



Submission by TPG Telecom Limited (8 October 2015)

to

Australian Competition and Consumer Commission (ACCC)

Domestic Transmission Capacity Service

This submission responds to the ACCC draft decision relating to a Final Access Determination for Domestic Transmission Capacity Service (DTCS).

1. TPG is both an access seeker that relies on DTCS supplied by Telstra to supply services to end users and an investor in infrastructure to provide alternative infrastructure based competition to resold Telstra services.
2. TPG considers that, for many years, Telstra has been over-recovering from access seekers in relation to the supply of DTCS, particularly in regional areas.
3. TPG also considers that the long term interests of end users have been adversely affected by artificially high transmission prices, which has had the effect of stifling investment in competitive infrastructure in regional areas.
4. TPG agrees that the domestic benchmarking exercise conducted by the ACCC was an appropriate course and yields appropriate pricing reductions across the DTCS service.
5. TPG submits that the interface type for the purposes of calculating pricing should be Ethernet (zero).
6. TPG accepts the ACCC's view about the proposed 40% uplift for Bass Strait pricing but considers that 40% uplift is higher than is necessary to cover the extra cost of maintaining submarine cabling and will continue to have the effect of limiting competition in Tasmania.