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4 January 2008

Dr Tony Warren
Executive Director
Regulatory Affairs
Telstra Corporation Limited
Level 2, Engineering House
Unit 11 National Circuit
BARTON ACT 2600

cc: Paul McLachlan
Legal Counsel
Regulatory Legal Group
Telstra Corporation Limited
Level 11, 231 Elizabeth Street
SYDNEY NSW 2000

By facsimile: 02 9261 8390

By facsimile: 02 9261 2401

Dear Dr Warren

**Telstra's first domestic transmission capacity service exemption application:
request for further information**

This letter formally requests Telstra provide the Australian Competition and Consumer Commission (ACCC) with further information under section 152AU of the *Trade Practices Act 1974* (the Act) about Telstra's exemption application in relation to the domestic transmission capacity service provided on 20 capital-regional routes. That application was lodged on 24 August 2007 under section 152AT of the Act.

Questions

The ACCC requests that Telstra provide **for each of the 20 capital-regional routes:**

1. The identity of the competing providers based on Telstra's proposed application of the '5 per cent rule' as well as the ACCC's threshold of including a potential competitor within 1 km of the regional post office. For these competing providers, please also indicate:
 - a. whether they own infrastructure or lease capacity from third parties and, where possible, the length of the lease contract.
 - b. the addresses used by Market Clarity for the Point-of Presence calculations.

2. The actual distance of each transmission cable segment on a route (as opposed to the road distance of the route) calculated according to the witness statement lodged with the application at paragraphs 18-21.
3. Telstra's estimate of:
 - a. the total demand on each of these routes;
 - b. Telstra's own currently utilised and maximum traffic capacity based on existing technology;
 - c. the costs (disaggregated into trenching and equipment costs) of building a spur line for a 5 km, 20 km, 40 km, 60 km, and 80 km distance.
4. The infrastructure being used by Telstra to provide the capacity on each route.
5. Growth of traffic over the last 3 years and projected traffic over the next two years for each route.
6. A current price list of all (declared and non-declared) Telstra wholesale transmission services.
7. The names of all staff at Market Clarity involved in the preparation of the Market Clarity report.

In accordance with section 152AT(11)(b) of the Act, a day during any part of which this request (or part of this request) remains unfilled, is disregarded in calculating the period within which the ACCC must make a decision about the exemption application.

Please forward the requested information (in both hard and electronic format) to:

John Bahtsevanoglou
Compliance and Regulatory Operations
Communications Group
Australian Competition and Consumer Commission
GPO Box 520
Melbourne VIC 3001
Email: john.bahtsevanoglou@accc.gov.au
Fax: (03) 9663 3699

Should you have any queries regarding this request, please contact John Bahtsevanoglou on (03) 9290 1849 or Nicole Hardy on (03) 9290 1957.

Yours sincerely



Robert Wright
General Manager
Compliance and Regulatory Operations
Communications Group