



Submission by TPG Telecom Limited (August 2015)

to

Australian Competition and Consumer Commission (ACCC)

Fixed Line Service Enquiry – AGVC/VLAN

This submission responds to the ACCC letter dated 14 August 2015.

1. TPG submits that the uniform price reduction across the range of services as proposed in the draft decision is the preferable course.
2. The ACCC has repeatedly indicated its view that infrastructure based competition provides the best long term outcome for end users. TPG agrees with that position and has greatly invested so as to be one of the leading infrastructure based competitors. TPG believes that it has, using those investments, contributed significantly to reduced prices and higher inclusions for end users in Australia.
3. TPG submits that a move to increase the reduction of the pricing of Wholesale ADSL but to reduce the reduction for other services is likely to place competitors who elected not to make investments in infrastructure at a significant advantage to those who made, and are continuing to make, such investments. It will place such competitors in a position where they will be better able to use the reduced price Wholesale ADSL to compete in metropolitan areas where they have chosen not to make the infrastructure investments that TPG has made. They will therefore be advantaged compared to infrastructure providers in the runup to the NBN thereby devaluing the significant investments made by TPG and other infrastructure owners.
4. TPG considers that the original proposition of the ACCC that the uniform price change will “provide stability to the industry in the transition to the NBN” and “minimise incentives for access seekers to change the way they provide services to end users and allow for continued efficient use of infrastructure already in use”.