

Confidential Communication

18 February 2015

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Dear Mr Wright

Fixed line services final access determination inquiry: ACCC request for information

I refer to your letter of 12 February 2015.

We appreciate the time and level of engagement that the ACCC staff have provided to Telstra in the lead up to and as part of the final access determination (FAD) inquiry.

In the course of that inquiry, Telstra has provided the ACCC with substantial material over the last two years in respect of all of the matters referred to in your letter. However, your letter incorrectly asserts that Telstra has not provided the ACCC with information relating to various issues. We are, therefore, concerned that the ACCC has not properly considered a significant amount of this material, which amongst other things directly addresses the points raised in your letter.

To assist the ACCC, we have therefore set out in the Annexure to this letter an overview of the information which Telstra has submitted to date and which responds directly to the issues you have raised. To the extent that the ACCC is concerned that this information is insufficient or does not adequately address the points raised in your letter, then please let us know.

As you are aware, in addition, Telstra is also preparing a further detailed reconciliation of the base year FLSM operational expenditure amounts, to operational expenditure in Telstra's General Ledger accounts. This reconciliation will be reviewed by an expert accountant, Mr Keith Lockey of KPMG.

We will provide you with the reconciliation and report as soon as possible.

Yours sincerely,

Jane van Beelen

Executive Director - Regulatory Affairs

Corporate Affairs