

21 November 2008



Sarah Sheppard and David Cranston
Communications Group
Australian Competition and Consumer Commission
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By email: digitalradio@accg.gov.au

Dear Ms. Sheppard and Mr. Cranston,

Re: Digital radio access regime – access undertaking

ARN Broadcasting Pty Ltd is a shareholder in Digital Radio Broadcasting Melbourne Pty Ltd (**EJVC**) and has taken a strong interest in the development of the access undertaking for digital radio and its consideration by the ACCC.

ARN Broadcasting Pty Ltd strongly supports the proposed access undertaking and considers that it should be approved by the ACCC in its current form.

ARN Broadcasting Pty Ltd considers that the proposed access undertaking is consistent with:

- applicable terms of the Radiocommunications Act; and
- the ACCC's decision making criteria.

Under the framework for digital radio multiplex services established under the Radiocommunications Act, each EJVC will operate as a wholesale only business and will have a single stream of revenue from the supply of digital radio multiplex services to access seekers.

In order to ensure the financial viability of EJVCs and the supply of digital radio multiplex services on a sustainable basis, ARN Broadcasting Pty Ltd wishes to emphasise that it is necessary to ensure that the proposed access undertaking allows for each EJVC to:

- fully recover their costs in providing multiplex capacity to access seekers; and
- achieve a normal commercial rate of return.



ARN Broadcasting Pty Ltd considers that the access undertaking provides a strong basis for achieving these aims, while ensuring that access charges payable by access seekers are fair and reasonable. As each EJVC shareholder will also be an acquirer of multiplex capacity through the EJVC, each EJVC will face a strong incentive to minimise access charges and ensure that access is provided to all access seekers on a non-discriminatory basis.

Please do not hesitate to contact me if you have any questions.

Yours sincerely

John Hamilton

**John Hamilton
Company Secretary
ARN Broadcasting Pty Ltd**