



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 Vision Pty Limited ACN 066 518 821 (**Optus Vision**).

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

Optus Vision conducts the business of supplying pay TV 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 Vision proposes to offer to persons who acquire or will acquire pay TV services supplied by Optus Vision, a discount, allowance, rebate or credit on condition that they acquire, or will acquire:

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

(ii) internet services or products from Optus Internet Pty Limited ACN 083 164 532 (**Optus Internet**);

(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.

3. (a) **Class or classes of persons to which the conduct relates:**

The class of persons to whom the conduct relates is the class of persons who use or will use pay TV services supplied by Optus Vision and:

- (i) wireline telephony services supplied by Optus Networks;
- (ii) internet services supplied by Optus Internet;
- (iii) mobile telephony services supplied by Optus Mobile; or
- (iv) a combination of the above.

(b) **Number of those persons:**

See Confidential Annexure.

(c) **Where number of persons stated in item 3(b)(i) is less than 50, their names and addresses:**

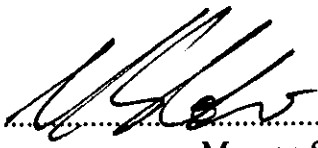
Not Applicable.

4. **Name and address of person authorised by the person giving this notice to provide additional information in relation to this notice is:**

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

Dated: 16 August 2000

Signed by the applicant


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Morgan Sloper
Corporate Counsel
Cable & Wireless Optus Limited

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

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

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

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

- (a) wireline telephony services from Optus Networks;
- (b) internet services from Optus Internet;
- (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 line 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 Internet, Optus Networks or Optus Mobile may also be entitled to a credit, discount or rebate on condition that they acquire or will acquire pay TV services supplied by Optus Vision. The details of those proposed offers are contained in the separate notifications filed on behalf of Optus Internet, Optus Networks 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 sentence on page 3
word 6 .

**SUBMISSION BY OPTUS VISION
IN SUPPORT OF NOTIFICATIONS UNDER SECTION 93(1)
OF THE TRADE PRACTICES ACT 1974**

1. Background

- 1.1. Optus Vision Pty Limited (**Optus Vision**) is a wholly owned subsidiary of Cable & Wireless Optus Limited. Optus Vision is a supplier of pay TV products and services.
- 1.2. Optus Vision wishes to take advantage of the capacity of cable to offer services to its customers other than pay TV at a discount or credit. In supplying pay TV services to its customers, Optus Vision installs a cable connection from the Optus network located outside the customer's premises to the customer's house. The functionality of the Optus Vision network is such that, with modification, it can also be used to deliver interactive services (modem) and wireline telephony services to the home.

2. Market

- 2.1. In broad terms the market which the proposed offer is likely to affect is the market for the provision of pay TV 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 Vision 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 pay TV services to residential customers, all of which compete vigorously for customers. Consequently, there are a variety of competitive packages (bundled and unbundled) available to the public in respect of Pay TV services at any given time.
- 3.3. The terms and conditions of Optus Vision'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 that 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 pay TV service from Optus Vision 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 prices of the services if acquired separately.

- 4.2. Optus Vision is of the view that its own competitive position can be enhanced by the offer of another discounted service with its pay TV services.

For the reasons stated above, Optus Vision 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.