



Pacific Star Network Limited

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473 Swan Street, Richmond Victoria 3121

20 November 2008

Sarah Sheppard & David Cranston
Communications Group - ACCC
GPO Box 520J MELBOURNE VIC 3000
By email: digitalradio@acc.gov.au

Dear Ms. Sheppard and Mr. Cranston,

Digital radio access regime – access undertaking

Pacific Star Network Limited as the owner of Victorian Radio Network Pty Ltd (SEN1116) and Malbend Pty Ltd (3MP) is a shareholder in Digital Radio Broadcasting Melbourne Pty Ltd and has taken a strong interest in the development of the access undertaking for digital radio and its consideration by the ACCC.

As licensees and shareholders, these companies, strongly support the proposed access undertaking and considers that it should be approved by the ACCC in its current form.

The shareholders consider 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 JVC 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 JVCs and the supply of digital radio multiplex services on a sustainable basis, the shareholders wish to emphasise that it is necessary to ensure that the proposed access undertaking allows for each JVC to:

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

The shareholders consider 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 JVC shareholder will also be an acquirer of multiplex capacity through the JVC, each JVC 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,


Stephen Sweeney
COMPANY SECRETARY