



Australian  
Competition &  
Consumer  
Commission

Our Ref: A91271-A91273  
Contact Officer: Susan Philp  
Luke Griffin  
Contact Phone: 02 6243 1347  
02 6243 1114

GPO Box 3131  
Canberra ACT 2601  
23 Marcus Clarke Street  
Canberra ACT 2601  
tel: (02) 6243 1111  
fax: (02) 6243 1199  
www.accc.gov.au

14 November 2011

Caroline Lovell  
Principal, Regulatory Affairs  
NBN Co Limited  
***By email: CarolineLovell@nbnco.com.au***

Dear Ms Lovell

**NBN Co Limited - applications for authorisation A91271-A91273  
- request for further information**

I refer to the above applications for authorisation lodged with the Australian Competition and Consumer Commission (the **ACCC**) on 29 August 2011 (the **Applications**).

The purpose of this letter is to request additional information from NBN Co Limited (**NBN Co**) to assist the ACCC in its assessment of the Applications. It may be necessary for the ACCC to request further information from NBN Co as the ACCC's assessment of the Applications progresses.

I note that some of the information requested by the ACCC may be commercially sensitive and confidential to NBN Co. A copy of the ACCC's publication *Guidelines for excluding information from the public register for authorisation, merger clearance and notification processes* has previously been provided for your information.

So that the ACCC's consideration of the Applications can proceed in a timely manner, the ACCC requests NBN Co provide its response to the questions below, including the provision of requested documents, by 12 pm on **21 November 2011**.

*Information sought from NBN Co:*

- (i) Please provide an estimate of the annual opex and annual capex expenditure that would be incurred by NBN Co in providing services to subscribers migrating to the NBN pursuant to the Optus HFC Subscriber Agreement compared to the annual opex and annual capex expenditure that would be incurred by NBN Co without the Optus HFC Subscriber Agreement. Please explain the basis for this forecast.

(ii) With respect to (i) above, please provide a breakdown of the components of the cost increase including but not limited to, incremental power costs, customer connection costs and capacity upgrade costs.

(iii) 

(iv) 

(v) Please indicate whether uniform national wholesale pricing will apply only to the NBN basic service or also to the higher speed tiers and voice-only services. Please provide supporting information for your response.

(vi) Please detail the likely response of NBN Co in terms of its wholesale pricing and/or service offerings if the Optus HFC Subscriber Agreement were not to be authorised. In particular please detail NBN Co's likely response if Optus were to seek to protect or increase its market share through its retail offerings.

(vii) If the Optus HFC Subscriber Agreement were not to be authorised, could NBN Co actively pursue Optus' HFC customer base (including through retail service providers) by way of offering discounts / promotions / other incentives?

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 Susan Philp (02 6243 1347) or Luke Griffin (02 6243 1114).

Yours sincerely



David Hatfield  
Acting General Manager  
Adjudication Branch