



**Australian  
Competition &  
Consumer  
Commission**

**Local services review  
and  
Strategic review of the regulation of fixed  
network services**

*Summary of draft indicative prices published by the ACCC on  
28 July 2006*

**July 2006**

## Introduction

On 28 July 2006 the ACCC published draft indicative prices as part of its Local services review and Strategic review of the regulation of fixed network services. The draft indicative prices were published in two documents:

- ACCC, *Local services review—final decision*, July 2006.
- ACCC, *Declaration inquiry for the ULLS, PSTN OTA and CLLS—final determination*, July 2006.

These documents are available from the ACCC's website [www.accc.gov.au](http://www.accc.gov.au).

When the ACCC declares a service, the *Trade Practices Act 1974* requires it to make a pricing principle determination for the declared service. It may also publish price-related terms and conditions (or indicative prices) as part of the determination. The ACCC must have regard to the determination and any indicative prices if it is required to arbitrate an access dispute between telecommunications service providers.

The documents propose draft indicative prices to apply during 2006-07 for the PSTN originating and terminating access (PSTN OTA) services, the local carriage service (LCS) and wholesale line rental (WLR) service. The ACCC has not published indicative prices for the unconditioned local loop service (ULLS). As there are a number of pricing issues currently being resolved in arbitrations for the ULLS, the ACCC does not consider it appropriate to pre-empt this assessment at this time.

The ACCC considers that indicative prices will provide useful certainty for industry about the ACCC's view on appropriate prices for these services while the ACCC undertakes further work and finalises its assessment of Telstra's undertakings for the PSTN OTA and LCS. The ACCC considers that the indicative prices will be of an interim nature only while that work is taking place.

These are draft indicative prices only at this stage. The ACCC is seeking comment from interested parties in response to these draft indicative prices by **31 August 2006**.

This document provides a summary of the ACCC's draft indicative prices.

## Summary of the draft indicative prices

### *PSTN OTA*

The ACCC proposes to continue the 2005-06 TSLRIC+ headline rate of **1 cent per minute**, as set out in the ACCC's October 2003 model prices, into 2006-07.

It also proposes to continue the application of the disaggregated rates for 2005-06:

**Table 1: Draft indicative prices for PSTN OTA, disaggregated**

	<i>Flagfall</i>	<i>EMOU*</i> <i>charge</i>	<i>Headline rate</i>
<i>CBD</i>	0.85	0.35	0.57
<i>Metropolitan</i>	0.84	0.49	0.70
<i>Provincial</i>	0.94	0.68	0.91
<i>Rural</i>	2.06	3.66	4.18
<b>Average</b>	<b>0.95</b>	<b>0.76</b>	<b>1.00</b>

\* EMOU – end minutes of use.

### *Local services*

The ACCC proposes to apply retail-minus-retail-costs access prices for the local carriage service (LCS) and wholesale line rental (WLR) service as follows.

**Table 2: Draft indicative prices for WLR and LCS**

	<b>Residential</b>	<b>Business</b>
<b>WLR</b>	\$23.57 ex GST	\$26.30 ex GST
<b>LCS</b>	17.69c ex GST	17.69c ex GST