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Dear Sir/Madam

Review of MTAS Declaration: Submission on behalf of the iiNet Group

iiNet appreciates the opportunity to provide input into the ACCC's Review of the Declaration of the Domestic Mobile Terminating Access Service (**MTAS**).

Should MTAS continue to be declared?

iiNet considers it very important that MTAS remains declared and subject to the ACCC's regulation. Each mobile network operator (**MNO**) has absolute control over calls to their own customers. This results in MTAS being a bottleneck service to which access is vital in order to achieve any-to-any connectivity between end-users of different networks. Without declaration, the MNOs would have an unimpeded ability to utilise this monopoly power to apply unreasonable access terms or excessive termination rates. iiNet considers that without MTAS regulation there is simply too clear an incentive for MNOs to manipulate MTAS pricing in manners that are contrary to the long term interests of end-users, i.e. the cost of calls to mobile services would be likely to increase without any corresponding improvement in quality or diversity of service; and competition would be hindered, particularly for fixed line carriers with limited leverage as the MNOs do not require MTAS from them.

iiNet does not have direct interconnect agreements with all MNOs, but rather uses one MNO to distribute calls from iiNet end-users amongst all of the MNOs. The MTAS rate that iiNet pays to this MNO is based on the regulated MTAS rate plus a margin that reflects the additional service that the MNO provides to iiNet. It is clear that declaration of MTAS provides a benefit to end-users by lowering the cost of calls from fixed or mobile services to mobiles. Without the leverage of published regulated rates, iiNet's ability to achieve reasonable rates by commercial negotiation would be severely limited and the rate that it pays for MTAS is very likely to increase. Increased costs would have to be passed on to end-users.

Should SMS be declared?

iiNet considers that the MTAS service description should be amended to include SMS. SMS is a service that is popular and extensively used by consumers. An SMS cannot be delivered without access to the recipient's mobile network and therefore exhibits the same bottleneck features as the termination of mobile voice calls.

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Should voice calls terminating on LTE networks be declared?

iiNet considers that MTAS regulation should apply to services offered on LTE networks, for the same reasons supporting declaration and regulation of MTAS on other mobile network technologies. If the ACCC concludes that the current service description is not sufficiently technologically neutral to ensure that services on LTE networks are captured, then the service description should be amended to ensure that they are.

How will the NBN affect MTAS?

The NBN will result in iiNet increasing its footprint to achieve national coverage. This will not diminish the continued relevance and importance of MTAS regulation.



Yours faithfully

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