



Australian
Competition &
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Commission

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NEWS RELEASE

ACCC INSTITUTES PROCEEDINGS AGAINST TELSTRA FOR ALLEGED BREACH OF STANDARD ACCESS OBLIGATIONS

The Australian Competition and Consumer Commission has instituted proceedings in the Federal Court in Melbourne against Telstra Corporation Limited for alleged contraventions of the *Trade Practices Act 1974* (TPA) and the *Telecommunications Act 1997* (Telco Act) in relation to its standard access obligations for the Unconditioned Local Loop Service (ULLS) and Line Sharing Service (LSS).

The standard access obligations under section 152AR of the TPA require Telstra to permit interconnection of facilities to enable the supply of the ULLS and the LSS to access seekers, so they can provide voice and/or ADSL2+ broadband services to retail customers. In addition, Telstra must ensure that access seekers receive equivalent technical and operational quality and timing of interconnection to that which Telstra provides itself.

The ACCC alleges that Telstra has refused access seeker requests for interconnection at seven key metropolitan exchanges by claiming that they were "capped". In particular, Telstra claimed that there was no capacity on the main distribution frames available for access seekers to interconnect their equipment to the copper wires running to customer homes. The ACCC alleges that there was capacity available, or that could have been made available, on Telstra's main distribution frames.

The ACCC also alleges that Telstra has breached the access regime in the Telco Act which requires Telstra to provide access to its facilities. Both the standard access obligations and the access regime in the Telco Act are conditions of Telstra's carrier licence.

It is also alleged that Telstra has engaged in misleading and deceptive conduct in contravention of section 52 of the TPA, by representing to access seekers individually and on lists of "capped" exchanges published on the Telstra Wholesale website.

The ACCC is seeking declarations, pecuniary penalties and injunctions.

This matter has been listed for a directions hearing in the Federal Court, Melbourne at 10.15 a.m. on Friday, 17 April 2009 before Justice Middleton.

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