

NEWS RELEASE



Australian
Competition &
Consumer
Commission

PO Box 1199, Dickson ACT 2602
470 Northbourne Ave, Dickson ACT 2602
Ph (02) 6243 1111 Fax (02) 6243 1199
www.accc.gov.au

Attention: Telecommunications writers

INTERIM TELECOMMUNICATIONS DETERMINATION

The Australian Competition and Consumer Commission has published an interim determination, together with the statement of reasons, in a telecommunications arbitration about the supply of the unconditioned local loop service* from Telstra Corporation Ltd to Chime Communications Pty Ltd.

The publication will assist in informing the debate on the ULLS and to encourage reasonable ULLS prices to apply across the market.

The interim determination, made in August 2006, provides the following annual charges for the supply of the ULLS to apply between Chime and Telstra (unless they agree otherwise) until 10 April 2007, or until a final determination comes into effect or the interim determination is revoked:

Telstra Unconditioned Local Loop Service	Band 1	Band 2	Band 3
Annual Charge	\$86.40 per annum (\$7.20 per month)	\$212.40 per annum (\$17.70 per month)	\$410.40 per annum (\$34.20 per month)

More than 80 per cent of the reduction from 2005-06 Band 2 prices (\$22 per month) to the prices specified in the interim determination (\$17.70 per month) is due to the use of 2006-07 cost and demand data that Telstra supplied in support of its ULLS access undertakings submitted in December 2005.

The ACCC will now move to a final determination, taking into account a broader and more complex range of issues than is required for an interim determination. Given this, it is unlikely that a final determination will be available before the end of 2006 at the earliest. However, the ACCC can backdate a final determination.

It should also be noted that there have been several recent determinations in disputes over ULLS monthly charges. As these determinations are made, details such as the names of the parties, the service to which the determination relates and the date the determination was made (but not the terms of the determination) are recorded on the ACCC public register.

The ACCC consulted with the parties regarding publication of the interim determination and statement of reasons, as required by the *Trade practices Act 1974*. The ACCC has considered the parties' submissions and has decided to publish the interim determination and statement of reasons.

Given that the legislation contemplates that arbitrations be otherwise conducted in private, the ACCC will not make any further public comment at this stage.

The interim determination and statement of reasons and the public register of determinations are available on the ACCC's website, www.accc.gov.au.

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*The Unconditioned Local Loop Service involves the use of unconditioned cable, primarily copper pairs, between end-users and a telephone exchange where the unconditioned cable terminates. Access to the ULLS, without dial tone or carriage service, allows other telecommunications companies to use the ULLS with their own equipment in exchanges to provide a range of services, including traditional voice services and high-speed internet access, to end-users.

The ULLS is a declared service under the Act and is supplied in four geographic bands: Band 1 (CBD); Band 2 (metro); Band 3 (regional) and Band 4 (rural).

BACKGROUND

The ACCC is vested with arbitration powers enabling it to make directions and 'do all things necessary for the speedy hearing and determination of an access dispute'. For the ACCC to engage in arbitration, an access seeker and/or an access provider must notify the ACCC of an access dispute.

The ACCC may arbitrate an access dispute only where:

- a declared service is supplied or proposed to be supplied by a carrier or carriage service provider;
- one or more standard access obligations apply or will apply to the carrier or carriage provider in relation to the declared service; and
- an access seeker is unable to agree with the carrier or carriage service provider regarding the terms and conditions on which the carrier or carriage service provider is to comply with the standard access obligations.

Where a dispute cannot be resolved after private negotiations, mediation and/or conciliation, either of the access parties may refer the matter to the ACCC. Arbitration by the ACCC would be considered as a final solution for the parties in dispute. Where the ACCC is notified of an access dispute the ACCC must determine the matter, unless it decides to terminate the arbitration or the notification is otherwise withdrawn.