



Our ref:
Your ref:
Contact officer: Jane Goldwater
Contact phone:

14 July 2015

Dear

Re: ACCC's fixed line services final access determination inquiry: request for further information

I am writing in reference to the Australian Competition and Consumer Commission (ACCC) inquiry to make final access determinations (FADs) for the fixed line services.

The purpose of this letter is to obtain information to better inform the ACCC on how access seekers interact with Telstra when acquiring the declared Wholesale ADSL service. This information is necessary for the ACCC to complete its inquiry on the declared fixed line services FADs.

In particular, the ACCC is seeking information concerning the basis on which [name of access seeker] makes its decisions when it acquires capacity from Telstra for the supply of the declared Wholesale ADSL service. In this regard, I refer to stakeholder submissions received in raising concerns on the current price structure and method of generating prices of the AGVC/VLAN charge in the fixed line services model (FLSM). The ACCC is also interested in the current state of the market for broadband services with the increase in usage of video-on-demand services.

The following requests for information and data will assist the ACCC in clarifying and developing its understanding concerning these matters.

Information requested by the ACCC

1. The ACCC recognises that access seekers make decisions to provision capacity acquired from Telstra and the decision on how they purchase the AGVC/VLAN capacity is based on their own individual needs. The ACCC also understands that access seekers in some cases acquire additional capacity for redundancy purposes. The ACCC would like to understand in detail the relevant factors associated with how access seekers choose to acquire Wholesale ADSL.
 - a) Does [name of access seeker] acquire Wholesale ADSL services from Telstra? If so, how does [name of access seeker] acquire AGVC/VLAN capacity for the Wholesale ADSL service? What factors are relevant in making the decision regarding the acquisition of AGVC/VLAN capacity?
 - b) Does Telstra require [name of access seeker] to purchase capacity for 'head room' or redundancy purposes?

2. The ACCC understands that it may be necessary for access seekers to acquire network components and services that do not fall within the declared service description in order to supply ADSL to end-users. The ACCC would like to further develop its understanding on how access seekers interact with Telstra in this regard.
 - a) Describe the services and/or network components that are necessary for [name of access seeker] to acquire in order to resale ADSL services supplied on Telstra's network?
 - b) In order to supply the Wholesale ADSL service to end users, is it necessary for [name of access seeker] to acquire components additional to those covered by the regulated service description for Wholesale ADSL? If so, where in Telstra's network are these additional components situated? (A diagram containing the additional components and the AGVC and port components would be helpful to clearly indicate where these are situated).
3. The ACCC would like to obtain information that will enhance its understanding of the state of the current market for broadband services in light of recent developments in the market for broadband services, namely the impact on the usage of services due to increasing uptake of IPTV and video-on-demand.
 - a) Has [name of access seeker] experienced changes in the levels of data usage in recent months? Can [name of access seeker] attribute these changes to increased demand for video streaming and IPTV services such as Netflix?
 - b) If [name of access seeker] has experienced increased levels of data usage in recent months, how is it meeting that demand?
 - Has increased data usage impacted on decisions that [name of access seeker] has made or will make concerning its acquisition of the Wholesale ADSL service (i.e. the resale of fixed line broadband services supplied over Telstra's network)?
 - Has increased data usage impacted on decisions that [name of access seeker] has made or will make concerning the provision of broadband services supplied on its own network?
 - c) Please provide the ACCC with other information or data that you consider would assist it in assessing the acquisition and usage of ADSL capacity either [name of access seeker] or by access seekers more generally?
 - d) Please provide the ACCC with suggestions as to what data would be required from Telstra to assist the ACCC in assessing this issue?

The ACCC seeks a response to this information request on or before **24 July 2015**. Please contact Jane Goldwater either by email at jane.goldwater@accc.gov.au or by phone on (03) 9290 1493 if you would like to discuss this matter.

Yours sincerely

Robert Wright
General Manager
Infrastructure Regulation Division