

**ACCESS DISPUTE BETWEEN CHIME COMMUNICATIONS PTY LTD (ACCESS SEEKER)
AND
TELSTRA CORPORATION LIMITED (ACCESS PROVIDER)**

UNCONDITIONED LOCAL LOOP SERVICE (ULLS)

Interim Determination under Section 152CPA of the *Trade Practices Act 1974*

Background

1. On 28 November 2005, the Australian Competition and Consumer Commission (the Commission) received a written notification (the notification) from Chime Communications Pty Ltd (Chime) and iiNet Limited (iiNet) of an access dispute in relation to the supply, by Telstra Corporation Limited (Telstra) to Chime and iiNet, of the Unconditioned Local Loop Service (the ULLS). Chime and iiNet's notification was provided to the Commission pursuant to subsection 152CM(1) of the Act.
2. On 23 January 2006, the Commission wrote to Chime and advised that Chime and iiNet could not jointly notify their disputes with Telstra under section 152CM(1) of the Act.
3. On 3 February 2006, the Commission received an *amended* written notification from Chime only of an access dispute in relation to the supply, by Telstra of the ULLS. The amended notification was provided to the Commission pursuant to subsection 152CM(1) of the Act.
4. The ULLS is an access service involving the use of unconditioned cable, primarily copper pairs, between end-users and a telephone exchange, where the unconditioned cable terminates. The ULLS is used by access seekers to connect their own networks to existing infrastructure to deliver high-speed and data-based service to end-users.
5. After holding a public inquiry, the Commission declared the ULLS pursuant to subsection 152AL(3) of the Act in August 1999. A copy of the declaration was published in the *Commonwealth of Australia Gazette* No. GN32, 11 August 1999.
4. The notification states that Telstra supplies ULLS to Chime under a 'Customer Relationship Agreement' (CRA) which was entered into between the parties on 9 October 2003.
5. The notification specifies that the dispute is about a range of price and non-price terms and conditions of supply of the ULLS.
6. Chime seek a determination in relation to the supply of the ULLS from the period 25 November 2005 to the period concluding on 30 June 2007.
7. This interim determination relates to the ULLS **Annual Charge** only.
8. The Commission has formed the view that the requirements of subsection 152CM(1) of the Act are satisfied. That is:

- Telstra is a carrier;
 - Telstra supplies the declared ULLS;
 - Telstra has an obligation under subsection 152AR(3) of the Act to supply the ULLS to Chime; and
 - Chime is unable to agree with Telstra about inter alia, the **Annual Charge** at which Telstra is to comply with that obligation.
8. Pursuant to subsection 152CPA(1) of the Act, this instrument is an interim determination relating to the terms and conditions of access by Chime to the ULLS provided by Telstra.

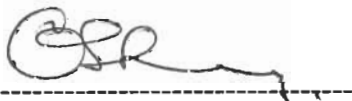
Interim Determination

9. Except where the parties agree otherwise, the **Annual Charge** payable by Chime to Telstra for the ULLS is to be as follows:

Annual Charge rates

Annual Charge Telstra Unconditioned Local Loop Service	Band 1 (See Table CRA 167.1)	Band 2 (See Table CRA 167.1)	Band 3 (See Table CRA 167.1)	Band 4 (see Table CRA 167.1)
RSS/RSU	\$156 per annum	\$264 per annum	\$480 per annum	\$1200 per annum

- 10 These prices for ULLS are to apply for the period from 10 April 2006 until the period ending 12 months after 10 April 2006.
- 11 Except where the parties agree otherwise, other terms and conditions upon which Telstra currently supplies the ULLS to Chime are to continue to apply.
- 12 This interim determination shall take effect as and from 10 April 2006, and will remain in force for 12 months, or until:
- i. the date a final determination comes into effect; or
 - ii. this interim determination is revoked.
- 13 For the avoidance of doubt, if at any time the ULLS ceases to be a declared service during the term of this interim determination, this interim determination will immediately cease to have any effect.



Graeme Samuel
Chairman



Ed Willett
Commissioner

DATED: 10 April 2006