



# Pricing Principles for the Line Sharing Service (LSS) Determination 2009

*Trade Practices Act 1974*

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The AUSTRALIAN COMPETITION AND CONSUMER COMMISSION makes this Determination under section 152AQA of the *Trade Practices Act 1974*.

Dated 3 December 2009

Graeme Samuel  
Chairman

Australian Competition and Consumer Commission

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## **1 Name of Determination**

This Determination is the *Pricing Principles for the Line Sharing Service (LSS) Determination 2009*.

## **2 Commencement**

This Determination commences on the day it is made.

Note: The Australian Competition and Consumer Commission must have regard to this Determination if it is required to arbitrate an access dispute under Division 8 of the *Trade Practices Act 1974* in relation to the declared services covered by this Determination (see subsection 152AQA(6)). An arbitral determination may be backdated (see section 152DNA).

## **3 Pricing principles and indicative prices**

The pricing principles specified in Schedules 1 and 3 and indicative prices specified in Schedules 2 and 4 are to apply to the Line Sharing Service (**LSS**)

declared by the Australian Competition and Consumer Commission (*Commission*) under section 152AL of the *Trade Practices Act 1974 (Act)*.

#### **4 Repeal of earlier Pricing Principles Determinations for the LSS**

This Determination repeals the following instrument:

- *Pricing Principles for the Line Sharing Service* dated 24 October 2007; and
- any earlier Pricing Principles Determinations made for the LSS.

### **Schedule 1 Pricing principles for the LSS for the period to 31 July 2009**

The Commission's pricing principles for the LSS for the period to 31 July 2009 are:

- a TSLRIC+ pricing principle should be applied to the LSS;
- a specific cost component should be included in the LSS monthly price, calculated by combining 'LSS specific costs' with 'ULLS specific costs' and Telstra's internal equivalent costs for ADSL, and allocating those costs across the number of active ULLS, LSS and ADSL lines;
- a contribution for line costs will not be recovered in the LSS monthly price;
- connection and disconnection charges should be set with reference to the amounts charged by third party contractors to Telstra for jumpering work in exchanges, indirect costs and back-of-house costs.

### **Schedule 2 Indicative prices for the LSS for the period to 31 July 2009**

The indicative prices for the LSS for the period to 31 July 2009 are:

#### **LSS monthly charge**

	<b>Until 30 June 2006</b>	<b>2006-07</b>	<b>2007-08</b>	<b>1 July 2008 to 31 July 2009</b>
Per service	\$2.50	\$2.50	\$2.50	\$2.50

### **LSS single connections**

	<b>Until 30 June 2006</b>	<b>2006-07</b>	<b>2007-08</b>	<b>1 July 2008 to 31 July 2009</b>
Per connection	\$38.70	\$39.30	\$41.40	\$43.10

Note: These charges do not apply to connections in Band 4

Note: These charges do not apply where the line on which the LSS is connected was being used to supply a ULLS.

### **LSS single disconnections (where payable)**

	<b>Until 30 June 2006</b>	<b>2006-07</b>	<b>2007-08</b>	<b>1 July 2008 to 31 July 2009</b>
Per disconnection	\$34.70	\$35.10	\$37.10	\$38.70

Note: These charges are not payable for:

- (a) a disconnection made pursuant to a Telstra LSS churn process by which services can be transferred between LSS, and between LSS and DSL services, or
- (b) any period in which the access seeker was participating in the Telstra LSS churn process and Telstra (Bigpond) was not participating in the Telstra LSS churn process.

### **LSS managed network migration (MNM) connection charges – where the service is to be connected on a line that Telstra is using to supply a wholesale ADSL service**

	<b>Until 30 June 2006</b>	<b>1 July 2006 to 31 May 2007</b>	<b>1 June 2007 to 30 June 2008</b>	<b>1 July 2008 to 31 July 2009</b>
Fixed (per MNM)	\$126.00	\$130.20	\$134.50	\$140.10
Variable (per connection)	\$ 28.70	\$28.70	\$ 30.90	\$ 32.20

Note: These charges do not apply to MNMs in Band 4

### **LSS MNM minimum exchange charge**

	<b>Until 30 June 2006</b>	<b>1 July 2006 to 31 May 2007</b>	<b>1 June 2007 to 30 June 2008</b>	<b>1 July 2008 to 31 July 2009</b>
Per exchange	\$700.00	\$704.20	\$752.50	\$784.10

Note: These charges do not apply to MNMs in Band 4

### **Schedule 3      Pricing principles for the LSS for the period 1 August 2009 to 31 December 2010**

The Commission's pricing principles for the LSS for the period 1 August 2009 to 31 December 2010 are:

- a TSLRIC+ pricing principle should be applied to the LSS;
- a specific cost component should be included in the LSS monthly price, calculated by combining 'LSS specific costs' with 'ULLS specific costs' and Telstra's internal equivalent costs for ADSL, and allocating those costs across the number of active ULLS, LSS and ADSL lines;
- a contribution for line costs will not be recovered in the LSS monthly price;
- connection and disconnection charges should be set with reference to the amounts charged by third party contractors to Telstra for jumpering work in exchanges, indirect costs and back-of-house costs.

### **Schedule 4      Indicative prices for the LSS for the period 1 August 2009 to 31 December 2010**

The indicative prices for the LSS for the period 1 August 2009 to 31 December 2010 are:

#### **LSS monthly charge**

	<b>1 August 2009 – 31 December 2010</b>
Per service	\$2.50

#### **LSS single connections**

	<b>1 August 2009 – 31 December 2010</b>
Per connection	\$43.10

Note: These charges do not apply to connections in Band 4

Note: These charges do not apply where the line on which the LSS is connected was being used to supply a ULLS.

**LSS single disconnections (where payable)**

	<b>1 August 2009 – 31 December 2010</b>
Per disconnection	\$38.70

Note: These charges are not payable for:

- (a) a disconnection made pursuant to a Telstra LSS churn process by which services can be transferred between LSS, and between LSS and DSL services, or
- (b) any period in which the access seeker was participating in the Telstra LSS churn process and Telstra (Bigpond) was not participating in the Telstra LSS churn process.

**LSS managed network migration (MNM) connection charges – where the service is to be connected on a line that Telstra is using to supply a wholesale ADSL service**

	<b>1 August 2009 – 31 December 2010</b>
Fixed (per MNM)	\$140.10
Variable (per connection)	\$ 32.20

Note: These charges do not apply to MNMs in Band 4

**LSS MNM minimum exchange charge**

	<b>1 August 2009 – 31 December 2010</b>
Per exchange	\$784.10

Note: These charges do not apply to MNMs in Band 4