

Response to ACCC on its draft report into the declaration of the domestic transmission capacity service, fixed line services and domestic mobile terminating access service

16 February 2024

(public version)

Summary

Symbio Holdings Ltd (**Symbio**) welcomes the Australian Competition and Consumer Commission's (**ACCC**) draft report on declared services and appreciates the preliminary views on service declarations including the change to the MTAS service description and the re-inclusion of SMS as a declared service.

Symbio operates one of the largest IP Voice networks in Australia and is interconnected with all major mobile and fixed networks. It provides wholesale fixed voice and mobile virtual network operator (**MVNO**) services to its customers.

Both fixed terminating access service (**FTAS**) and fixed originating access service (FOAS) as well as domestic mobile terminating access service (**MTAS**) services are essential inputs into Symbio's business and Symbio welcomes the ACCC's preliminary view to extending declaration of these services for a further 5 years for the reasons described in the draft report.

Symbio also agrees with the continuation of the Resale fixed voice service, Wholesale DSL service and the Domestic transmission capacity service (DTCS) and the removal of declaration for the Network Access services (ULL and SSL)

Fixed Originating Access FOAS and Fixed Terminating Access FTAS

Background

Symbio agrees with the overall arguments clearly put forward by the ACCC for the continuing declaration of FTAS and FOAS. Although Symbio suggested a period of 3 years for the declaration period of FTAS, we would be comfortable with a period of 3 years or 5 years for both FTAS and FOAS. The shorter period was suggested in case there was a need to re-assess the declaration in the light of future unforeseen technological or other changes.

Scope of Proposed Declaration

FTAS

Symbio suggests that a change be made to the FTAS Service Description to include termination on Special Service 13/1300 numbers as well as geographic numbers. This will align this description with developments in the wholesale arrangements for the interconnection of calls to 13/1300 numbers.

This proposal is discussed in more detail below when considering the scope of the FOAS Service

FOAS

Some background on the evolution of the FOAS service is useful to put this service in context of the current service evolution. Historically, the FOAS service was used in conjunction with other declared services to provide separate routing for preselect and override calls as well as for calls to Special

Services Numbers (especially 13/1300/1800 numbers). As preselection/override is no longer available for end customers connected to the NBN network, the use of preselection/override has greatly diminished. However, the access to Special Services numbers continues. c.i.c.

Traditionally, when FOAS was used for calls to 1800 numbers, an interconnect payment was made to the access network provider to compensate for use of their network when they didn't collect any revenue from their end customers. This model is generally continuing and declaration should be continued to ensure access is available and pricing can be regulated.

c-i-c

For calls to 13/1300 numbers the situation is more complicated. Originally, the 13/1300 service was introduced as a shared cost model and charging for 13/1300 calls to end customers on the fixed network was based on the retail local call charge. There has been a two-part interconnect charging model in place for many years - the first part of the interconnect model is based on FOAS and the charge paid to the access network was the regulated FOAS charge. The second part of the interconnect model is a "termination charge" paid to the terminating network that is commercially negotiated.

In recent times, as retail charges are most often bundled, the existence of a separate local call charge has disappeared. In the light of this c.i.c., in particular, has been pushing strongly for a change to the 13/1300 interconnect model to make it into a terminating service only, i.e. no FOAS charge. We are agreeable to this approach but this leads to a need to change the Service Description for FTAS and FOAS. It is therefore proposed that the FTAS Service Description be broadened to include reference to termination onto 13/1300 numbers as well as geographic numbers. This change is proposed as it strongly reflects the current direction of industry interconnect arrangements. Similarly, it is proposed that the FOAS Service Description be changed to remove reference to Special Services 13/1300 calls.

IP Interconnection

The Communications Alliance has recently issued a guideline for SIP interconnect (G672) that sits alongside the current Guideline for TDM interconnection (G549). We would propose that this reference be included in the Service Descriptions. All interconnected carriers have already or are proposing to move to SIP Interconnection.

Service Descriptions

Changes to the Service Descriptions in line with our comments above are provided below.

FOAS

Symbio recommends the following change is made under the **Services** heading:

"an access seeker specific code including Special Services codes and number ranges (except for 13/1300 Special Services codes), or "

Symbio also recommends that the Service Description refers to the availability of IP interconnection via the G672 Guideline issued by Comms Alliance

FTAS

Symbio recommends the following change is made to the first sentence:

"An access service for the carriage of telephone calls (ie voice, data over the voice band) for a POI to end customer assigned numbers from geographic number ranges and Special Services 13/1300 number ranges of the Australian Numbering Plan and directly connected to the access provider's network"

Symbio also suggests that the Service Description refers to the availability of IP interconnection via the G672 Guideline issued by Comms Alliance

Amendments to FTAS service description

Symbio has also proposed some changes to allow for TDM or SIP interconnect.

Mobile Terminating Access (Voice)

Background

Symbio agrees with the arguments put forward by the ACCC for the continuing declaration of MTAS (Voice). Symbio would be comfortable with either a 3 year or 5 year period for the declaration. In particular, Symbio agrees with the ACCC's view that OTT services are not yet a close substitute for MTAS (Voice) services and that mobile network operators have monopoly power in the provision of MTAS (voice) services.

Symbio also agrees with the proposal to change the Service Definition to make it more relevant to the current usage and application of MTAS(Voice) services. This is discussed further below.

Service Description

Symbio agrees with the proposal to change the Service Description as suggested by the ACCC and included as the proposed Service Description in Appendix C of the ACCC paper. This change had been proposed by Symbio as well as other providers of modern telecommunications services such as Aussie Broadband, Virtutel and Voxbone. All these providers provide innovative cloud-based communications that are in high demand from business customers and, as the ACCC notes, technological advances mean that service descriptions may need to be amended from time to time. Unified Communications Services (UCaaS) and Communications Platform Services (CPaaS) are well established services in Australia and a major aspect of these services is mobility and to provide this capability mobile numbers are utilised in the cloud.

Symbio agrees with the ACCC view that the changing of the Service Description would not impact on the operation or enforcement of regulatory provisions relating to numbering. Any CSP allocated mobile numbers will have to comply with such obligations.

International Originating Calls

Symbio agrees with the ACCC's view that the service description not be amended to exclude incoming international calls to MTAS (Voice). Regardless how MTAS (voice) calls originate, the mobile operator still has monopoly power to set pricing absent declaration. For example, Symbio may receive calls from its international affiliates that it needs to terminate to the TPG network and believes that such calls should be subject to the same regulated pricing as for calls that originate in Australia.

Additional Issues

Symbio agrees with the proposal by Virtutel that Mobile Originating Access (Voice) should be declared similar to MTAS (Voice). This is required to regulate the price of mobile access to 13/1300/1800 services where the mobile operators have monopoly power. We note the ACCC view that this is not part of this inquiry but we would like to see this considered in the near future.

Symbio agrees with the ACCC view that it is inappropriate at this time to combine mobile and fixed termination into a single service description.

Symbio also agrees that scam reduction and blocking is best handled under the registered Scam Reduction Code. Extensive work is being undertaken by all carriers and CSP's to investigate and action potential scam traffic under this Code.

SMS termination redeclaration

Symbio supports the ACCC view on the re-declaration of MSM termination. We note that ACCC is concerned that the mobile network operators' ability and incentives to increase A2P SMS termination rates absent declaration will result in increased wholesale and retail prices in the future. Symbio agrees with the ACCC's preliminary view that including A2P SMS in MTAS is likely to promote competition in this markets.

Symbio's view is based upon experience in the New Zealand market where A2P SMS termination rates are not regulated. The three MNOs offer different pricing structures and one increased pricing in 2023 and introduced volume based tiering of rates. The New Zealand A2P market is dominated by two large aggregators who now have a robust cost advantage due to existing business size allowing them to access a substantially lower cost position.

We support the ACCC view that A2P SMS termination and P2P SMS termination can be considered two separate services with each associated with their separate downstream markets.

Conclusion

Symbio has provided a number of comments on the draft report for consideration by the ACCC. Symbio looks forward to discussing these matter with the ACCC at a convenient time once they have reviewed our response.

Confidential contact details:

Contact:

[REDACTED]
[REDACTED]
[REDACTED]