



Australian
Competition &
Consumer
Commission

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NEWS RELEASE

ACCC CALLS FOR COMMENT ON TELSTRA'S PROPOSED ACQUISITION OF ADAM INTERNET

The Australian Competition and Consumer Commission has released a Statement of Issues on the proposed acquisition of Adam Internet Pty Ltd (Adam Internet) by Telstra Corporation Ltd (Telstra).

The Statement of Issues sets out the ACCC's preliminary views and seeks further information on certain competition issues which have arisen from the ACCC's review to date.

"The ACCC's preliminary view is that the proposed acquisition is likely to result in a substantial lessening of competition in the supply of retail fixed voice and broadband services," ACCC Chairman Rod Sims said.

"This is because Telstra would have the ability and incentive to use its market power in wholesale markets to favour the Adam Internet business over its other wholesale customers which is likely to foreclose competition in the relevant downstream retail markets."

The ACCC notes that this concern is not addressed by the Structural Separation Undertaking (SSU) and the Migration Plan, as the measures contained in these documents would not apply in an effective or appropriate way to Adam Internet.

"The ACCC also notes that Adam Internet appears to be a strong competitor in the market for retail fixed broadband services in South Australia and is concerned that the proposed acquisition may reduce the levels of competitive tension for the supply of these services in this state."

The ACCC invites further submissions from the market in response to the Statement of Issues by 24 January 2013. As a result, the ACCC's final decision will be deferred until 7 February 2013.

The Statement of Issues will be available on the public merger register on the ACCC's website, www.accc.gov.au/mergersregister

Submissions can be sent by email to the ACCC at: mergers@acc.gov.au

Media inquiries

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