

12 October 2009

Mr Michael Cosgrave
Group General Manager
Communications Group
Australian Competition and Consumer Commission

ATTENTION Mr Chris Ratchford
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Australian Competition and Consumer Commission

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Dear Mr Cosgrave and Mr Ratchford

Draft Pricing Principles and Indicative Prices for LCS, WLR, PSTN, OTA, ULLS and LSS – Supporting documentation

We refer to Telstra's letter dated 9 October 2009 enclosing a confidential version of its submissions together with attachments in response to the Draft Pricing Principles and Indicative Prices for LCS, WLR, PSTN, OTA, ULLS and LSS issued by the Commission on 21 August 2009 (**the Draft IPP Determination**).

As foreshadowed in Telstra's letter, Telstra now provides further versions of its submissions in response to the Draft IPP Determination together with attachments and supporting documents on the enclosed CD ROMs. For the Commission's convenience, we have attached to this letter indexes of the submissions and materials submitted (both a 'Public Index' and a 'Commercial-in-Confidence Index').

Submissions and supporting materials

Telstra has prepared its submissions and supporting materials on the enclosed CD ROMs as follows:

- the CD ROM marked "**Public**" contains a public version of Telstra's submissions (**Public Submission**) which has all confidential material redacted and marked with the words "c-i-c". The Public Submission is provided together with all public supporting material;
- the CD ROM marked "**Commercial-in-Confidence TC1**" contains a confidential version of Telstra's submission (**TC1 Submission**) which has Telstra Category 1 confidential information (**TC1**) highlighted in yellow and all other confidential material redacted and marked with the words "c-i-c". The TC1 Submission is provided together with all supporting material which is either public or contains only TC1 information;

- the CD ROM marked “**Commercial-in-Confidence TC2**” contains a further confidential version of Telstra’s submission (**TC2 Submission**) includes a small amount of Telstra Category 2 confidential information (**TC2**). In the TC2 Submission, TC2 material appears in red highlight and TC1 material again appears in yellow highlight (or where a whole document or attachment is TC1 confidential that fact is noted in the footer).

The TC2 Submission is, in substance, the same as the confidential submission provided to the Commission under cover of Telstra’s letter dated 9 October 2009. Please note, there are some minor changes to confidentiality claims however. Given these minor alterations, in the Commission’s internal consideration of Telstra’s submission we suggest the Commission use this version of the TC2 Submission and, in any publication, Telstra requests that the Commission take account of the confidentiality claims reflected in this version of the TC2 Submission.

The TC2 Submission is provided together with a complete set of all public, TC1 and TC2 supporting materials. As such, Telstra suggests the Commission may find it of greatest assistance in its deliberations in the Draft IPP Determination process to refer to the content of the “**Commercial-in-Confidence TC2**” CD ROM.

Publication on the Commission’s website

For the Commission’s ease of reference, Telstra confirms it is content for the Commission to publish:

- this covering letter; and
- the attached document marked ‘Public Index’; and
- all documents contained on the CD ROM marked “Public”

on the Commission’s website should the Commission wish to do so.

Given they contain confidential information, the Commission should **not publish**:

- the attached document marked ‘Commercial-in-Confidence Index’;
- the documents contained on the CD ROM marked “**Commercial-in-Confidence TC1**”; or
- the documents contained on the CD ROM marked “**Commercial-in-Confidence TC2**”.

Access to confidential information by interested parties

As set out above, there are two different categories of commercial-in-confidence material contained in Telstra submission and supporting documents.

For the purpose of facilitating greater access to Telstra’s confidential information by interested parties, Telstra intends that:

- any TC1 material will be made accessible to persons who have been/are approved by Telstra and signed an appropriate confidentiality undertaking in favour of Telstra to access TC1 material; and
- in addition, any TC2 material, which consists of highly confidential material, will be made accessible to external advisers of interested parties who have been/are approved By Telstra and signed an appropriate confidentiality undertaking in favour of Telstra to access TC2 material.

Telstra will ensure a copy of the “**Commercial-in-Confidence TC1**” CD ROM and/or the “**Commercial-in-Confidence TC2**” CD ROM is made available to interested parties in accordance with the above and Telstra’s obligations of confidence to other parties.

In order to notify interested parties of the manner in which they may seek access to Telstra’s confidential material should they wish to do so, Telstra suggests the Commission may wish to include text to the following effect on its website:

Accessing confidential material

Telstra also provided the ACCC with confidential versions of its submissions and some confidential supporting documentation.

Interested parties wishing to seek access this material must be approved by Telstra and will be required to execute/ have executed an applicable confidentiality undertaking acceptable to Telstra.

For queries about access to confidential versions of Telstra’s submissions and any confidential supporting documentation, contact Ms Rebecca Mitchell at Telstra.

rebecca.mitchell@team.telstra.com.

I also draw to your attention that, in making submissions in this process, Telstra relies on a number of documents previously provided to the Commission in the context of Telstra’s Band 2 ULLS access undertaking. Whilst those documents are in the Commission’s possession, Telstra will resupply them to the Commission as Volume 2 of the Supporting Documents by CD ROM delivered to your Sydney office tomorrow. Telstra is currently also compiling a full set of the documents cited in the footnotes to Telstra’s submissions such as papers and OECD reports and other reference materials, and will provide them to the Commission shortly.

If you would like to discuss any aspect of this submission please do not hesitate to contact me (on 02 8576 2730).

Yours sincerely,



Jane van Beelen
Acting Executive Director - Regulatory Affairs
Public Policy and Communications

PUBLIC INDEX

Document	Description
Submission	
Attachments to Submissions	
Attachment A	Summary of specific errors in the Analysys model (18 most material errors)
Attachment B	Summary Description of TEA Model
Attachment C	TEA Model related issues arising from the ULLS proceedings
Attachment D	ULLS/LSS issues
Attachment E	Outputs of adjusted and unadjusted Analysys model
Supporting Documents, Volume 1	
Supporting Document 1.1	Errors in the Analysys model that Telstra has identified
Supporting Document 1.2	N Attenborough report
Supporting Document 1.3	LECG report
Supporting Document 1.4	Synergies report
Supporting Document 1.5	Supplementary Report on Cost Factors used in the TEA Model
Supporting Document 1.6	Ingenious Consulting Network report, December 2008
Supporting Document 1.7	Ingenious Consulting Network report, March 2009
Supporting Document 1.8	Statement of C-i-C
Supporting Document 1.9	Statement of C-i-C, October 2009
Supporting Document 1.10	C Lordan report (No. 1)
Supporting Document 1.11	C Lordan report (No. 2)
Supporting Document 1.12	Statement of C-i-C
Supporting Document 1.13	PSTN OA TA supporting documents

Document	Description
Supporting Document 1.14	Critique of the ACCC's WACC
Supporting Document 1.15	Statement of C-i-C
Supporting Document 1.16	Statement of C-i-C