

Our ref: M2008/238-02
Contact officer: Matthew Gillet
Contact phone: (03) 9290 6971



**Australian
Competition &
Consumer
Commission**

13 November 2008

Dr Tony Warren
Executive Director - Regulatory Affairs
Public Policy and Communications
Telstra Corporation Limited
Unit 11, Level 2
11 National Circuit
BARTON ACT 2600

GPO Box 520
Melbourne Vic 3001

Level 35, The Tower
360 Elizabeth Street
Melbourne Vic 3000

tel: (03) 9290 1800
fax: (03) 9663 3699

www.accc.gov.au

Dear Dr Warren

Re: Telstra March 2008 Unconditioned Local Loop Service Undertaking - extension of statutory decision-making period

I refer to the Unconditioned Local Loop Service (ULLS) Band 2 Undertaking (the Undertaking), submitted by Telstra to the ACCC on 3 March 2008. As you may be aware, the ACCC released its draft decision on the Undertaking on 13 November 2008.

Under subsection 152BU(5) of the *Trade Practices Act 1974* (the TPA), the ACCC has six months after receiving an undertaking to accept or reject the undertaking. This does not include those periods where the clock has stopped pursuant to subsection 152BU(6).

Under subsection 152BU(7), the ACCC is able to extend or further extend the six-month decision-making period, provided the extension or further extension is not for a period of more than three months. To do this, the ACCC must provide written notice to the applicant, advising of the extension and stating why it has not been able to make a decision within the six-month period.

The ACCC considers that it will be unable to make a decision on the Undertaking within the statutory six-month period for the following reasons:

- the remaining statutory period allows insufficient time for interested parties to make submissions regarding the draft decision on the Undertaking;
- without the extension the ACCC would be unable to adequately assess the issues raised in submissions and include these in the final decision;
- the Telstra Efficient Access (TEA) model has been submitted for the first time as supporting material for the Undertaking and is a complex pricing model which

requires thorough analysis and careful consideration of the issues that have been raised from submissions by interested parties; and

- over the course of the Undertaking assessment process, Telstra have submitted multiple versions of the model which has led to the ACCC having to re-examine the model.

For the above reasons, the ACCC requires an extension of the initial six-month decision-making period. Accordingly, pursuant to subsection 152BU(7) TPA, the ACCC gives Telstra notice of the ACCC's decision to extend the six-month decision-making period for three months and the reasons for this extension.

Pursuant to the requirements of the TPA, a copy of this notice will be posted on the ACCC's website.

Yours sincerely

A handwritten signature in cursive script that reads "R. Wright".

Robert Wright
General Manager
Compliance and Regulatory Operations
Communications Group