



NEWS RELEASE

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ACCC VARIES FIXED LINE SERVICES FINAL ACCESS DETERMINATIONS

The Australian Competition and Consumer Commission (ACCC) has decided to vary the existing final access determinations (FADs) for four fixed line telecommunications services.

The existing FADs, as varied, will remain in effect until new FADs for the seven regulated fixed line services are made, which is expected to be in mid-2015.

The ACCC is varying the FADs for the Unconditioned Local Loop Service (ULLS), the Line Sharing Service (LSS), the Local Carriage Service (LCS), and the Wholesale Line Rental (WLR) service.

The WLR and LCS FAD variations will ensure that regulated prices are available for the LCS and WLR services in CBD areas from 1 August 2014. This will allow consumers to benefit from the ACCC's recent decision, in its fixed line services declaration inquiry, to regulate the supply of these services in CBD areas, where competition from fibre and other networks had not proven to be sufficiently effective.

The ULLS and LSS FAD variations will ensure that a regulated internal interconnection cable charge is available to access seekers acquiring the ULLS and/or LSS after 30 June 2014, when the current regulated charges set in the ACCC's 2012 arbitration decisions expire. These cables connect access seekers' equipment to Telstra's network.

"Ensuring regulated prices are available for these services will promote competition by allowing access seekers to obtain the services on reasonable terms and conditions.

Competition benefits consumers through a better choice of well-priced voice and broadband products," ACCC Commissioner Cristina Cifuentes said.

Fixed line services enable retail telecommunications service providers to use Telstra's copper network and other fixed line infrastructure to provide a range of retail fixed line telephone and broadband services to Australian consumers.

The FADs set price and non-price terms and conditions for access to regulated fixed line services, which parties can rely on when they are unable to reach agreement in commercial negotiations.

The ACCC expects that completing the inquiry to make new FADs will take most of the coming financial year, due to the number and complexity of the pricing issues.

The ACCC intends to undertake extensive consultation with industry during the inquiry. A discussion paper on the pricing issues will be released in July 2014; further information on this process is available on the ACCC's <u>website</u>. The ACCC is currently consulting on non-price terms and conditions for the <u>regulated fixed line services</u>.

Local Carriage Service (LCS)

The LCS is the service that allows you to use your home or business telephone to call people in your local area.

Wholesale Line Rental service (WLR)

The WLR service makes your telephone ready to use for telephone calls but does not include the calls you make. This allows telephone companies to provide you with an active telephone line to you so that your home or office telephone can be used to make and receive calls.

Line Sharing Service (LSS)

The LSS allows Telstra's competitors to rent just the high frequency segment (or broadband) part of the copper wire. This allows them to offer internet services to customers who already have a telephone service provided by another company.

Unconditioned Local Loop Service (ULLS)

The ULLS allows Telstra's competitors to rent the entire piece of copper wire, allowing them to offer telephone and internet services to their customers, when they have their own equipment in the exchange.

Media inquiries ACCC Media 1300 138 917 MR 157/14 20 June 2014