

MALLESONS STEPHEN JAQUES

Mr Tim Grimwade
General Manager -
Adjudication Branch
Australian Competition &
Consumer Commission
470 Northbourne Avenue
DICKSON ACT 2602

Copy to
Mr Ken Walliss
Director
Australian Competition &
Consumer Commission
Level 35
360 Elizabeth Street
MELBOURNE VIC 3000

20 February 2004

Dear Mr Grimwade

Telstra Corporation Limited and Telstra Pay TV Pty Limited - notifications to resell and promote subscription television and related services together with telephony and other telecommunications services

We refer to our letter to you dated 11 February 2004 in relation to the notifications.

Paragraphs 11.4 and 11.5 of that letter contained information relating to whether Telstra Pay TV will impose any migration fees on customers who migrate from Telstra Pay TV's current offering of AUSTAR's subscription television and related services ("Existing AUSTAR") to AUSTAR's new subscription television services ("New AUSTAR").

The purpose of this letter is to supplement the information provided in paragraphs 11.4 and 11.5 of our letter, following further instructions from Telstra Pay TV on its proposed migration plans.

- 1 [confidential] Existing AUSTAR from Telstra Pay TV, Telstra Pay TV would like to migrate these customers to New AUSTAR [confidential] after the launch of New AUSTAR.
- 2 [confidential], Telstra Pay TV will give its Existing AUSTAR customers [confidential] notice that their Existing AUSTAR packages will be withdrawn. These customers will be offered a new contract with Telstra Pay TV to acquire New AUSTAR. Telstra Pay TV expects most customers will choose to take up New AUSTAR because New AUSTAR will comprise a greater number of channels than Existing AUSTAR for a [confidential].
- 3 Customers who choose to take up New AUSTAR [confidential] will not be charged an early termination fee upon the cancellation of their contracts for Existing AUSTAR.
- 4 Those customers who choose not to take up New AUSTAR from Telstra Pay TV will have their existing contract cancelled upon expiry of the notice period. No early termination fee will be payable by those customers.

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- 5 [confidential] who will not be eligible to acquire New AUSTAR from Telstra Pay TV because they do not acquire a fixed line telephony service from Telstra. These customers will be informed of the eligibility criteria for acquiring New AUSTAR to enable them to make an informed choice in relation to their migration options.

We confirm that there have been no further developments in relation to Telstra Pay TV's proposed procedure for customers who purchase FOXTEL's existing subscription television and related services from Telstra Pay TV. The information set out in paragraphs 11.1 to 11.3 of our letter dated 11 February 2004 remains correct.

Please let me know if you have any queries.

Thank you for your assistance.

Yours sincerely



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