

11 February 2016

Mr Grahame O'Leary
Director, Convergence and Mobility Branch
Infrastructure Regulation Division
Australian Competition and Consumer Commission
175 Pitt Street
Sydney 2000

By email: DTCS@accc.gov.au
cc: grahame.oleary@accc.gov.au
cc: scott.harding@accc.gov.au

Dear Grahame,

Public Inquiry to make a Final Access Determination for the Domestic Transmission Capacity Service – Further Consultation Paper

nbn welcomes the opportunity to comment on the ACCC's Further Consultation Paper in relation to the Public Inquiry to make a Final Access Determination (FAD) for the Domestic Transmission Capacity Service (DTCS). These comments supplement, do not change, and should be read together with, those included in our 8 October 2015 submission in relation to the ACCC's Draft Decision on the DTCS FAD.

- Treatment of outliers – **nbn** notes the ACCC's statements in the Further Consultation Paper that it has contacted data providers to clarify if identified outliers were data errors. With the exception of confirmed data errors, **nbn** considers that outliers should not be excluded unless there is strong econometric justification for so doing (and using an appropriately well-established method).
- Choice of a final model for the DTCS FAD (including how to deal with 2Mbps pricing issues and whether to adopt the SFA method instead of the random effects model used in the Draft Decision) – **nbn** considers that the three criteria set out by the ACCC for selecting a model to price regulated routes are appropriate. Consistent with these criteria, **nbn** submits that the model selected should have a strong econometric justification as compared to available alternatives and should not require arbitrary adjustments to its parameter estimates prior to its use in a DTCS FAD context.
- Additional pricing information – **nbn** notes the ACCC's statement that, had the data been provided within the original timeframe, the additional pricing information would have been included in the original pricing dataset. On this basis, **nbn** has no objection to its inclusion in the benchmarking dataset.



If you would like to discuss any aspects of this letter, please contact Matthew Cole, General Manager Access Regulation at matthewcole@nbnco.com.au or on (03) 9601 5231.

Yours sincerely

A handwritten signature in black ink, which appears to read 'Caroline Lovell'. The signature is fluid and cursive, written in a professional style.

Caroline Lovell
Chief Regulatory Officer