

9 July 2014

Australian Competition and Consumer Commission
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Rectification Proposal for Basic Telephone Service Fault Rectification

Your Reference

Our Reference IP 071401

Macquarie Telecom Pty Limited (“**Macquarie**”) appreciates the opportunity to make this submission to the Australian Competition and Consumer Commission (“**ACCC**”) concerning the above. Macquarie is concerned by matters associated with Metric 5 reporting under Telstra’s structural separation undertaking (“**SSU**”). Metric 5 measures the variance in the percentage of Telstra Retail and Telstra Wholesale customer basic telephone service (“**BTS**”) faults that Telstra rectifies within particular timeframes. In particular, the variance in Metric 5 has been unfavourable for Telstra’s wholesale customers and Telstra has proposed action for the rectification of this variance (“**Rectification Proposal**”).

Macquarie was initially concerned that Rectification Proposal was not fully disclosed to Telstra’s wholesale customers such as Macquarie. This meant that Telstra’s wholesale customers would have little choice other than to rely on the ACCC’s assessment of the Rectification Proposal. In addition, Telstra’s wholesale customers would seek comfort on the sufficiency of the Rectification Proposal from the Independent Telecommunications Adjudicator (“**ITA**”) who had previously investigated this matter.

Macquarie has now read the submission to the ACCC on this matter by the ITA.¹ Macquarie notes in particular that the ITA has reached the conclusion that the

“... Rectification Proposal will not lead to equivalence of outputs in respect of fault rectification of basic telephone service faults.”

This conclusion is particularly concerning to Macquarie and clearly indicates that the Rectification Proposal is insufficient. Accordingly, Macquarie submits that the ACCC should accept the advice of the ITA and that Telstra should be required to resubmit a rectification proposal which addresses the concerns of the ITA.

¹ Rob Nicholls, Independent Telecommunications Adjudicator, Rectification Proposal for BTS Fault Rectification, 4 July 2014

Please do not hesitate to contact me should you have any queries in relation to this matter.

Yours sincerely



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