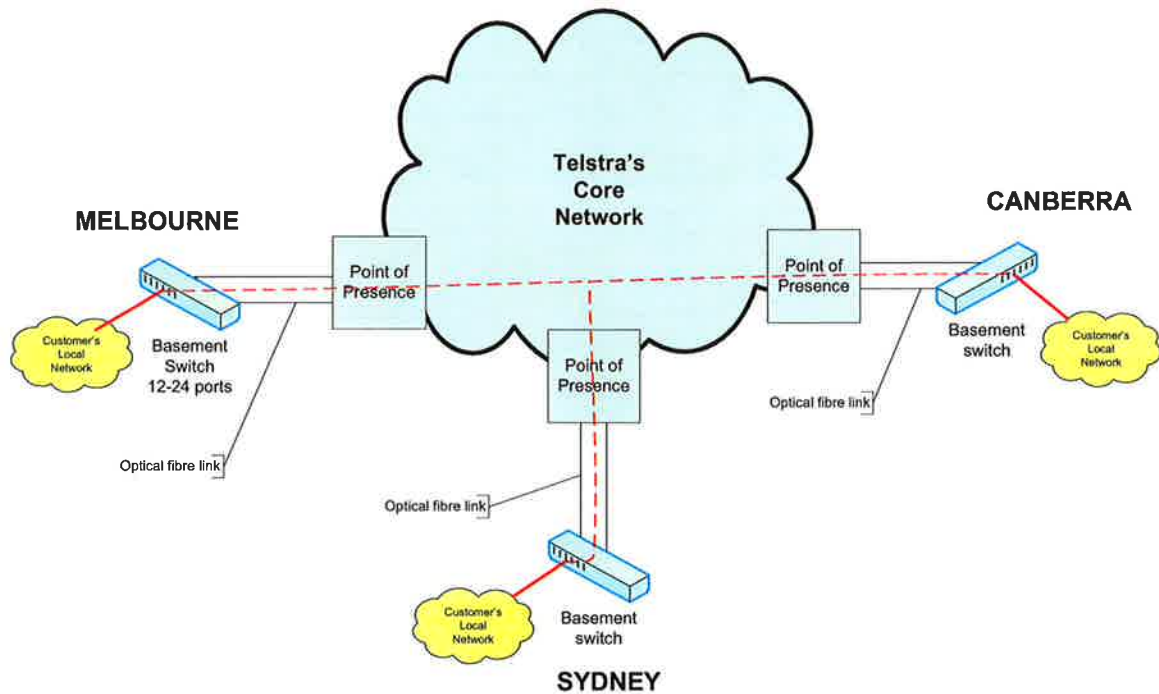


STATEMENT OF [REDACTED]

On 6 July 2007, I, [REDACTED] of [REDACTED], [REDACTED]
[REDACTED], state as follows:

- 1 I am a [REDACTED]
[REDACTED]
[REDACTED] In that role, I am responsible for planning and reporting capital expenditure required to connect a group of services supplied by Telstra known as Wideband.
- 2 The term "Wideband", as used within Telstra, describes a range of products and services with transmission speeds of 2Mbit/s or higher.. These products and services are generally data links that allow for the transmission of large volumes of data from one customer's premises to another via Telstra's telecommunications networks.
- 3 One of the Wideband services supplied by Telstra is known as the "Wideband IP" service which is also referred to as the "IP MAN" service. Telstra commenced supplying the Wideband IP service in 2000. IP stands for "Internet Protocol", which is a protocol for the delivery of data from one point on a network to another point on a network. The Wideband IP service allows the delivery of large volumes of data using IP as a delivery mechanism.
- 4 The Wideband IP service is usually used to connect two or more offices of a firm. For example, a Wideband IP solution could be used to connect the Melbourne, Sydney and Canberra offices of the Australian Competition and Consumer Commission ("ACCC") as a private network and enable data to be sent between any of them. The service would involve the installation of equipment called a basement switch at each of the ACCC's premises. If not already present, the installation of optical fibre infrastructure from the basement switches at each of the ACCC's premises to the respective local telephone exchanges may be required, together with a link through Telstra's inter-exchange network to the nearest point-of-presence. Data from the ACCC's Canberra office could then be transported to the Melbourne office by passing through the optical fibre link to a point of presence on Telstra's network in Canberra, then passing through Telstra's network to a point of presence on Telstra's network in Melbourne, where it would pass on to the link between that point of presence and the ACCC's Melbourne office. This can be illustrated

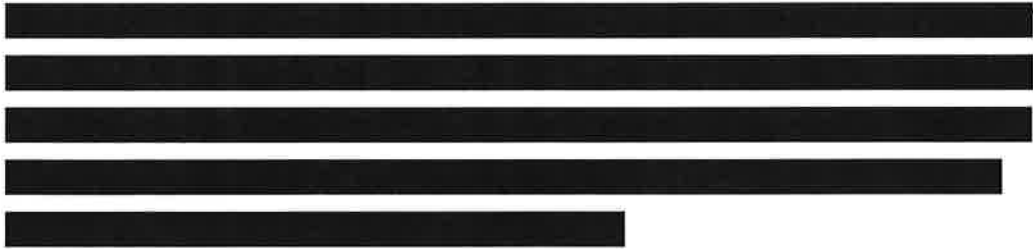
in the diagram shown below. The dotted red lines in the diagram indicate the possible data flows across the network to the respective customer locations.



- 5 The optical fibre links Telstra uses to provide Wideband IP services are also used by Telstra to supply other services such as Frame Relay and ATM (I refer to the optical fibre links used for these various purposes in this statement as “**Optical fibre links**”). Telstra has rolled out Optical fibre links (including for the supply of Wideband IP) to customer’s premises located in many parts of Australia, not just in the central business districts of each capital city. Telstra has rolled out a significant number of Optical fibre links to customers’ premises in metropolitan areas of the capital cities, provincial centres in rural Australia, even in rural and remote areas. [REDACTED]

[REDACTED]

6



7

Band 1 exchange service areas are areas serviced by one of Telstra's telephone exchanges in the central business districts of Sydney, Melbourne, Brisbane, Perth and Adelaide.

Band 2 exchange service areas are areas serviced by one of Telstra's telephone exchanges in the metropolitan areas of Sydney, Melbourne, Brisbane, Perth, Adelaide plus the central business districts and metropolitan or urban areas of the following cities and towns:

- Albury (NSW);
- Ballina (NSW);
- Bowral (NSW);
- Coffs Harbour (NSW);
- Gosford (NSW);
- Katoomba (NSW);
- Lismore (NSW);
- Maitland (NSW);
- Newcastle (NSW);
- Orange (NSW);
- Port Macquarie (NSW);
- Tamworth (NSW);
- Tweed Heads (NSW);
- Wagga Wagga (NSW);
- Wollongong (NSW);
- Wyong (NSW);
- Southport (Qld);
- Caboolture (Qld);
- Nambour (Qld);
- Bundaberg (Qld);
- Cairns (Qld);
- Mackay (Qld);
- Mossman (Qld);
- Rockhampton (Qld);
- Townsville (Qld);
- Toowoomba (Qld);
- Ballarat (Vic);
- Bendigo (Vic);
- Geelong (Vic);
- Mildura (Vic);
- Shepparton (Vic);
- Warrnambool (Vic);
- Hobart (Tas);
- Burnie (Tas);
- Devonport (Tas);
- Launceston (Tas);
- Whyalla (SA);
- Darwin (NT);
- Geraldton (WA); and
- Canberra (ACT).

8

[REDACTED]

9

[REDACTED]

DATED: 5 July 2007.

.....
[REDACTED]