



**Australian
Competition &
Consumer
Commission**

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Our ref: 46860
Your ref:
Contact officer: Jane McGinnes
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13 September 2013

Ms Jane van Beelen
Executive Director, Regulatory Affairs
Public Policy and Communications
Telstra Corporation Limited
Level 11, 400 George Street
SYDNEY NSW 2000

By email: jane.vanbeelen@team.telstra.com

Copy to: Tracy.thomas@team.telstra.com; Iain.Little@team.telstra.com;
alister.montgomery@team.telstra.com

Dear Ms van Beelen

Re: Final Access Determinations (FADs) Inquiry - information request under the BBM RKR

The ACCC has recently commenced a public inquiry into the declaration of the currently declared fixed-line services. Concurrently, the ACCC has commenced an inquiry into making final access determinations (FADs) for these services and the wholesale ADSL service.¹

The ACCC is undertaking a pricing review as part of the FAD inquiry and the purpose of this letter is to request Telstra to provide information under Rule 15 of the Building Block Model Record Keeping and Reporting Rule (BBM RKR). The information requested is required for the ACCC's Fixed Line Services Model (FLSM), which it uses as part of its building block approach for the pricing review.

Rule 15 of the BBM RKR provides that, when the ACCC announces the commencement of a pricing review, Telstra must within 8 weeks of the date on which it receives a written request from the ACCC:

¹ ACCC, *Fixed Services Review – Discussion Paper on the Declaration Inquiry*, July 2013.

- a) Provide the ACCC with a report containing the information required in Rules 7 and 8 of the Rule;
- b) Prepare and submit the report electronically in Microsoft Excel in the format prescribed by the ACCC and annexed at Attachment Band Attachment C; and
- c) Include an explanatory statement addressing the requirements of Rules 9 to 12 (inclusive) and submit electronically as a Microsoft Word or PDF document that allows for searchable text.

The ACCC requests forecast information required under Rule 8 for each financial year of the five year period from 2014-15 to 2018-19. Telstra is also requested to provide reports comparing forecast and actual data for the previous regulatory period (i.e. 2009-10 to 2013-14 (inclusive)) in accordance with Rules 10 to 12.

Under Rule 15, Telstra is required to provide an explanatory statement accompanying its forecast information. The ACCC expects that the explanatory statement will provide sufficient details to demonstrate the reasonableness of Telstra's forecasts. As part of the explanatory material, the ACCC also expects that Telstra would identify how much, if any, of the information provided relates to National Broadband Network activities (e.g. expenditures to meet obligations under its Definitive Agreements).

Please provide the requested information by email to the addresses provided in Rule 16 by **8 November 2013**.

The ACCC will publish this letter on the internet for the information of stakeholders. Also, I note that the *Competition and Consumer Act (2010)* sets out processes for disclosing information collected under RKR's. The ACCC intends to issue a written notice under s 151BUA(2) in relation to disclosure of the report or extracts from the report requested in this process. The ACCC will undertake a consultation under s 151BUA(5) in preparation to issuing the s 151BUA(2) notice, when the requested information is received.

Please contact Ms Jane McGinnes either by email at jane.mcginnes@acc.gov.au or by phone on (03) 9290 1493 if you would like to discuss this matter.

Yours sincerely



Michael Cosgrave
Group General Manager
Communications Group