

October 2011

Mr David Hinitt
Communications Group
Australian Competition & Consumer Commission
GPO Box 3648
Sydney NSW 2001

By email: david.hinitt@acc.gov.au
CC: tara.morice@acc.gov.au

Dear Mr. Hinitt,

Inquiry to make a final access determination for the Domestic Mobile Terminating Access Service (MTAS)

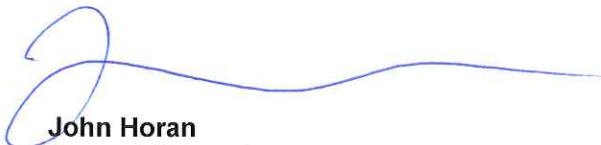
I refer to the Draft Access Determination Explanatory Statement dated 23 September 2011.

Primus supports the ACCC's proposal to reduce charges for the MTAS closer to costs. Primus submits this will enhance competition and lead to better consumer outcomes. Primus does however believe the glide path as proposed by the ACCC is unnecessary. The impact on mobile network operators will not be material. In any event, the industry has planned for significant reductions for some time as MTAS charges in Australia are out of step with international trends and significantly above costs.

Primus strongly supports the ACCC's decision to not impose a pass-through mechanism at this time. Primus believes that incentives increasingly exist for competition to deliver real benefits to end users and it is unnecessary to implement intrusive regulation which has the potential to dampen choice and innovation in the market. As the ACCC is aware, industry participants offer a range of bundled services that may include internal cross-subsidies. This is an economically efficient form of supply and ultimately delivers better value to end-users. Primus supports the ACCC monitoring developments in MTAS and other related services but believes pass-through regulation is both unnecessary and inconsistent with the increasingly competitive landscape.

Should you have any queries please do not hesitate to contact me directly.

Yours Sincerely,



John Horan
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