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**Australian
Competition &
Consumer
Commission**

3 June 2015

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By email:

Dear

Fixed Line Services FAD inquiry: request for further information

The ACCC is currently conducting a public inquiry into making final access determinations (FADs) for a number of the fixed line services (FAD inquiry). The ACCC published a draft report on the FAD inquiry on 11 March 2015 and is now working on its final report.

In its submission to the ACCC's draft decision,¹ Telstra repeated a number of arguments it made in its submission of 13 October 2014 to the FAD inquiry in relation to application of the Standard Access Obligations (SAOs) under the FADs.² In preparing its final report, the ACCC is further considering these matters and updating information for the final report (where it is available). Accordingly, I would appreciate your response to the questions set out below **by 19 June 2015**.

Fibre based DTCS tails

Telstra argues that there are several substitutes to WLR and copper based services which can be used by access seekers to supply end users. Telstra suggests that one of these substitutes is Telstra's supply of fibre based Domestic Transmission Capacity Service (DTCS) tails.³ The ACCC seeks further information about the substitutability of this technology for WLR-based services and therefore requests answers to the following:

1. Do you purchase fibre based DTCS tails from Telstra or any other providers to provide retail voice-only services to end users in CBD areas?
2. If yes, how many fibre based DTCS tails services do you purchase? How many voice-only end users do you supply using fibre based DTCS tails in the CBD areas? Are you likely to purchase fibre based DTCS tails services from Telstra or any other providers next year? Please indicate the number of services you plan to purchase (if any).
3. Please outline, on a per line/services in operation basis, the charges you pay for purchasing fibre based DTCS tails services, any rebates against these charges and the

¹ Telstra, Public inquiry into final access determinations for fixed line services—primary prices, Response to Draft Decision 1 May 2015, pp. 186-190.

² Telstra, *Fixed Line Services FAD inquiry on price and non-price terms and conditions - Submission on the application of the SAOs for WLR/LCs in CBD areas* – <https://www.accc.gov.au/system/files/Telstra%20Submission%20to%20the%20fixed%20services%20FAD%20inquiry%20on%20price%20and%20non-price%20terms%20-%20SAOs%20submission.PDF>, 13 October 2014.

³ Ibid, p. 14.

conditions that must be met to receive any rebates. (Please indicate if these charges are determined in accordance with the DTCS FAD).⁴

4. Please outline how you use DTCS tail services to supply fixed voice services. For example, what equipment do you use, what (if any) other services do you acquire to supply end users? Does the use of this service require any activity in the exchange or at the customer premises? Are there any minimum supply requirements for it to be economic for you to use DTCS tails to supply voice only services to end-users? If yes, please outline what these minimum supply requirements are.
5. Are there any minimum supply conditions on the supply of fibre based DTCS tails services? This could include contract length, minimum number of voice lines per address, or purchase requirements.
6. Please outline the costs/charges incurred by your customers to switch to a service supplied using fibre based DTCS tails. Costs/charges might include the initial costs incurred for the purchase or set up of any necessary end-user equipment (and the monthly supply charge).

Mobile EFTPOS

Telstra submits that the use of fixed line services for EFTPOS is being subsumed by the use of mobile EFTPOS machines. Telstra submits that an increasing number of EFTPOS transactions made over its network were mobile.⁵ The ACCC is further considering the take-up of mobile EFTPOS and seeks the following information:

7. The current total number of services in operation (SIOs) for mobile EFTPOS and fixed line EFTPOS in *CBD areas* only, that you supply.
8. The current *overall total* number of SIOs (including data for CBD and non CBD areas) for mobile EFTPOS and fixed line EFTPOS, that you supply.
9. Do you offer mobile EFTPOS as a bundled service? If yes, which other services is it provided with? Are there minimum purchase requirements and what are they?
10. Please outline the set up costs/charges incurred by customers to install and use mobile EFTPOS (eg. customer premises equipment).

Wholesale ADSL

The ACCC wishes to update its information in relation to wholesale ADSL and seeks the following information:

11. Do you supply wholesale ADSL? If so, please provide the current number of services in operation that you supply.
12. If no, are your network and business systems configured to supply wholesale ADSL and meet the SAOs? If no, what would be the costs to do so?

⁴ ACCC, Final Access Determination No. 1 of 2012 for the Domestic Transmission Capacity Service, <http://registers.acc.gov.au/content/index.phtml/itemId/1061126>

⁵ Telstra, *Fixed Line Services FAD inquiry on price and non-price terms and conditions - Submission on the application of the SAOs for WLR/LCs in CBD areas*, 13 October 2014, p. 19. <https://www.acc.gov.au/system/files/Telstra%20Submission%20to%20the%20fixed%20services%20FAD%20inquiry%20on%20price%20and%20non-price%20terms%20-%20SAOs%20submission.PDF>

Your response to this information request should clearly identify any information considered confidential. The ACCC will place all public information on its website. The ACCC encourages providers of confidential information to establish confidentiality arrangements which allow other parties to view their confidential information.

If you would like to discuss this matter, please contact Nicole Ross on 03 9290 1957 or Nicole.ross@acc.gov.au

Thank you for your assistance and cooperation.

Yours sincerely

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