

Roy, Lauren

Subject: FW: Submission to N93365. [SEC=UNCLASSIFIED]

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-----Original Message-----

From: Seppo Renfors [redacted]
Sent: Thursday, 1 May 2008 7:10 PM
To: Adjudication
Subject: Submission to N93365.

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PUBLIC REGISTER**

Dear Sir/Madam

The request by eBay to be exempt from Australian Laws - in particular Third Line Forcing is offensive. Not only does it provide further any competition or improve competition. It does the opposite. It eliminates other companies providing the same service as PayPal.

PayPal is only a conduit, a "forwarding agent" in reality. It doesn't expose itself to any appreciable risk whatsoever. London to a brick that eBay/PayPal uses other people's money to play on the money market.

The claim that it reduces fraud is totally false. So far I have been sold a fake French Carriage Clock - a very poor quality counterfeit reproduction item. The cost to me is an overall cost of \$120.40. I have lodged a notice of dispute with PayPal on 15TH April. Nothing has been heard from them since then. However knowing their weird "policy" it would require me to spend a further \$30 plus to be able to avail myself of the alleged protection - an amount that is NOT refunded - or a extra cost of 25% of the original purchase cost. The alleged "protection" can hardly be called that when there is merely a partial protection.

That situation is a happy one in comparison to a low priced often where it can cost more to access the alleged "protection" than the original cost! The claim of added protection is totally bogus. There is nothing that eBay/PayPal proposes that will change this situation.

There is nothing in the proposal that will prevent any more frauds than is currently occurring. The claim that it will somehow add "protection" is not true. The alleged increase to 26,000 is just so much puffery. It doesn't apply on areas where such amount could come into question. Sure that are happy to brag about "protection up to \$26,000" for areas where a "high" amount is counted in hundreds of dollars.

Consider that eBay sells in the majority low priced items. The store owners sell very low priced items, the 10% eBay commission on a store sale is not deducted from the value PayPal charges a fee on. Therefor we see an unconscionable double dipping on fees - or Fees on FEES!

eBay Store Sellers have the ability at present to average the cost of fees between those who pay via PayPal and those who pay via other acceptable to the seller means - eg direct deposit into a bank account. This ability to average costs will REDUCE the costs to a seller and therefor to the amount they need to charge a buyer. Remove this ability and the costs will increase drastically for a seller, and that will INCREASE prices alternately reduce the number of sellers, thereby reducing competition ensuring higher prices will apply.

Ebay is a effectively a monopoly for all practical purposes. To say that other on-line auction sites exist is "competition" to ebay is like suggesting a corner Deli is competition to Woolworth's! While it is true that other online facilities do exist, NONE come within a bulls roar of eBay. The largest Australian site I know off claims 250,000 members (with all the usual puffery). This compares to some 5 million in Australia for eBay - not to mention the overseas customers that are also attracted to eBay Australia.

In any event it is misleading to suggest other online auctions count as "competition" as that isn't what is at issue. It is access to eBay members ability to use other financial services and fund transfer companies/methods. EBAY/PayPal is attempting to

ELIMINATE all competition totally and resort to outright misrepresentation if they claim other competition exists to PayPal - the issue here.

If one is to look at Telstra and how Telstra is NOT ALLOWED to prevent others having access to their infrastructure in order to create competition. This is exactly the same situation. EBay MUST be forced into allowing access to their infrastructure by other fund transfer agents, eg "Paymate" to generate the competition that currently simply does NOT exist. In fact Telstra is tightly controlled what it is allowed to charge other users - the same should apply to eBay - to not be allowed to use their market dominance to kill off smaller competitors, eg Paymate etc.

Not only should eBay/PayPal get protection from prosecution for breaching the TPA, they should indeed be treated in the manner of Telstra and FORCED to provide some real competition to PayPal.

Seppo Renfors
I give permission to publish this.

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SIR - Philosopher unauthorised

The one who is educated from the wrong books is not educated, he is misled.
