

FOXTEL Management Pty Ltd

Submission to Australian Competition & Consumer Commission

FOXTEL Special Access Undertaking

**STATEMENT OF MICHELLE KVELLO
DATED 28 NOVEMBER 2006**

On 28 November 2006, I, MICHELLE KVELLO, of 5 Thomas Holt Drive, North Ryde, NSW 2113, in the State of New South Wales, state:

1. I am employed by FOXTEL Management Pty Limited (*FOXTEL*) as Assistant Commercial Manager, Platform and Product. I have been employed by FOXTEL since November 2003 and have held my current role since March 2006.

2. My primary role is to assist and provide commercial analysis for the projects conducted or planned by the content and infrastructure departments of FOXTEL. I have been involved in the pricing of third party access to FOXTEL's infrastructure. As part of my role at FOXTEL, I have been involved in the development of FOXTEL's Regulatory Accounting Procedures Manual (the *RAPM*) and FOXTEL's Digital Access Pricing Model (the *Model*) and am familiar with both. Pursuant to the *RAPM*, the *Model* is updated from time to time.

3. Attached to my statement is a bundle of documents marked **MK1** which has pages numbered from 1 to 10. MK1 contains documents to which I refer in this statement.

4. I have been asked by FOXTEL's solicitors, Allens Arthur Robinson, to create the 2004 rate cards for cable and satellite access based on five different scenarios. In each scenario, I have been asked to vary the cable IBAC and the satellite IBAC, which are two of the inputs into the Model.

5. The five scenarios I have been asked to produce rate cards for are set out in the following table:

Input for cable IBAC	Input for satellite IBAC	
Base Case	\$287,607,000	\$105,576,000
Sensitivity Test 1	\$301,273,000	\$107,802,000
Sensitivity Test 2	\$281,062,000	\$104,528,000



Recharge Summary for Project:
AREA 51 PROMOS

28 November 2006
MICHELLE KVELLO

2004 cable rate card	2004 satellite rate card	Base Case
	Page 1	Page 2
	Page 3	Page 4
	Page 5	Page 6
	Page 7	Page 8
	Page 9	Page 10
Sensitivity Test 4		
Sensitivity Test 3		
Sensitivity Test 2		
Sensitivity Test 1		

8. In accordance with the request from Allens Arthur Robinson, I have prepared 2004 cable and satellite rate cards for each of the scenarios listed in the table in paragraph 6 above. In doing so, I have only changed the cable and satellite IBAC inputs and otherwise have made no changes to the Model. The rate cards that I have produced are at the following pages of MK1:

7. In producing the 2004 rate cards for each of these scenarios, I have used the Model dated 13 May 2005. I understand that this version of the model has been audited by PwC to confirm that it has been prepared in accordance with the RAPM.

Input for cable IBAC	Input for satellite IBAC	Sensitivity Test 3	\$272,838,000	\$103,218,000
		Sensitivity Test 4	\$264,567,000	\$101,908,000