

29 October 2009

Mr Michael Cosgrave
Group General Manager
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Australian Competition and Consumer Commission

ATTENTION Mr Chris Ratchford
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Australian Competition and Consumer Commission

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Dear Mr Cosgrave and Mr Ratchford

Draft Pricing Principles and Indicative Prices for LCS, WLR, PSTN, OTA, ULLS and LSS

We refer to the Draft Pricing Principles and Indicative Prices for LCS, WLR, PSTN, OTA, ULLS and LSS issued by the Commission on 21 August 2009 (**the Draft IPP Determination**). In particular we refer to Telstra's submission of 9 October 2009 in which, amongst other submissions, we set out the errors the Analysys Model.

Telstra now encloses a file which contains the updated code that corrects the pit dimensioning error (named 'Access - CODE.zip') in the Model.

Telstra also encloses a document which contains tables showing the impact of each of the individual errors referred to in Telstra's submissions for financial years 2008/09, 2009/10, 2010/11 and 2011/12, for ULLS, WLR, LCS and PSTN OTA nationally and for each of Zone A and B and for each Band as used in the Analysys model (where relevant) (named 'Full roll down all years.DOC'). We draw to your attention that the document shows the effect of these corrections on WLR and ULLS costs on a four band basis, a two zone basis and as an average across all lines.

Finally, Telstra confirms that the adjusted Analysys Model (being supporting document 299 in the joint ULLS arbitrations and included on the CD ROM of ULLS supporting materials provided to the Commission and the Access Seekers) does not contain information which is confidential to Telstra, however, it appears that the ACCC/Analysys Mason claim that the model itself holds proprietary information. Telstra does not maintain its claim of confidentiality in relation to the adjusted Analysys Model.

Telstra requests that the adjusted Analysys Model also be considered by the Commission in the consultation in respect of the Draft IPP Determination, together with the additional material provided under cover of this letter.

Yours sincerely,



Jane van Beelen
Acting Executive Director - Regulatory Affairs
Public Policy and Communications