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Mr Andrew Sims,
General Manager
Marketing and Products,
Primus Telecommunications (Australia)
Email: [REDACTED]

Dear Mr Sims

I refer to your letter of the 27th of May 2010.

It was certainly not my intention in any way to misrepresent the competitiveness of Primus Telecom. As I said on a number of occasions, I was in no way criticising your company, and, in fact, I congratulated you for the work you are doing.

The information I used during the Senate hearings was research provided to me by my office and had compared a couple of your packages with packages of existing suppliers of broadband services to Tasmanian residents. I am further examining the research provided by my office.

I, of course, have no complaint with Primus Telecom whatsoever. I do have a concern though about the Rudd Government's National Broadband Network (NBN) proposal, mainly on the basis of both its cost and the lack of any serious cost benefit analysis.

It was revealed at the Senate Estimates Committee hearings that, in fact, NBN Co Tasmania is making its facilities available to retailers like yourself free of charge for the first 12 months and are charging only a one off connection fee of \$300 on top. This is clearly a commercial decision to allow retailers such as yourself to make attractive offers to get customers on network.

My questions, directed to NBN Co, were aimed at understanding the finer points of the broadband market, as I was having difficulty in reconciling why consumers would pay higher monthly fees for broadband packages available on the NBN which are, on the surface, comparable to existing ADSL+ packages. That was the whole purpose of my questioning and it was certainly not in any way to denigrate Primus.

The Senate Select Committee on the NBN meets again on Friday, 4 June, and I will certainly publicly table your letter at the Committee hearings and express my regret and apologise if anything I have said has in any way been erroneous or in any other way would have an impact on your good name and the competitive packages that you offer.

As I say, I am checking my office's research. Were you minded to do so, you would be very welcome to give evidence at our committee hearing on 4 June. Please let me know if you are interested in taking this action.

I have copied this letter to the Committee Secretariat for inclusion on the agenda of the next committee meeting.

Again my regret if anything I have said has in any way unfairly caused your company any hurt or commercial disadvantage. This was certainly not my intention.

My best wishes to you for business success now and into the future.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Ian Macdonald', with a long, sweeping horizontal stroke extending to the right.

Ian Macdonald

2nd June 2010