



21 November 2008

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Sarah Sheppard and David Cranston  
Communications Group  
Australian Competition and Consumer Commission  
GPO Box 520J  
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By email: [digitalradio@acc.gov.au](mailto:digitalradio@acc.gov.au)

Dear Ms. Sheppard and Mr. Cranston,

**Re: Digital radio access regime – access undertaking**

Australian Radio Network Pty Ltd (ARN) as the operator of analogue radio stations across Australia has taken a strong interest in the development of the access undertaking for digital radio and its consideration by the ACCC.

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

ARN 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 Digital Radio Broadcasting Company (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 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 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**  
**Chief Financial Officer**