



GPO Box 520 Melbourne Vic 3001

Level 35, The Tower 360 Elizabeth Street Melbourne Vic 3000

tel: (03) 9290 1800 fax: (03) 9663 3699

www.accc.gov.au

Our ref: 47685

Your ref:

Contact officer: Analena Gilhome Contact phone: 03 9290 1872

15 March 2013

Ms Caroline Lovell Head of Regulatory Affairs and Industry Analysis NBN Co Limited

Dear Ms Lovell

Re: NBN Co Limited Special Access Undertaking - request for further information

The purpose of this letter is to seek the following additional information to assist the ACCC to analyse the information provided by NBN Co on 29 January 2013.

I note that this request for information is not a formal request under section 152CBB of the *Competition and Consumer Act 2010* (CCA).

Firstly, the ACCC seeks to gain further insight into the assumptions made by NBN Co in relation to how changes in price affect demand, including as between the Corporate Plan scenario and the maximum pricing scenario.

1. Please explain how NBN Co has determined its demand forecasts under each scenario and any assumptions used — including any assumptions about how demand for different products changes in response to changes in the price of those products. Please explain any differences in assumptions between scenarios.

Secondly, the ACCC seeks to gain further insight into the approach used by NBN Co to determine forecasts of capital expenditure in the Corporate Plan scenario and the maximum pricing scenario.

2. Please explain how NBN Co has determined capital expenditure forecasts for assets related to deployment of the fibre network for each scenario, including assumptions made about the proportions of capital expenditure that reflect Greenfields roll-out versus replacement of brownfields assets.

So that the ACCC's assessment of the SAU can proceed in a timely manner, the ACCC requests that NBN Co provide the information necessary to fulfil this request, by 4pm on 20 March 2013. If we do not receive the requested information by this date, we note that the ACCC has the power under s 152CBB of the CCA to formally request NBN Co to give the Commission the information. Such a request would extend the statutory deadline for accepting or rejecting the SAU by the period of time that any part of the request remains unfulfilled.

If you consider any information provided under this request to be commercial-in-confidence, please identify this in your response. If the information provided is commercial-in-confidence, we request that confidentiality arrangements between NBN Co and interested parties are established to facilitate the sharing of this information. If confidentiality arrangements are not established between NBN Co and interested parties for the sharing of information, the ACCC may consider providing the information to interested parties on a confidential basis.

I note that this letter will be published on the ACCC's website.

ACCC staff would be pleased to meet with NBN Co to discuss any questions about this information request.

If you wish to discuss any aspect of this matter, please do not hesitate to contact Analena Gilhome on 03 9290 1872.

Yours sincerely

Richard Home General Manager

NBN Engagement and Group Coordination Branch Australian Competition and Consumer Commission