



Australian
Competition &
Consumer
Commission

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Dr Tony Warren
Executive Director –Regulatory Affairs
Public Policy and Communications
Telstra Corporation Limited
Unit 11, Level 2
11 National Circuit
BARTON ACT 2600

By facsimile: (02) 9261 8390

Dear Dr Warren

Re: Extension of statutory decision-making timeframe for the public switched telephone network originating access exemption applications

I refer to the public switched telephone network originating access (PSTN OA) exemption applications submitted to the ACCC on 8 October 2007.

As you may be aware, under section 152AT of the *Trade Practices Act 1974* (the TPA), the ACCC has six months (not including those periods where the clock has stopped pursuant to subsection 152AT(11)) after receiving an application to make an exemption order or refuse the application.

Under subsection 152AT(12), the ACCC is able to extend or further extend the six-month decision making period so long as the extension or further extension is for a period of not more than three months. To do so, the ACCC must provide written notice to the applicant advising of the extension and stating why it has not been able to make a decision within the six-month period.

The ACCC considers that it will likely be unable to make a decision on the PSTN OA exemption applications within the statutory six-month period for the following reasons:

- There is a commonality of issues which need to be considered by the ACCC in its assessment of Telstra's Wholesale Line Rental (WLR), Local Carriage Service (LCS) and PSTN OA exemption applications. The ACCC does not consider that it will be able to fully consider all of the common issues relevant to each of the WLR, LCS and PSTN OA exemption applications within the initial six-month period. An extension of time to assess the PSTN OA

exemption applications will assist the ACCC in ensuring a consistent approach is taken to such issues.

- As Telstra would be aware, the ACCC has been consulting on its draft decision on Telstra's WLR and LCS exemption applications since late April 2008. This process of consultation has raised new and complex issues for consideration by the ACCC. These issues may be equally applicable to the ACCC's assessment of Telstra's PSTN OA exemption applications. The ACCC has been unable to fully assess these issues in the initial six-month period and considers that an extension is necessary to enable the ACCC sufficient time to address these issues.
- Interested parties have continued to lodge new submissions in relation to the PSTN OA exemption applications, including Telstra, which lodged a late supplementary submission on 27 June 2008. The ACCC has been unable to fully address the issues raised in these late submissions in the initial six-month period and considers that an extension is necessary to enable the ACCC sufficient time to address these issues.

For these reasons, the ACCC requires an extension of the initial six-month decision-making period. Accordingly, pursuant to subsection 152AT(12) of the TPA, the ACCC gives Telstra notice of the ACCC's decision to extend the six-month decision-making period for a period of three months and the reasons for it.

Pursuant to the requirements of the TPA, a copy of this notice will be posted on the ACCC's website.

Yours sincerely



Richard Home
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Strategic Analysis and Development
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