



1 April 2009

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Dear Mr Wright

Telstra's Band 2 ULLS Undertaking - Responses to Access Seeker Submissions on the ACCC's Draft Decision

I enclose a confidential version of Telstra's *Response to Access Seeker Submissions on the ACCC's Draft Decision* dated 1 April 2009.

This submission responds to the issues raised by various access seekers (primarily Optus) and explains why, notwithstanding those issues:

- The ACCC should set prices for the ULLS in line with the TSLRIC+ of providing the service;
- The inputs used in the TEA Model result in a reasonable estimate of TSLRIC+; and
- International benchmarking does not provide an economically sound basis for setting access prices.

Telstra will provide to the ACCC under separate cover shortly a CD containing copies of the supporting documents referred to in this submission.

Also enclosed is a report prepared by Concept Economics titled "Response to Optus Supplementary Submission on Investment Incentives" which responds to Optus supplementary submission to its Response to the ACCC's Draft Decision (dated March 2009).

Confidentiality status

Telstra **does not** claim confidentiality over:

- this letter;
- the Concept Economics Report;

and, accordingly, those documents may be published on the ACCC website.

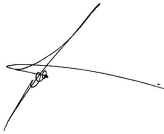
Telstra **does** claim confidentiality over:

- the confidential version of Telstra's *Response to Access Seekers Submissions on the ACCC's Draft Decision*, which contains Category 1 and Category 2 Telstra Confidential Material and confidential information of third parties.

and, accordingly, this document **may not** be published on the ACCC website. Telstra will provide a public version of the document under separate cover shortly.

Telstra will ensure appropriate copies of the Confidential Category 1 and Category 2 versions of the document are made available to interested parties subject to the same terms of access applicable to any other Telstra Confidential Material and Telstra's obligations of confidence to third parties.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Tony Warren', with a long horizontal stroke extending to the right.

Tony Warren
Executive Director Regulatory Affairs
Public Policy and Communications