

Our ref: 48491
Your ref
Contact officer: David Noble
Contact phone: (03) 9290 1802



**Australian
Competition &
Consumer
Commission**

19 April 2013

Mr Iain Little
Acting Executive Director, Regulatory Affairs
Public Policy and Communications
Telstra Corporation Limited
Level 11, 400 George Street
SYDNEY NSW 2000

GPO Box 520
Melbourne Vic 3001

Level 35, The Tower
360 Elizabeth Street
Melbourne Vic 3000

tel: (03) 9290 1800
fax: (03) 9663 3699

www.accc.gov.au

By email: Iain.Little@team.telstra.com
Copy to: Tracy.Thomas@team.telstra.com;

Dear Mr Little

Re: Wholesale ADSL FAD inquiry—Request for data on AGVC/VLAN and SIOs

Thank you for your submission in response to the ACCC's *Public inquiry to make a final access determination for the Wholesale ADSL service: Draft Report (March 2013 Draft Report)*.

In determining draft prices in the FAD, the ACCC used Telstra information regarding AGVC/VLAN usage. As described at pages 45-46 of the March 2013 Draft Report, the AGVC/VLAN data used in the FLSM was sourced from Telstra's Retail Minus Retail Cost model and the Telstra Economic Model (TEM) reports provided to the ACCC.

In paragraph 47c of your submission to the March 2013 Draft Report, Telstra states that:

[Telstra c-i-c] [Telstra c-i-c] It appears that the FLSM accounts for this as it has unitised AGVC/VLAN costs using AGVC/VLAN usage that wholesale customers face a separate charge for.

We have interpreted your submission to mean that the AGVC/VLAN data used by the ACCC to calculate the AGVC/VLAN charge per Megabit per second (Mbps) in the draft FAD *does not* include the AGVC/VLAN used by certain wholesale ADSL customers (**[Telstra c-i-c] [Telstra c-i-c]**). The ACCC is seeking confirmation of this interpretation.

In addition, can Telstra please confirm whether Telstra's Retail ADSL usage figures (in Mbps) reported in the TEM include all data usage for which retail customers *do not* face a separate charge (e.g. including usage associated with unmetered BigPond content provided by Telstra that does not attract additional charges).

The ACCC recognises that the Telstra Retail usage figures reported in the TEM may not include data usage for which customers do face a separate charge – that is, 'data usage the cost of which [Telstra considers to be] fully recovered by Telstra through charges or fees other than the retail broadband charge' (e.g. pay per view or content subscriptions).¹

¹ As noted regarding Telstra's proposed calculations regarding WADSL reference prices in the Structural Separation Undertaking, Schedule 8, paragraph 3.3(b)(ii).

The ACCC requests a response to the list of questions that is attached to this letter. These questions seek further information on these matters. I would appreciate a response to these questions if possible by **close of business Wednesday 24 April 2013**.

Please contact me or David Noble on (03) 9290 1802 if you have any queries or need clarification in relation to this matter.

Yours sincerely



Robert Wright
General Manager
Access Operations and Pricing Branch, Communications Group

ATTACHMENT 1: REQUESTED INFORMATION

1. Please provide the amount of AGVC/VLAN (in Mbps) acquired by *all* wholesale ADSL customers (**Telstra c-i-c** **Telstra c-i-c**), as at 30 June 2011 and 30 June 2012. Please also provide the number of SIOs that these customers acquired as at 30 June 2011 and 30 June 2012.
2. In addition, there are several requests for information in relation to Telstra's retail activities which generate traffic:
 - a. Provide the amount of AGVC/VLAN (in Mbps) used by Telstra Retail to supply its ADSL customers—that is, peak network utilisation—as at 30 June 2011 and 30 June 2012.
 - b. Confirm whether the figures in 2a include all data usage for which retail customers *do not* face a separate charge (e.g. including usage associated with unmetered BigPond content provided by Telstra that does not attract additional charges). If not, then please provide the amount of AGVC/VLAN (in Mbps) used for such services (e.g. unmetered content services) in addition to the AGVC/VLAN figures in 2a.
 - c. Provide the amount of AGVC/VLAN (in Mbps) used by Telstra Retail to supply its ADSL customers with services the cost of which Telstra considers to be fully recovered by Telstra through charges or fees other than the retail broadband charge e.g. pay per view or content subscriptions services. The ACCC requests these figures as at 30 June 2011 and 30 June 2012.
 - d. Provide the number of Telstra Retail ADSL SIOs as at 30 June 2011 and 30 June 2012.