



Level 7  
54 Marcus Clarke St  
Canberra  
ACT, 2600

September 29, 2008

Richard Home  
General Manager  
Strategic Analysis and Development  
Communications Group  
Australian Competition and Consumer Commission

Re: Submission of PSTN OA Exemption Application Draft Decision

Dear Mr Home,

The CCC opposes the Commission's draft decision to exempt Telstra from PSTN OA access obligations in some locations. The CCC believes that granting such an exemption would be to the detriment of competition, which has not matured in these locations, and which recent evidence suggests has in fact gone into decline.

Evidence of the parlous state of competition is apparent in the most recent Telstra results which show it increasing market share and profits across almost all areas of activity. This declining competition is ultimately to the detriment of the long term interests of end users.

The CCC's specific reasoning for opposing these exemption is consistent with that presented in its various submissions to the Commission's review of the regulation of fixed line services and to the previous exemption inquiry relating to the WLR and LCS. The CCC refers the Commission to these submissions for the purpose of this inquiry.

The CCC is also aware that various members of the Association have made separate representations also opposing the various exemption applications on grounds similar to those raised by the CCC itself. It therefore does considers that the position of the competitive industry should be well known to the Commission and does not propose to expend resources repeating those arguments in this inquiry, but asks that the Commission consider carefully the past arguments in light of the growing evidence of weakening competition in national markets.

Yours Sincerely

David Forman  
Executive Director  
CCC Inc