



16 April 2009

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Dear Mr Wright

**Telstra's Band 2 ULLS Undertaking - Response to Europe Economics Report**

I refer to the Statement of Henry Ergas dated 14 April 2009 responding to the report prepared by Europe Economics for Singtel Optus.

This letter attaches a CD (delivered by hand to the ACCC's Sydney office) containing an index of supporting material to the Statement of Mr Ergas. The CD also contains all the documents referred to in the index.

**Confidentiality status**

Telstra **does not** claim confidentiality over:

- this letter; or
- the index to the statement by Henry Ergas.

and, accordingly, those documents may be published on the ACCC website should the ACCC wish to do so.

Telstra **does** claim confidentiality over the following two articles contained in the index:

- Time Consistency In Regulatory Decision-Making (forthcoming in The Review of Network Economics), Henry Ergas, 2009; and
- Institutional Aspects of Climate Change Policies (forthcoming in The Australian Journal of Agricultural and Resource Economics), Henry Ergas, 2009,

as they remain unpublished and, accordingly, these documents should not be published on the ACCC website.

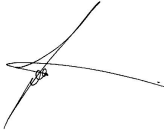
Telstra will ensure a copy of the articles is made available to interested parties subject to the same terms of access applicable to any other Telstra Confidential Material and consistent with Telstra's obligations of confidence to other parties.

Telstra is informed that the following articles included in the index have been obtained from subscription-only journals:

- On the Proper Cost Tests for Natural Monopoly in a Multi-product Industry, American Economic Review 809, William J. Baumol, 1977;
- Delusion and Deception in Large Infrastructure Projects, California Management Review Vol. 51, No. 2, Bent Flyvbjerg, Massimo Garbuio and Dan Lovallo, Winter 2009; and
- Free Entry and the Sustainability of Natural Monopoly, The Bell Journal of Economics 8, John C Panzar and Robert D Willig, 1977,

and, accordingly, these articles should not be published on the ACCC website due to copyright constraints.

Yours sincerely,

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

Tony Warren  
Executive Director Regulatory Affairs  
Public Policy and Communications