**IN THE MATTER OF UNDERTAKINGS
DATED 23 DECEMBER 2005 LODGED BY
TELSTRA CORPORATION LIMITED
WITH THE AUSTRALIAN COMPETITION
AND CONSUMER COMMISSION IN
RESPECT OF UNCONDITIONED LOCAL
LOOP SERVICE
("the Access Undertakings")**

STATEMENT OF [c-i-c]

On 23 June 2006, I, **[c-i-c]**of 171 Roma Street, Brisbane, in the State of Queensland, Manager, state as follows:

1   **[removed]**

EXPERIENCE

2   I am the **[c-i-c]**, in the Telstra Access Infrastructure and Engineering Group. In that position, I act as the technical expert and am the liaison between Access Infrastructure, Network Engineering and product marketing areas in Telstra Wholesale in relation to issues relevant to Unconditioned Local Loop Service ("**ULLS**"). Prior to that, I was an Infrastructure Manager with similar responsibilities to my current position. Prior to that, I was the Project Director for the introduction of ULLS.

3   In my position, I am aware of all technological and process improvements which are being or are proposed to be implemented in respect of ULLS.

CAPITAL EXPENDITURE ON ULLS

4   I have been asked to comment on a project entitled *New ULL Deployment Class, PCMS Codes* ("**the Deployment Class Project**") which has been implemented in respect of ULLS.

Deployment Classes

5   A deployment class is used to define the type of technology and data speed that can be used on a ULLS.

6 The ULLS deployment classes are set out in the Australian Communications Industry Forum ("**ACIF**") Industry Code entitled "ULLS - Network Deployment Rules" (ACIF C559:2005) ("**the Code**") and as well in the Australian Standard 043 "Requirements for Customer Equipment for connection to a metallic local loop interface of a Telecommunications Network - Part 2: Broadband Standard"("**the Standard**").

7 In 2005, various amendments were made to the Code and to the Standard which introduced new deployment classes. Annexed to this Statement and marked A is the relevant section from the current version of the Code. The changes to deployment classes which were made in the Code are as follows ("**the new deployment classes**"):

Deployment Class	Description	Change
1a	E1 HDB3 ≤18.2 dB	Removed
1b	E1 HDB3	
2a	Not used	
3a	Low Band	
4a	ISDN BR 2B1Q	
5a	Similar to SHDSL with modified roll-off (up to 584 kbit/s line rate)	
5b	Similar to SHDSL with modified roll-off (up to 784 kbit/s line rate, reduced power)	
6a	ADSL FD with Reduced NEXT	
6b	ADSL Lite	Removed
6c	ADSL over ISDN	Changed
6d	ADSL EC	
6e	ADSL FD Low Power	
6f	ADSL FD Limited carriers	

6g	Reach Extended ADSL2 non overlapped spectrum	Added
6h	ADSL2 or ADSL2+ non overlapped spectrum	Added
6i	All Digital Mode ADSL2+ non-overlapped spectrum	Added
7a to 7j	SDSL (all speeds)	Removed
8a	HDSL 2B1Q 784 kbit/s	Removed
8b	HDSL 2B1Q 1168 kbit/s	
8c	HDSL 2B1Q 2320 kbit/s	Removed
8d	HDSL 2B1Q 2320 kbit/s	Removed
9a	SHDSL (192 to 576 kbit/s)	
9b	SHDSL (192 to 776 kbit/s, reduced power)	
9c	SHDSL (192 to 776 kbit/s)	Changed
9d	SHDSL (192 to 1160 kbit/s)	Changed
9e	SHDSL (192 to 1544 kbit/s)	Changed
9h	SHDSL (192 to 1800 kbit/s)	Changed
9f	SHDSL (192 to 2056 kbit/s)	Changed
9g	SHDSL (192 to 2312 kbit/s)	
9i	ESHDSL (192(C-16) to 2624(C-16) kbit/s) or (768(C-32) to 3496(C-32) kbit/s)	Added

9j	ESHDSL (192(C-16) to 2880(C-16) kbit/s) or (768(C-32) to 3840(C-32) kbit/s)	Added
9k	ESHDSL (192(C-16) to 3072(C-16) kbit/s) or (768(C-32) to 4096(C-32) kbit/s)	Added
9l	ESHDSL (192(C-16) to 3264(C-16) kbit/s) or (768(C-32) to 4352(C-32) kbit/s)	Added
9m	ESHDSL (192(C-16) to 3456(C-16) kbit/s) or (768(C-32) to 4608(C-32) kbit/s)	Added
9n	ESHDSL (192(C-16) to 3648(C-16) kbit/s) or (768(C-32) to 4864(C-32) kbit/s)	Added
9o	ESHDSL (192(C-16) to 3840(C-16) kbit/s) or (768(C-32) to 5120(C-32) kbit/s)	Added
9p	ESHDSL (768(C-32) to 5376(C-32) kbit/s)	Added
9q	ESHDSL (768(C-32) to 5696(C-32) kbit/s)	Added

8   The principal amendments to the Code were a consequence of access seekers who acquire ULLS wishing to provide new services to end users. The new technologies in the additional deployment classes are:

(a)   ADSL2+

ADSL stands for asymmetric digital subscriber line. In comparison to the existing ADSL, ADSL2+ doubles the potential speed of the downloads.

(b)   ESHDSL

ESHDSL stands for Extended-rate Single-pair High-speed Digital Subscriber Line. It is an example of symmetric DSL, which has the same speed for downloads and uploads. ESHDSL has a longer reach than existing symmetric DSL technologies and also minimises interference with ADSL.

9   Once an ACIF code is registered, Telstra is bound to abide by the terms of the code pursuant to the terms of the *Telecommunications Act 1997 (Cth)*. The amended Code was registered by the Australian Communications and Media Authority) on 20 May 2005. From the date the amended Code was registered, Telstra was required to supply the new deployment classes to access seekers. As a result, Telstra needed to update various Telstra systems to accommodate the new deployment classes.

Integration of new deployment classes into Telstra's system

10   The Deployment Class Project involved the integration of the new deployment classes into Telstra's systems. These systems are:

(a)   ULL Carrier Interface System ("**ULLCIS**"), the ordering and provisioning system for ULLS;

(b)   Network Plant Assignment Management System ("**NPAMS**"), which stores a "map" of the copper access network (**"CAN"**). A ULLS order must pass through NPAMS in order for the service to be allocated a cable pair. A system like NPAMS would be essential for any network service provider;

(c)   TACS/Product Information and Enquiry System ("**TACS/PIES**"), which identifies any incompatible products and is the interface between ULLCIS and NPAMS. All ULLS orders are passed through TACS/PIES;

(d)   EMPTOR is a user interface for the system AXIS which is an ordering and provisioning system used by Telstra Wholesale including for provisioning ULLS;

(e)   Street Address Reference Table (**"START"**) provides interface functions for making appointments for ULLS activation;

(f)   Service Qualification Web Based system (**"SQWEB"**)is a tool used for manual service qualification which is occasionally necessary in order to perform service qualifications.

11   Once the new deployment classes were integrated into Telstra's systems, the functionality of the modified systems had to be tested. In addition, the integrity of other Telstra systems had to be tested to ensure that the modifications did not impact on the functionality of those other systems.

12   In addition to systems changes, Telstra:

(a)   also assigned a new Product Code Management System (**"PCMS"**) code to each new deployment class. Every Telstra service type or product has a PCMS code assigned to it. This code is used during activation to trigger or to tag downstream systems and processes (including billing and assurance);

(b)   changed its work practices, including providing relevant training to its staff in Telstra Wholesale and Telstra Services concerning the rules to be followed when manually processing or assigning services utilising the new deployment classes. Training was generally conducted at team briefing sessions;

(c)   updated and distributed internal manual service qualification tools. The service qualification tools are used when a manual service qualification is needed;

(d)   developed and implemented a manual work around to do manual service qualifications pending all of the above changes being made in Telstra's internal systems.

This has enabled access seekers to order ULLS that is qualified for both new and existing deployment classes.

13   The Deployment Class Project commenced in 2004/05, and as at November 2005 was projected to cost **[c-i-c]**.

14   I believe that the modifications that Telstra made to the systems were necessary. I do not consider that there were technical alternatives to the changes Telstra

implemented. I consider that Telstra's projection of expenditure on this project was reasonable given the changes that had to be made.

15   Optus claims that the efficient costs would be significantly lower than the amount claimed as it is likely that Telstra needed only to add an entry into a table that sits behind the user interface. This is exactly the change that was made in the ULLCIS. However, this does not take into account the changes which needed to be made to Telstra's legacy systems as described above.

Further changes to the deployment classes

16   Presently, ACIF has proposed further changes to the ULLS deployment classes, as set out in the ACIF publication, 'Requirements for Deployment Class Systems' (DR ACIF C559:2004 Part 3). The Deployment Class Project does not include those proposed changes.

DATED: 23 June 2006

....

[c-i-c]

ATTACHMENT A TO THE STATEMENT OF [c-i-c]

CURRENT VERSION OF THE ACIF INDUSTRY CODE