to a continuous metallic path. There are two requirements for transpositioning to be successful. First, the access seeker must be able to make a Vacant ULLS service qualification to Telstra in respect of that end-user.

38 Second, there must be a spare metallic pair of wires running from the CAM associated with an end-user's premises to its corresponding MDF. In the diagram shown in paragraph 20 above, this requirement cannot be met in relation to end-user "B" (where there is no metallic mains cable), but might be met in relation to end-user "C" (provided, among other things, there is spare capacity on the metallic mains cable). Similarly, this requirement cannot be met for end-user "D", for which there is no metallic mains cable, but might be met for end-user "E", provided, among other things, that there is spare capacity on the mains cable.

39 Transposition involves transferring the end-user connection "off" the pair gain system and onto an unbroken metallic path that is serviced by a mains cable upon which there is spare capacity. If requirements described in paragraphs 37 and 38 are satisfied, Telstra

will jumper the line at the pillar. That is, Telstra will 'cut over' that end-user line from the pair gain system to the mains cable. Telstra will also update its databases to record that the jumpering has taken place.

[redacted]

42 In some instances, failure of the transposition process may occur because the transposed path does not satisfy the requirements of ACIF Code C559:2006 for the particular deployment class to be used. For example, Code C559:2006 outlines signal loss attenuation requirements for each ULLS deployment class. This is the acceptable range within which an electrical signal that is sent from to or from an access seeker's CMUX may weaken by the time it reaches the end-user premises (or vice versa). If these requirements are not met in relation to a particular end-user, the transposition would not be successful. In this situation, Telstra would not attempt a transposition.

43 Where transpositioning is not successful, it might be possible for a ULLS access seeker to remotely co-locate its CMUX equipment at the pair gain system (which constitutes a CAM for the purpose of interconnection).

[redacted]

45 A threshold requirement for co-location is that there must be sufficient capacity at the relevant pair gain system. It is possible that there might be capacity constraints at pair gain systems, since these tend in general to be smaller than regular exchanges.

DATED: 21 February 2008

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ATTACHMENT A TO THE STATEMENT OF [redacted]

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