

Further submission from Adam Internet, Chime and Agile – 19 January 2009

Telstra's submission on the ACCC's draft decision distinguishes between the line side (entrance facility costs) and equipment side (TEBA charges) of the MDF. Telstra submitted that entrance facility costs are associated with terminating cables from Telstra's Main Cable Network on the MDF, and include the following:

- a portion of the cable chamber where the main cables enter the exchange building;
- the cable racking required to transport the cable from the cable vault to the MDF;
- the line side of the MDF; and
- the blocks where the main cables terminate.

Telstra claimed that there is no overlap between the TEBA facilities and the entrance facilities, and that none of the TEBA charges compensate for any of the entrance facility costs in the TEA model.

In Adam Internet, Chime and Agile's submission, the view that entrance facility costs should not be included in Telstra's network costs was made on the basis that they were recovered via TEBA charges paid by access seekers. The access seekers now confirm that TEBA charges do not state that they include components for costs associated with the equipment Telstra has called entrance facility costs. As such and as long as these charges are not recovered elsewhere, it is reasonable that a portion of entrance facility costs be recovered via services, including the ULLS, that utilise Telstra's network.

In considering entrance facility costs, the following points are relevant:

1. They should not be included if recovered elsewhere.
2. The model must take into account the number of non-CAN cables that also use this infrastructure, for instance: copper junction cables (mostly now redundant), optical fibre junction and customer cables (RIM's, Pair gain systems) - all non-ULL services, but all of which use the cable tunnel and associated tray and duct work.