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Our ref: MA1000021
Contact officer: Mandy Bendelstein
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14 September 2022

TPG Telecom Limited
Jodi Gray
Partner, Corrs Chambers Westgarth

By email: [REDACTED]

Dear Jodi,

Re: Telstra TPG merger authorisation application (MA1000021) – Telstra TPG MOCN – Information Request

We refer to the abovementioned application for authorisation lodged with the Australian Competition and Consumer Commission (the **ACCC**) on 23 May 2022 by Telstra Corporation Ltd and TPG Telecom Ltd (altogether, the **Applicants**).

In order to assist the Australian Competition and Consumer Commission's (**ACCC**) review of the proposed acquisition, the ACCC requests TPG Telecom Ltd provide the information and documents set out in **Attachment A** by no later than **COB 19 September 2022**.

If TPG Telecom Ltd claims confidentiality over some or all of the information provided to the ACCC, please highlight the specific information in your response over which confidentiality is claimed. The ACCC accepts information on a confidential basis provided:

- there is no restriction on the internal use, including future use, that the ACCC may make of the information consistent with its statutory functions;
- the confidential information may be disclosed to the ACCC's external advisors and consultants on condition that each such advisor or consultant will be informed of the obligation to treat the information as confidential; and
- the ACCC may disclose the confidential information to third parties (in addition to its external advisors or consultants) if compelled by law or in accordance with section 155AAA of the Competition and Consumer Act 2010 (Cth).

Merger parties and their lawyers should ensure that information provided to the ACCC is correct and not misleading, including by omission of material information. Submissions should be supported by factual information and accurately reflect the commercial experience of the merger parties. The provision of information that misrepresents the facts, or omits material issues or information, may delay the ACCC's investigations. Giving false or misleading information is a serious offence under the *Criminal Code* (Cth) (sections 137.1). In addition, if the ACCC becomes aware that it has formed a view on the proposed

acquisition on the basis of information that was inaccurate or misleading, the ACCC may reconsider the proposed acquisition and take any action it considers appropriate, including initiating proceedings.

If you wish to discuss any aspect of this letter, please contact Mandy Bendelstein on (02) 9102 4037 or at mandy.bendelstein@accc.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'DM McCracken-Hewson', with a long horizontal flourish extending to the right.

Daniel McCracken-Hewson
General Manager
Merger Investigations

Attachment A: ACCC request for further information

Fixed Wireless Access (FWA)

1. The charges that TPG must pay Telstra for FWA are set out in *Schedule 5* of the MOCN Agreement. [REDACTED]
[REDACTED]
 - a. Provide an explanation as to the commercial viability of TPG providing FWA services under the MOCN Agreement given the above charges that TPG must pay Telstra for each FWA SIO.
 - b. Provide all documents evidencing TPG's assessment of the commercial viability of providing FWA services under the MOCN Agreement.
 - c. Provide an estimate of the total number of FWA services that TPG expects to provide in the 17% Regional Coverage Zone during the initial term of the MOCN Agreement.
 - d. Provide all documents evidencing TPG's estimate of the total number of FWA services that it expects to provide in the 17% Regional Coverage Zone during the initial term of the MOCN Agreement.
2. Provide the total number of current TPG 4G FWA services in the 17% Regional Coverage Zone.

Future technological developments

3. We refer to the Application at [194] including the material confidential to TPG in that paragraph in relation to [REDACTED] and the Telstra Response to the Regional Communications Review 2021 Issues paper (AP-03 to the Penn Statement) at page 6. In respect of future technological developments in mobile services and telecommunications infrastructure, please identify:
 - a. for both metropolitan areas and the 80%+ coverage area:
 - i. the approximate year you expect each MNO to launch 6G in both a future with the Proposed Transaction and a future without the Proposed Transaction, and the basis for that view
 - ii. the growth in data demand and anticipated technological responses in the telecommunications sector you expect to occur over the next 5 to 12 years, and the basis for that view
 - iii. to the extent not identified in your response to (ii), the developments you expect to occur in respect of neutral host services and low earth orbit satellite services over the next 5 to 12 years, and the basis for that view
 - b. in a future with the Proposed Transaction, the likely impact you consider any developments identified in your response to (a) will have on TPG's options for transition-out from the MOCN, and the basis for that view
 - c. in both a future with the Proposed Transaction and a future without the Proposed Transaction, the likely impact you consider any developments identified in your response to (a) will have on competition over the next 5 to 12 years and the basis for that view, including:
 - i. impact on scale and cost of infrastructure investment by MNOs

- ii. impact on competition for network quality (including speed)
- iii. impact on competition for coverage

Questions in relation to lack of synergies between TPG and Optus for alternative active network sharing arrangement in 80%+ coverage area

4. We refer to the Berroeta Statement at [75] and the TPG Counterfactual Submission at [21]-[24]. We also refer to the detail regarding spectrum holdings in the Aetha Report and Optus submission. Please explain the following:

a. the extent of any lack of synergies between TPG and Optus arising from the nature of each party's spectrum holdings in the 80%+ coverage area. In particular, please confirm the following:

i. lack of contiguity of Optus and TPG 700MHz spectrum

█ [REDACTED]

█ [REDACTED]

█ [REDACTED]

b. whether, in light of any lack of synergies identified in response to (a), this would be a material impediment to active network sharing between TPG and Optus in a future without the Proposed Transaction. In doing so, please explain whether a lack of synergies in spectrum holdings would impact the feasibility of a MORAN deal between these parties (as distinct from a MOCN deal) and the basis for that view, and possible solutions.

Questions in relation to capital expenditure for site establishment

5. Provide the number of sites that TPG currently has in:

- a. the 0 – 81% population coverage zone, and
- b. the Regional Coverage Zone

6. Provide the indicative cost of establishing a site in:

- a. the 0 – 81% population coverage zone, and
- b. the Regional Coverage Zone

and identify how this cost is calculated (what proportion of the cost is site establishment, equipment, backhaul etc.)

7. Provide the average operating expenditure for sites in:

- a. the 0 – 81% population coverage zone, and
- b. the Regional Coverage Zone