

22 February 2019

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Australian Competition and Consumer ACCC  
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By email: [emma.ansell@accc.gov.au](mailto:emma.ansell@accc.gov.au)

Dear Emma

**RE: 2008 Interstate Access Undertaking Extension Application to the ACCC**

I refer to the letter of 16 November 2018 in respect of ARTC's application to the ACCC to extend the 2008 Interstate Access Undertaking (IAU) until 28 February 2019 and the ACCC's published acceptance of this request on 12 December 2018.

ARTC seeks to further extend the IAU in the following manner:

1. The term will be extended until 29 February 2020 by amending Clause 2.3(a). This amendment constitutes the replacement of the words "28 February 2019" with "29 February 2020".
2. ARTC will provide the ACCC with a minimum 6 months' notice ahead of that expiry date of its intentions in respect of submitting a revised Undertaking. This amendment constitutes the replacement of the words "three (3)" with "six (6)" in Clause 2.2(b).

ARTC does not propose any further changes to the IAU and has attached a marked-up and clean version of the proposed amended Undertaking as part of this application. As these amendments do not impact the Indicative Track Access Agreement (ITAA), ARTC is not providing updated versions of the ITAA.

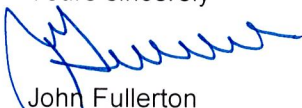
For clarity, approval of this extension would provide for escalation of the Indicative Tariffs from 1 July 2019 at CPI with no requirement for a reconciliation framework in the renewed version of the IAU.

ARTC had initially proposed an extension including a higher real price for East – West traffics with a reconciliation mechanism to be applied upon approval of a new IAU. We have recognised customer concerns around the lack of certainty that this mechanism may provide and accordingly submit this revised extension based on continuance of the CPI indexation from July 1 2019.

Agreement to the extension will enable ARTC to work with the ACCC and our customers to develop a transparent regulatory framework that will provide for the future recovery of Interstate network efficient operating costs and sustainable commercial returns. As the Interstate Network does not currently earn a commercial rate of return, resetting this framework is essential.

For further information regarding this letter, please contact Simon Ormsby on (08) 8217 4314 or [Sormsby@artc.com.au](mailto:Sormsby@artc.com.au) or Gavin Carney on (08) 8217 4189 or [gcarney@ARTC.com.au](mailto:gcarney@ARTC.com.au).

Yours sincerely



John Fullerton  
Chief Executive Officer