



Public Policy and Communications

22nd September, 09

Mr Michael Cosgrave
General Manager Telecommunications
Australian Competition & Consumer Commission

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Dear Mr Cosgrave

**Draft pricing principles and indicative prices for LCS, WLR, PSTN, OTA, ULLS and LSS
Request for further information – ACCC/Analysys Cost Model**

We are continuing to examine the ACCC/Analysys Cost Model (**the ACCC Model**). In particular, we are seeking to verify whether or not the ACCC Model provisions sufficient transmission equipment to support the capacity requirements of the core network designed by the ACCC Model. It is not clear what transmission equipment is included under the description of “Assets” in the ACCC Model so we cannot determine whether the specific equipment used, or the cost assumed for that equipment, is reasonable.

We therefore request that you provide us with a detailed list of the specific equipment (including the quantity of equipment) which comprises the “Assets” listed on the UnitCost.Core tab of the Cost.xls module in column D and included in the “Basic equipment cost” in column F of that worksheet. For example, please provide a list of the equipment that comprises the “Assets” described as “Extended Long Haul DWDM pt to pt system”. Currently, the ACCC Model includes a basic equipment cost and the number of “Assets” but it does not list the equipment included within the “Assets”.

Please note that the above request is limited to those assets categorized as either transmission or satellite equipment in Column B of the worksheet (i.e. UnitCost.Core, Cost.xls) referred to above.

To enable Telstra to consider the further information in sufficient time to respond by the deadline for submissions of 9 October 2009, please provide the above information by Friday, 25 September 2009.

We look forward to hearing from you.

Yours sincerely,

Jane van Beelen
Acting Executive Director –Regulatory Affairs
Public Policy and Communications