



PERSPECTIVES ON TELECOM REFORMS PACKAGE

HOLLY RAICHE

EXECUTIVE DIRECTOR INTERNET SOCIETY OF AUSTRALIA (ISOC-AU)

WWW.ISOC-AU.ORG.AU

The Internet Society of Australia is supported by the Australian Government through the Consumer Representation Grants Program of the Department of Broadband, Communications and the Digital Economy in convening this Conference.

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ISOC-AU GOALS FOR AN NBN WORLD

- High quality and bandwidth
- As symmetrical in upstream and downstream as possible
- Available to all Australians wherever they are
- Meets communications needs of people with disabilities
- Is affordable
- Is Provided in a competitive environment that gives Internet users genuine choice of service and service provider.

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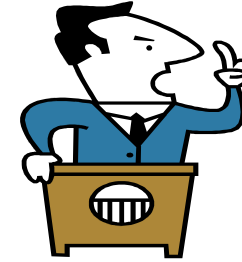
Just some thoughts...

- Re-regulation - Moving away from industry determined outcomes to Government determined (as least in part) outcomes
- Where is the consultation with interested parties, openness and transparency?

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Legislative Instruments



- Determines or alters content in more than individual cases
- Must be Registered within 6 sitting days
- Must be tabled in both Houses for 15 sitting days
- Consultation recommended - but not necessary

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THE LEGISLATIVE PACKAGE

- COMPETITION REFORMS
 - Structural separation/ Functional separation
 - The Competition Rules
- CONSUMER PROTECTION
 - Universal Service Regime
 - Customer Service Guarantee

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Functional Separation - A Given



- Draft Determination of FS requirements for undertaking w/in 90 days of clause (not Legis Inst)
- Telstra Undertaking w/in 90 days of Determination - compliant with FS principles
- Oversight and Equivalence board
- Minister varies/approves - after public submissions within 14 days of notice
- Comes with ACCC monitoring and reporting to the Minister - and is tabled
- Creation of an independent telecommunications adjudicator



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Structural Separation - The Bargain



TELSTRA UNDERTAKINGS

- Structural Separation by 2018
- Cede control of HFC Network *
- Cede control of FOXTEL *
- *Either or both can be exempted by Minister if satisfied undertaking addresses competition concerns*



THE CARROT (or stick?)

Telstra otherwise prohibited from using a designated part of the spectrum unless all 3 undertakings in force

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Structural Separation



Telstra Undertakings - 3 types of Undertaking

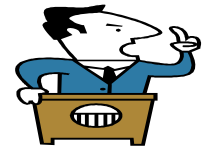
About HFC and control of FOXTEL

About fixed line carriage services/network

- Will not supply fixed line carriage service to retail customers using network which Telstra controls
- Will not control company that supplies fixed line carriage services to retail customers over network controlled by Telstra

NB: Minister can specify fixed line carriage service/network to which the undertaking does not apply

ACCC decides whether to accept undertaking, taking into account matters specified by the Minister (not a Legis. Instrument) and other relevant matters.



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Competition - pre 2018



<u>Telstra</u>	<u>NBN Cos</u>	<u>Wireless</u>	<u>HFC</u>
	<u>& Compe-</u>	<u>Optus &</u>	
	<u>titors</u>	<u>Telstra</u>	
<u>fixed line</u>	<u>fixed line</u>	<u>et al</u>	<u>fixed line?</u>



Telstra functionally separating and Parts XIB and XIC and TPA rules generally - apply to all

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Competition - Post 2018 - with SS



Wholesale

Wireless

HFC?

Access

competition

Optus?

Only (NBN

K Stokes?

COs & NetCo -

and who else?)

What tests to become and NBN Co?

What competition rules apply and where are they necessary?

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Post 2018 - A New Landscape?



Services

}Customer Choice

Applications

fibre pipe(s) - a new utility?

*(Issues for providers - service quality and
access for choice of applications/services)*

And wireless and HFC as the alternatives?

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Universal Service



ISOC-AU view of USO Components

- Minimum level of transmission capacity to all (including the 10%)
- Any-to-any connectivity
- Choice of technology
- Service standards (what is a 'basic' service?)
- Accessibility - for voice or its equivalent
- Affordability
- Do we need one 'provider of last resort?')

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Universal Service



Existing Obligation

- Provide a Standard Telephone Service (STS) (and payphones) that are reasonably accessible to all Australians - has been about geographic reach

Defined

- Voice service (or equivalent) with any-to-any connectivity
- In Telstra Marketing Plan (approved by ACMA) - a fixed line service provided within agreed timeframes (or mobile/satellite as interim service - charged at fixed line rates)

Affordability

- Telstra Price Controls and LIMAC obligations
- Price caps provided for in legislation

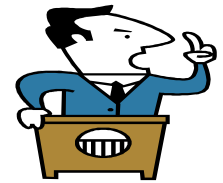
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Universal Service



New Definition of STS:

- May have specified characteristics and requirements (including when the USO obligation doesn't apply) on the supply thereof
- May be either a mobile service or a VoIP service *provided that the customer has been given the choice of a 'standard' STS, a mobile service or a VoIP service, has agreed to the selected service being provided in fulfilment of the USO and been adequately notified (meeting ACMA requirements)*



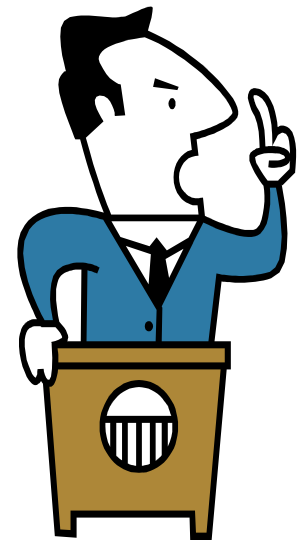
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Universal Service



STS Performance Standards and Benchmarks (relevant beyond 2018)

- Terms and conditions of supply to a customer
- Reliability of an STS
- Supply of a temporary STS
- Maximum time in which an STS must be supplied
- Maximum time in which a fault is rectified
- Any other matter



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Universal Service



Issues for Universal Service

- What does the 10% of Australians get?
- For the 90%, is geographic reach still an issue?
- What is a 'basic service'?
- Who will supply the service (that sits on top of the transmission capacity) - Should there be a supplier of last resort? Should they be compensated and on what basis?
- Where to affordability issues sit?

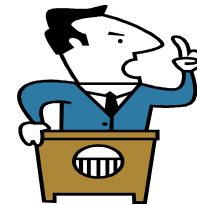
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Customer Service Guarantee



Customer Service Guarantee - New elements

- Benchmarks for CSP compliance with CSG Standard (and compliance can be required if individual CSP named)
- Performance standards and benchmarks for supply of wholesale service to wholesale customer (and compliance can be required if individual CSP named)
- New requirements on customer waiving CSG rights including that if service provided under the USO, rights cannot be waived. Otherwise, a particular service can be supplied on condition of customer waiver.



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Priority Assistance



Definition :

- For provision of an STS at the residence of a person with a life threatening medical condition, shorter timeframes in which the must be connected or a fault with the STS rectified

Requirements

- Under its licence, Telstra must provide PA
- Other CSPS may provide PA or tell customers they do not provide PA

Proposed Legislation

- CSPs must abide by the PA Code (which is registered) if the provide PA or tell their customers they do not provide PA

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