



FORM G
[Front of Form]

COMMONWEALTH OF AUSTRALIA
Trade Practices Act 1974 - Sub-section 93(1)

EXCLUSIVE DEALING
NOTIFICATION

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with sub-section 93(1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to in sub-section 47(2), (3), (4), (5), (6) or (7), or paragraph 47(8)(a), (b) or (c) or (9)(a), (b), (c) or (d) of that Act in which the person giving notice engaged or proposes to engage.

(PLEASE READ DIRECTIONS AND NOTICE ON BACK OF FORM)

1. (a) **Name of person giving notice:**

Optus Internet Pty Limited ACN 083 164 532 (“**Optus Internet**”).

(b) **Short description of business carried on by that person:**

Optus Internet conducts the business of supplying internet services.

(c) **Address in Australia for service of documents on that person:**

Morgan Sloper, Corporate Counsel, Cable & Wireless Optus Limited, Level 29,
101 Miller Street, North Sydney, NSW 2060.

2. (a) **Description of the goods or services in relation to the supply or acquisition of which this notice relates:**

Optus Internet proposes to offer to persons who acquire or will acquire internet services supplied by Optus Internet, a discount, allowance, rebate or credit on condition that they acquire, or will acquire:

(i) pay TV services from Optus Vision Pty Limited ACN 066 518 821 (“**Optus Vision**”);

(ii) wireline telephony services from Optus Networks Pty Limited ACN 008 570 330 (“**Optus Networks**”);

(iii) mobile telephony services from Optus Mobile Pty Limited ACN 054 365 696 (“**Optus Mobile**”); or

(iv) a combination of the above.

(b) **Description of the conduct or proposed conduct:**

See Confidential Annexure.

CONFIDENTIAL ANNEXURE
to Notification by Optus Internet
under section 93(1) of the Trade Practices Act 1974

1. Further description of the conduct or proposed conduct referred to in paragraph 2(b)

Optus Internet Pty Limited (**Optus Internet**) is a supplier of internet services and products. Optus Vision Pty Limited (**Optus Vision**) is a supplier of pay TV services. Optus Networks Pty Limited (**Optus Networks**) is a supplier of wireline telephony services. Optus Mobile Pty Limited (**Optus Mobile**) is a supplier of mobile telephony services.

Optus Internet proposes to offer an incentive in respect of its internet services on the condition that its customers acquire, or will acquire:

- (a) pay TV services from Optus Vision;
- (b) wireline telephony services from Optus Networks;
- (c) mobile telephony services from Optus Mobile; or
- (d) a combination of the above.

That incentive will have an aggregate value of no more than [] initially and no more than [] per month thereafter, and will take one or a combination of the following forms:

- (a) a free or discounted monthly fee for a service such as free or discounted monthly time rental;
- (b) free or discounted installation fee, normally charged for the connection to a service;
- (c) a credit or discount on usage of a service, for example, by allocation of bonus hours.

Customers who purchase services from Optus Networks, Optus Vision or Optus Mobile may also be entitled to a credit, discount or rebate on condition that they acquire or will acquire internet services supplied by Optus Internet. The details of those proposed offers are contained in the separate notifications filed on behalf of Optus Networks, Optus Vision and Optus Mobile.

2. Further information referred to in paragraph 3(b)

It is intended that approximately [] customers will be eligible to take advantage of the offer by the end of 2000.

FOLIOS

RESTRICTION OF PUBLICATION

Claimed

Granted

Decision Pending

1. Parragraph 3 of point 1 on page 3
word 12 and word 18

2. Figure on last sentance on page 3
word 6 .

**SUBMISSION BY
OPTUS INTERNET IN SUPPORT OF NOTIFICATIONS
UNDER SECTION 93
OF THE TRADE PRACTICES ACT 1974**

1. Background

- 1.1. Optus Internet Pty Limited (**Optus Internet**) is a wholly owned subsidiary of Cable & Wireless Optus Limited. Optus Internet is a supplier of internet services.
- 1.2. Optus Internet wishes to enhance its competitive position in that part of the telecommunications market that deals with internet services. It has therefore developed initiatives to make its internet services attractive to consumers, one such initiative being the provision of bundled discounted products to targeted residential consumers as outlined in the Form G.

2. Market

- 2.1. In broad terms the market which the proposed offer is likely to affect is the market for the provision of internet services to residential customers.

3. Public Benefit

- 3.1. Although the conduct described in Form G may be exclusive dealing conduct within section 47(6) of the Act, Optus Internet holds the view that the proposed conduct will enhance competition in the market noted above.
- 3.2. In Australia there are a number of companies that offer internet services to residential customers, all of which compete vigorously for customers. Consequently, there are a large number of competitive packages (bundled and unbundled) available to the public in respect of internet services at any given time.
- 3.3. The terms and conditions of Optus Internet's proposed offers will be fully outlined to customers. Any exclusions will be clearly outlined in the terms and conditions of the proposed offer.
- 3.4. The proposed conduct offers significant benefits to consumers by giving them the opportunity to obtain internet, wireline telephony, mobile and Pay TV services at cheaper rates.
- 3.5. It is likely the proposed conduct will exert downward pressure on prices offered by other telephony, internet, mobile or pay TV service providers.

4. Lack of Detriment

- 4.1. Customers will be able to acquire the services on a bundled or unbundled basis; the proposed offer does not preclude customers from, for example, obtaining their internet service from Optus Internet and other telecommunications services from other companies outside of the Optus group. The proposed offer in no way hampers consumer choice because consumers can still subscribe to wireline telephony, Pay TV, mobile or internet services at competitive rates from Optus, notwithstanding that they may not take up the offer. Where a consumer elects to acquire the relevant services as a bundled package, the consumer will have the benefit of acquiring the services at an effective discount on the total price of the services if acquired separately.

- 4.2. The proposed conduct is not anti-competitive. Optus Internet is of the view that its own competitive position can be enhanced by the offer of another discounted service with its internet services.

For the reasons stated above, Optus Internet submits that the public benefit flowing from the proposed conduct outweighs any anti-competitive detriment resulting from the conduct. The proposed conduct is similar to conduct described in other notifications previously lodged with the ACCC, which the ACCC has allowed to stand.