



Voxbone (now part of Bandwidth Inc.)

Submission to the ACCC public inquiry into the declaration of the domestic mobile terminating access service - Draft Report.

Summary

Voxbone (now part of Bandwidth Inc.) (hereinafter Voxbone) welcomes the opportunity to provide this response to the Australian Competition and Consumer Commission's ('ACCC') Draft Report on the Public Inquiry into the declaration of the domestic transmission capacity service, fixed line services and domestic mobile terminating access service ('Draft Report'). This submission responds to the preliminary views shared by the ACCC on Sections 4.3 (Mobile Terminating Access Service (Voice)) and 5.3 (A2P SMS Termination) of the Draft Report.

While Voxbone agrees with the arguments presented by the ACCC for redeclaration of MTAS (voice) and the newly proposed Service Description to refer to termination on a mobile number rather than to a digital mobile network, we depart from the ACCC's preliminary view to extend it to include A2P SMS termination.

Mobile Terminating Access Service (voice)

Voxbone supports the ACCC's draft position to extend the declaration of MTAS (voice). As widely agreed by contributors and the ACCC, MNOs continue having the monopoly over MTAS. Coupled with the fact that over-the-top ('OTT') services are not yet a close substitute for mobile voice calling in both the retail and wholesale markets, the industry could face the rise in anticompetitive practices which would subsequently impact the LTIE absent declaration. While Voxbone holds no preference for extending the declaration for either 3 or 5 years, we align with the ACCC on that the choice should lie with the option that allows adequate time to evaluate ongoing technological advancements in the sector.

Voxbone welcomes the ACCC's preliminary view to amend the Service Description to refer to termination on a mobile number number rather than a digital mobile network, and further supports the premise that technological advances should continue shaping the service description to ensure any-to-any connectivity and the LTIE.

Voxbone disagrees with TPG assertion that including mobile numbers in the Service Description would pose a risk of non-MNOs circumventing important telecommunications regulations. As noted by the ACCC, the use of mobile numbers by non-MNOs is not a recent development. Providers currently employing mobile numbers are already required to comply with relevant numbering rules, and modifications to the Service Description will not impede their compliance.





Application-to-Person (A2P) SMS Termination

Voxbone is of the opinion that declaration of A2P will unlikely promote the LTIE and competition at the wholesale and retail levels by market participants.

As noted by Sinch, MNOs are not required to pass any MTAS declared rates to the wholesale or retail A2P SMS market, and thus it is not a guarantee that downstream providers, and consequently their end-users, can benefit from a MTAS declaration.

While Voxbone acknowledges the growing popularity of A2P SMS, particularly in the transactional field, its use cases extend beyond this where other communication tools today still exert significant competitive pressure against it. In line with this, Voxbone believes that any increase in termination rates by MNOs, to the extent that end-user prices are negatively affected, is unlikely to happen, as such an increase could expedite the decline of the A2P SMS channel business, acting as a deterrent against potential anticompetitive behavior. In any event, if current market trends were to substantially change in the coming years warranting amending the declaration, it will remain within the ACCC's purview to initiate an earlier inquiry.

If MTAS Service Description is amended to include A2P SMS termination, Voxbone believes that careful consideration must be given to how A2P SMS is defined.

Voxbone strongly advocates for maintaining a broad definition of A2P SMS that remains technology-neutral and encompasses the current operational landscape. This definition should recognize the diverse methods of A2P SMS delivery, including among others the use of APIs and mobile numbers via communication software. Additionally, Voxbone emphasizes the importance of acknowledging that A2P SMS use cases can extend beyond one-way communication and may involve two-way interactions in certain scenarios. Therefore, it is crucial for the ACCC to accommodate such nuances in their definition to ensure that market participants can continue operating their services effectively. In this regard, Voxbone is inclined to support the ACCC's preliminary proposed definition of A2P SMS, and disagrees with any proposal to narrow it down, as this may not align with long-term industry evolution.

