

Hutchsion Submission on the

Proposed variation to make the GSM Service

Declarations Technology Neutral

Background

Orange

Hutchison Telecommunications (Australia) Limited ("Hutchison") launched its CDMA network in July 2000. The service is based on the 'Orange' branding. This service has provided differentiation in the market place by offering both local and mobile services through wireless technology.

The service offers a mobility call solution, enabling the customer to make and receive timed mobile calls in other parts of the licence areas or on the Telstra CDMA network via roaming agreements, using a mobile telephone number.

Currently Hutchison has interconnection with all the major carriers. Hutchison has not experienced difficulty with obtaining voice interconnection of its CDMA network with these carriers nor has there been any issue with any carrier wishing to obtain interconnection to our CDMA network.

Hutchison 3G Australia

Hutchison 3G Australia (H3GA) is committed to becoming a significant participant in the industry through the provision of competitive and innovative new products and services. H3GA intends to be a leading provider of quality 3G services through its investment in a specialised network targeting specific customer groups.

HTAL acquired spectrum licences that will be used to deliver 3G products and services on a Universal Mobile Telecommunications Service (UMTS) network. The UMTS network will deliver world class sports, games, entertainment, music, travel and commercial services using rich sound, video and text-based technology, as well as high quality voice services.

Hutchison 3G expects to obtain voice interconnection with the major Australian carrier networks (based on the current GSM service Declaration) but interconnection for SMS and data services appears to be dependent on the technical viability for interconnection and commercial agreement with these carriers.

With respect to the future interconnection of services other than voice it is clear that a different service Declaration will be necessary to ensure 'any to any connectivity' of other types of services. These services require other interconnection techniques and do not use the voice channel that is intended to support the standard bandwidth of 3.1KHz.

Key Points

The following key points summarise Hutchison's position with regard to the proposed variation to make the GSM Service declarations technology-neutral:

- The discussion paper confirms that the variation of the GSM service declarations "are unlikely to impact, either adversely or positively, on the achievement of any to any connectivity". The variation to add CDMA technology to the declaration does not provide certainty for the interconnection of non-voice services.
- There doesn't appear to be any reason to vary the declaration to include CDMA as there are no known interconnection issues nor disputes with respect to voice services. It is our understanding the objective of the variation is to provide consistency in the Declaration.
- The variation does not appear to address the any to any connectivity issue for non-voice services. It would unacceptable situation if interconnectivity issues are still unresolved as 3G networks are deployed. Message and data interconnectivity will be an essential element in the delivery of future applications. We would not like to contemplate that 2G and 2.5G operators will seek to hinder the full introduction of 3G services through interconnectivity issues.

Responses to Specific ACCC Questions

The following responses are provided to the ACCC's specific questions outlined in the Discussion paper:

General

- *Are the issues raised in the recent GSM pricing principles paper in relation to the GSM terminating service (that is, control over access and consumer ignorance) equally applicable to other mobile technologies currently deployed or in use?*

The issues about GSM pricing principles are technology independent and equally apply to CDMA as they do with GSM technology. However, there doesn't appear to be any reason to declare CDMA as there are no known issues to require CDMA to be declared other than to provide consistency in the Declaration.

- *Are there any technologies, other than CDMA, which are currently deployed or in use?*

No

- *Are there any other technologies (with similar functionality) which are likely to be deployed or used in the future?*

Yes, 3G technologies (eg. W-CDMA and GSM CN)

Functionality

- *What functionality is currently provided for in the GSM service declarations? What functionality should be provided for by the proposed service declarations? For example, should the service descriptions provide that end-users are able to be fully mobile and send and receive voice calls as well as data (i.e to utilise the functionality provided for by 2.5G technologies)?*

Data and SMS interconnectivity should be captured in the Declaration

- *Is the functionality of delivering a SMS message currently provided for in the current GSM service declarations? Should the functionality of delivering a SMS message fall within the proposed service declarations? Why, or why not?*

Yes, SMS should be included in the Declaration. It is clear from the evidence of the recent issue with particular GSM network operators that it is necessary for the interconnection of SMS to made mandatory in order that end to end SMS connectivity is assured between all carriers.

- *The proposed service declarations make references to tables GOASD1 to GOASD7 and tables TGASD1 to TGASD5 (of Telstra's ordering and provisioning manual). Are these references relevant to the proposed service declarations?*

No, the reference tables are prescriptive and limit interconnection to voice and services within the voice band supporting standard voice bandwidth of 3.1KHz.

Long-term interests of end-users

- *Will the proposed variation of the GSM service declarations promote competition in the mobile services market and/or the related downstream fixed-to-mobile services market? Why, or why not?*

No, it will make no difference as CDMA networks are currently interconnected without any issues

- *Will the proposed variation of the GSM service declarations impact on the achievement of any-to-any connectivity? Why?*

Unfortunately no, as the recent SMS interconnectivity issue is unlikely to be resolved by adding CDMA to the GSM service Declaration

- *Do those mobile carriers with CDMA networks currently supply, and charge for, CDMA services similar to the GSM originating and terminating services? Are these services supplied to other mobile carriers and/or fixed line carriers?*

Yes, Hutchison supplies and charges CDMA originating and terminating services similar to GSM originating and terminating services. These services are provided to both mobile and fixed line carriers.

- *Would the proposed variation of the GSM service declarations impact on the legitimate commercial interests of access providers supplying the CDMA services? How?*

We do not anticipate any change to the supply of originating and terminating services.

- *Would the proposed variation of the GSM service declarations have an effect on the investment decisions of new entrants or existing carriers?*

If the GSM service declaration was to change we would not expect that this would have an impact on our CDMA service as the basis of our interconnect agreements would not change.

- *How would the proposed variation affect decisions to invest in the downstream fixed-to-mobile services market?*

No difference

- *How would the proposed variation affect the allocative efficiency in the downstream fixed-to-mobile services market?*

No difference in investment decisions

- *Would the absence of the proposed variation of the GSM service declarations adversely impact on allocative and dynamic efficiency? If not, why not?*

No difference