



**Australian
Competition &
Consumer
Commission**

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Our Ref: 26458
Contact Officer: Tina Pigliardo
Contact Number: (03) 9290 1481

30 November 2006

Ms Amanda Bodger
Mallesons Stephen Jacques
Level 50, Bourke Place
600 Bourke Street
Melbourne VIC 3000

Dear Ms Bodger

Third line forcing notification N92704 – Telstra Corporation Limited (Telstra)

I refer to the above third line forcing notification lodged with the Australian Competition and Consumer Commission (the ACCC) on 17 November 2006. The notification has been placed on the ACCC's public register.

Telstra, in summary has described the conduct as follows:

Telstra will provide a video clip sharing service on condition that the customer also acquires one or more PayPal services from PayPal. The customer will not be charged for any PayPal service fees.

Telstra will provide a video clip sharing service with the following features:

- (i) a registered user can upload, to the World Wide Web, video clips that can be downloaded by internet users and selected mobile phone users
- (ii) if such a video clip is downloaded in specified circumstances, the registered user who uploads the video clip will be credited with a nominal fee and
- (iii) when the accumulated nominal fees of a registered user reaches or exceeds a specified amount and the registered user satisfies certain conditions, Telstra will transfer electronically the monetary equivalent of the accumulated nominal fees to the registered user's PayPal account (Monetary Transfer Service).



Legal immunity conferred by the notification will commence on 1 December 2006.

On the basis of the information that you have provided, it is not intended that further action be taken in this matter at this stage.

As with any notification, please note that the ACCC may act to remove the immunity afforded by the notification at a later stage if it is satisfied that the likely benefit to the public from the conduct will not outweigh the likely detriment to the public from the conduct.

A copy of this letter has been placed on the ACCC's public register. If you wish to discuss any aspect of this matter, please do not hesitate to contact Ms Tina Pigliardo on (03) 9290 1481.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Scott Gregson', with a large, loopy flourish extending to the right.

Scott Gregson
General Manager
Adjudication Branch