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**Australian
Competition &
Consumer
Commission**

15 October 2014

Ms Jane van Beelen
Executive Director Regulatory Affairs
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By email: jane.vanbeelen@team.telstra.com
CC: christine.e.williams@team.telstra.com

Dear Ms van Beelen

ACCC approval of Telstra's rectification proposal – BTS fault rectification

I am writing to inform you that the ACCC has accepted the revised rectification proposal submitted by Telstra on 12 September 2014 in accordance with schedule 11 of Telstra's Structural Separation Undertaking (SSU).

The rectification proposal was submitted in response to a possible breach of the overarching equivalence commitment in clause 9(a) of the SSU, which requires Telstra to ensure equivalence in relation to the supply of Regulated Services to wholesale customers and its retail business units.

The possible breach related to a series of Reporting Variances in relation to Telstra's performance against Metric 5 in Telstra's operational equivalence reports. Metric 5 measures the percentage of basic telephone services (BTS) faults that are rectified within service level and compares Telstra's performance in relation to services delivered to wholesale customers with its performance delivered to retail customers.

The ACCC intends to publish the unrestricted version of the rectification proposal provided by Telstra on the ACCC's website.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Sean Riordan'.

Sean Riordan
General Manager
Industry Structure and Compliance Branch