



23 December 2008

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Dear Mr Cosgrave

Telstra's Band 2 ULLS Undertaking

I refer to the ACCC's Draft Decision released 13 November 2008 in relation to Telstra's ULLS Undertaking.

As you are aware, Telstra has provided the ACCC with the TEA model as well as a substantial body of documentation and submissions in support of Telstra's view that its ULLS Undertaking is reasonable and should be accepted by the ACCC.

Continuing that approach, this letter attaches:

1. a Confidential [Category 1 and Category 2] version of Telstra's *Response to the ACCC's Draft Decision* dated 23 December 2008.
2. three Confidential [Category 1] Statements of Telstra witnesses; and
3. a report entitled '*The use of international benchmarking in setting interconnection rates*' dated December 2008 by Ingenious Consulting Network.

Telstra does **not** claim confidentiality over:

- this letter; or
- the report entitled '*The use of international benchmarking in setting interconnection rates*' dated December 2008 by Ingenious Consulting Network,

and those documents may be published on the ACCC's website.

Telstra **does** claim confidentiality over:

- the Confidential [Category 1 and Category 2] version of Telstra's *Response to the ACCC's Draft Decision* dated 23 December 2008.

As the form of that document attached with this letter contains small amounts of both [Category 1] and [Category 2] Confidential Material, it should not be published on the ACCC's website.

Telstra will prepare an appropriate public version of the document and provide the same to the ACCC for publication on its website as a priority.

- three Confidential [Category 1] Statements of Telstra witnesses.

Again, as these documents constitute [Category 1] Confidential Material, they should not be published on the ACCC's website.

As there is no public form of these statements, Telstra encourages the ACCC to publish this covering letter on the ACCC's website so as to ensure interested parties are alerted to the existence of the three Confidential [Category 1] statements.

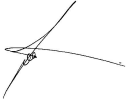
Due to its volume, Telstra will provide on CD copies of supporting material referred to in Telstra's *Response to the ACCC's Draft Decision*. Where that supporting material is confidential, the confidentiality status will be clearly marked in the index provided with the supporting material on the CD.

Otherwise, as usual, Telstra will make the Confidential [Category 1] statements and appropriate versions of the Confidential [Category 1 and Category 2] *Response to the ACCC's Draft Decision* available to interested parties subject to the same terms of access applicable to any other Telstra Confidential Material and, to the extent that the material contains access seekers' confidential information, in compliance with Telstra's obligations of confidence in respect of that access seeker's confidential information.

Finally, the ACCC has in the Draft Decision changed its approach to a number of matters, such as its approach to TSLRIC and trenching costs. As a result of its views expressed in the Draft Decision, Telstra sent a letter to the ACCC asking for clarification and/or further information in order to enable it to properly respond to the Draft Decision. Following Telstra's letter, the ACCC has, on 16 and 18 December 2008 respectively, issued an information request pursuant to section 152BT of the *Trade Practices Act* and provided Telstra with correspondence replying to Telstra's letter dated 2 December 2008. Telstra will respond to the section 152BT request in due course and is considering the substance of the 18 December 2008 letter. In the meantime, however, and in light of that correspondence and the 23 December 2008 deadline, Telstra has prepared its *Response to the ACCC's Draft Decision* to the extent possible by 23 December 2008.

However, Telstra anticipates that it will need to supplement its *Response to the ACCC's Draft Decision* dated 23 December 2008 with further submissions and/or material in support of its ULLS Undertaking following 23 December 2008 in order to properly deal with the issues raised by the ACCC. Telstra will endeavour to prepare this material as soon as possible.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Tony Warren', written over a light blue horizontal line.

Tony Warren
Executive Director Regulatory Affairs
Public Policy and Communications