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5 January 2009

Dr Tony Warren  
Executive Director Regulatory Affairs  
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11 National Circuit  
Barton ACT 2600

cc: Rebecca Mitchell  
Legal Counsel  
Public Policy & Communications  
Level 11, 231 Elizabeth Street  
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**By facsimile: 02 9261 8390**

**By facsimile: 02 9261 2401**

Dear Dr Warren

**Confidentiality claim on TEA Model Route Optimisation Process report and witness statement**

I refer to your submission dated 18 November 2008, which includes a statement from [REDACTED] and the attached Annexure A document titled "TEA Model Route Optimisation Process."

The ACCC considers the Annexure A document describes an important part of the Telstra Efficient Access (TEA) model optimisation process, and should be available for public scrutiny by interested parties. Further, the ACCC does not consider that material in [REDACTED] statement warrants a confidentiality claim. The ACCC is therefore concerned that Telstra has not provided a public version of these documents.

Several access seekers, in their submissions to the ACCC's discussion paper, have indicated a perceived lack of transparency in the pre-processing that is carried out in order to derive the database used in the TEA model. For example, page 25 of Network Strategies' submission to the ACCC states:

The results of the pre-modelling work have been incorporated into the TEA model network database in such a way that inputs and assumptions are not visible and cannot be checked.

In Telstra's response to access seeker submissions dated 18 November 2008, it claims that some comments by access seekers are based on a misunderstanding of the processes described in this document. For example, in section F.1 Telstra states:

Optus' criticisms of the network design used in the TEA model (as opposed to the inputs) often rely on misconceptions of how the model was designed. For instance, Optus claims that the TEA model reflects very little in efficiency gains because Telstra has retained the actual locations for the manholes and pits that exist in the current network...

Telstra then goes on to state that:

The process of extracting the base data from CPR2, documented in TEA Model Route Optimisation Process: Band 2, shows that not all structure points (pits and manholes) are extracted from CPR2.

The ACCC considers that access to the Annexure A document 'TEA Model Route Optimisation Process' is necessary to understand how the TEA model operates. The document would assist in explaining the optimisation process and would address concerns raised in submissions by access seekers. Accordingly, the ACCC considers that this document should be publicly available for scrutiny by interested parties. The ACCC notes that the relevant document describes an engineering methodology, and that Telstra has, in the past, not claimed confidentiality over comparable documents describing economic methodology.

The ACCC also notes that [REDACTED] statement does not appear to contain material that is commercial in confidence.

Accordingly, the ACCC requests Telstra identify which parts of the Annexure A document and [REDACTED] statement it considers to be commercially sensitive, and provide the ACCC with a public version of these documents which will be placed on the ACCC's website until such time as the ACCC has considered the claim for confidentiality. The ACCC will then make a further decision on whether to publish the statement and Annexure A as lodged on 18 November 2008 or deal with the documents in some other way (including, but not limited to giving them less weight on the basis that they have not been made available for full public scrutiny).

The ACCC requests a response to this letter by close of business on 14 January 2009.

Yours sincerely



Robert Wright  
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Compliance and Regulatory Operations  
Communications Group