

ATTACHMENT – SOME FACTS ABOUT THE FTTN NETWORK

Issue	Telstra Position	G9 Position
Open Access to the Network	<ul style="list-style-type: none"> • Telstra’s referred position is not to give access: ‘At an investor briefing in Sydney, Mr Burgess said Telstra would be seeking legislative reform before proceeding with the network upgrade...The key immediate reforms Telstra believes are essential...are:... (3) Exempting new services from mandated 3rd party access.’ <i>Telstra press release, 1 December 2005</i> • Telstra’s latest position is that it will give access – but only at extortionate prices ‘We are going to give access but we are going to give it at prices where shareholders get return on their investments.’ <i>Sol Trujillo, quoted The Australian, J Hewett, 7 December 2007 p19</i> 	<ul style="list-style-type: none"> • The G9’s model is for an open access network.
Access Pricing	<ul style="list-style-type: none"> • Telstra refuses to disclose access pricing. ‘Burgess refused to speak of proposed access prices.’ <i>Phil Burgess, quoted Communications Day, 4 December 2007</i> 	<ul style="list-style-type: none"> • Optus and the G9 have set out the access pricing we would charge in the Special Access Undertaking lodged with the ACCC in May 2007. Initially, access prices (per customer per month) will be in a range between \$15 and \$25 for basic telephone access service; \$19 and \$29 for the basic service plus a 1.5 Mbps broadband service; and between \$40 and \$50 for the basic service plus a broadband service of up to 24 Mbps. <i>Optus press release, 30 May 2007</i>
General Philosophy on Pricing	<ul style="list-style-type: none"> • Price as high as possible. “Telstra will be a premium provider charging premium prices.” <i>Phil Burgess, quoted, Communications Day, 4 December 2007.</i> 	<ul style="list-style-type: none"> • Pricing will be set to recover the capital investment and allow a reasonable return on investment.
Willingness to have ACCC set pricing.	<ul style="list-style-type: none"> • Opposed to ACCC setting pricing. 	<ul style="list-style-type: none"> • Comfortable with ACCC setting pricing, and have lodged a special access undertaking with the ACCC seeking its approval for pricing.
Readiness to participate in Joint Venture with Government	<ul style="list-style-type: none"> • Will not participate in joint venture with Government. Telstra would never agree to the Government’s model and it was a ‘kumbaya, holding hands’ theory, as it ‘makes managing your business too hard.’ <i>Sol Trujillo, quoted, The Australian, J Hewett, 7 December 2007, p 1</i> 	<ul style="list-style-type: none"> • Optus and the G9 are ready to participate in a joint venture with Government.
Capacity to Fund	<ul style="list-style-type: none"> • Capacity available 	Capacity available: <ul style="list-style-type: none"> • Optus is part of the SingTel group with market capitalisation of A\$49 billion as at 6 December 2007. • Advice from investment bank Investec confirms that with specified regulatory changes, the required capital could be easily raised from the financial markets.