



Record of oral submission to the ACCC

Matter name:	Telstra's proposed supply of Multi-Operator Core Network (MOCN) services to TPG		
ACCC parties:	Janet Li, Caylie McDonald		
Other parties:	BAI Communications Pty Ltd <ul style="list-style-type: none"> • Nick Gurney (Director – Telecommunications) • Emma McCormack (General Counsel) • Stephen Farrugia (Chief Technology Officer) • Rachael Williams (Manager – Business Development) • Elyssa Rollinson (Chief Commercial Officer) 		
Merger authorisation no.:	MA1000021		
Date:	22 August 2022		
Time:	9:30 am AEST		
Phone to <input type="checkbox"/>	Phone from <input type="checkbox"/>	Meeting <input type="checkbox"/>	Other <input checked="" type="checkbox"/>

ACCC staff met with representatives of BAI Communications for a follow up market inquiry call to discuss their submission.

Overview of the BAI Communications' business

1. BAI Communications is an infrastructure provider with over 400 towers all around Australia and approx. 380 further sites for broadcast services that it either shares or controls. 90% of BAI Communications' infrastructure is in regional areas but there are some in metropolitan areas. BAI Communications is unsure how many of their regional towers fall within the 17% regional zone, but it believes that a large overlap between the 17% zone and the areas where BAI Communications' towers are located is inevitable. It provides broadcasting services to ABC and SBS and has a very extensive passive infrastructure business. It also provides co-location services to all the MNOs. BAI Communications was owned by the government until 1999.
2. BAI Communications is a supplier and customer of the MNOs. Approximately 200 of BAI Communications' sites have an MNO attachment. These sites may have up to three MNOs on the same site. [REDACTED]
3. Some of BAI Communications' sites were deployed in similar areas to Telstra's. In some areas BAI Communications has high powered sites outside of town and Telstra owns the within town infrastructure. In Goulburn, Telstra has a tower that BAI Communications shares with it. Approximately 100 of BAI Communications' towers are for AM radio. BAI Communications does not provide telecommunications services at Telstra sites.

RESTRICTION OF PUBLICATION OF PART CLAIMED

4. BAI Communications considers there is a difference between active and passive sharing. Passive sharing is a process by which mobile operators put a mobile unit and antenna on BAI Communications' structure. It connects power to the mobile operators' cabinet. The mobile operators provide the fibre or microwave links.
5. BAI Communications is seeking to deploy active sharing as soon as possible. It is actively looking for opportunities to partner with MNOs. Typically, mobile operators bring their own spectrum in active sharing arrangements.
6. In regional areas where MNOs have limited presence, the MNOs often rely on government subsidies, the size of which can determine the viability of deploying at a location. [REDACTED]

7. [REDACTED]

Neutral host arrangements

8. BAI Communications considers there are costs and speed efficiencies in any active sharing model when two or more MNOs are involved. When an MNO solely owns the equipment, the benefits are not as strong as a neutral host arrangement. Under a neutral host active sharing model, BAI Communications has an incentive to get as many MNOs as possible on the equipment. It's also impossible to favour one MNO over another. [REDACTED]

Broad concerns

9. [REDACTED]

10. BAI Communications is unaware where exactly the 17% regional zone is based on the application available on the ACCC's public register.

11. [REDACTED]

12. [REDACTED]

Overall, BAI Communications will seek the best return for its capital when considering its investment strategies.

Comments about proposed transaction

13. Some of the key benefits that would impact BAI Communications resulting from the proposed transaction, include

- utilising underutilised spectrum results in greater efficiencies for the market generally

14. [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]