



December 9 2011

ACCC Action To Resolve Wholesale Price Issues Should Clear Decks: CCC

The ACCC's announcement today that it would act to bring certainty to the regulation of prices for crucial Telstra wholesale services represents an important step forward, and takes off the table vital sticking points in Telstra's structural separation plan, the Competitive Carriers' Coalition said today.

However, it is too early to say whether Telstra has fixed enough of the many deficiencies in its first offer for this new proposal to be considered acceptable.

The time frame for consideration and public comment is also inadequate – it is in the detail of the Undertaking that the question of whether or not competition and consumer's interests are to be improved and assessment of that detail needs time.

Telstra's initial proposal fell at the first hurdle because so many Australians were carved out from the arrangements. Telstra refused to budge on the issue of national pricing of basic voice services and the price of wholesale broadband services, leaving competitors with no choice but to call for the rejection of the undertaking. It has been the CCC's very firm view that removing the exemptions and regulating DSL are threshold issues that require resolution prior to final assessment of the SSU.

The Commission has now set in train processes that should ensure that all Australians receive the benefit of regulation of basic services, and that broadband is finally directly and effectively regulated.

The Commission must now ensure that it has finished its processes to guarantee these conditions before it makes a final decision on whether to accept the Telstra separation undertaking.

If any uncertainty remains on these issues, the Commission must reject the undertaking, the CCC said.

For further information or media comment, contact:

Mandy Galmes or Simon Gomes
Fuel Communications
02 8217 6500

