

4 February 2009

Mr Michael Cosgrave General Manager Telecommunications Australian Competition & Consumer Commission Level 35, The Tower 360 Elizabeth Street MELBOURNE VIC 3000

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Mr Robert Wright

By email: Robert.Wright@accc.gov.au

Mr Ed Seymour

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Dear Michael

Telstra's ULLS Undertaking and Telstra Efficient Access (TEA) Model

We refer to our letter dated 22 January 2009 responding to the ACCC's letter dated 16 January 2009 and enclosing updated TEA Model v1.3 Files.

As foreshadowed in Telstra's letter, Telstra has now also provided appropriately updated files and instructions required to run version 1.3.1 of the TEA Model to those people who currently have confidentiality arrangements in place for v1.0.1/1.1.1/1.2.1 of the TEA Model.

Accordingly, please find **attached** to this correspondence, a CD (sent by express post to the to ACCC's Melbourne office together with a copy of this correspondence) containing confidential updated files required to run version 1.3.1 of the TEA Model and a set of instructions entitled 'How to Update to TEA Version 1.3.1'.

The confidential updated files are:

- TelstraCostModel.exe.config;
- Default\_CapCost.xml; and
- Calc-Engine-v1.3.1.xls,

(together 'the TEA Model v1.3.1 Files').

As previously mentioned, this update to the TEA Model is limited to changes to Telstra's default inputs; the TEA Model is unchanged in all other respects. Telstra's default inputs have been modified to incorporate a revised WACC and the factor changes highlighted in Telstra's submissions in response to the ACCC's Draft Decision.

As per previous versions of the TEA Model, the TEA Model v1.3.1 Files are confidential and may not be made public by the ACCC.

The TEA Model v1.3.1 Files are provided to the ACCC on the same basis as previous versions of the TEA Model as set out in Telstra's letter dated 3 March 2008.

Public Policy and Communications

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Finally, I confirm this letter may be made public by the ACCC.

Yours sincerely,

Tony Warren Executive Director Regulatory Affairs Public Policy and Communications