

Public Policy and Communications

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Mr Robert Wright
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Dear Mr Wright

As foreshadowed in Telstra's response to the ACCC's Draft Decision, Telstra is currently preparing the next version of the TEA model (version 1.3 and version 1.3.1) with Telstra's updated inputs.

In earlier correspondence dated 2 December 2008, Telstra asked several questions relating to the ACCC's Draft Decision. As explained in that correspondence:

"Telstra views the ACCC's Draft Decision as another stage in the TEA model development process and wishes to respond, as it has in the past, by making changes to the model where necessary and appropriate. As such, Telstra wishes to fully understand, analyse and respond to the ACCC's criticisms and recommendations in the ACCC's Draft Decision."

Telstra intended that the ACCC's answers to Telstra's questions would be used in the preparation of the latest release of the model. However, as indicated by the ACCC's response dated 18 December 2008, save for a small amount of select answers, responses to Telstra's questions have not been forthcoming.

Notwithstanding this, could the ACCC please inform Telstra of any changes to the TEA model that it would like considered for the next version (version 1.3 and 1.3.1). The ACCC need not list out changes to variable inputs already in the TEA model (for example, the percentage of trench sharing in new estates or the unit prices for cable), as these changes can already be made by any user, including the ACCC. Rather, Telstra requests a list of the ACCC's changes to the structure and/or assumptions of the model, for example, the formulas in the model or base data which the ACCC considers appropriate to be made.

Telstra will finalise, test and make available versions 1.3 and 1.3.1 to the ACCC and all parties who have the relevant confidentiality undertakings in place, after receiving the ACCC's response to this letter.

Yours sincerely,



Tony Warren
Executive Director Regulatory Affairs
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