

27 August 2012

Mr Michael Cosgrave
Group General Manager
Communications Group
Australian Competition and Consumer Commission
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By email:

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Copy to

Mr Ed Seymour
Director, Industry Structure Section
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By email:

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Dear Mr Cosgrave

Independent Telecommunications Adjudicator – ITA Deed – Amendment to the ITA process Fee payment obligations

We refer to Telstra's Structural Separation Undertaking (SSU) approved by the Commission on 27 February 2012 and the ITA Deed contained in Schedule 6 of the SSU.

Clause 2.6 of the ITA Deed requires Telstra and its wholesale customers in relation to relevant regulated services (Wholesale Customers) to pay to the ITA an annual administration fee (ITA Process Fee).

Telstra understands that some industry participants have expressed the view that the ITA Process Fee should not be payable by a Wholesale Customer for a financial year in which that customer does not utilise the ITA Process.

As the ITA Process has been established for the benefit of the industry as a whole, including Telstra and each of its Wholesale Customers, Telstra considers that the responsibility of funding the ITA Process should be shared by all such parties. Nevertheless, Telstra is prepared to amend the ITA Deed so that Wholesale Customers will only have an obligation to pay the ITA Process Fee if they use the ITA Process in the financial year to which the fee relates (in which case the fee must be paid before a dispute is lodged).

This change to the obligations of Wholesale Customers in relation to the ITA Process Fee is reflected in an amended clause 2.6 in the enclosed ITA Deed (which also shows previous agreed amendments to the ITA Deed set out in Schedule 6 of the SSU). We trust that these new amendments are in a form acceptable to you.

Please contact me should you have any queries in relation to this matter.

Yours sincerely



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