

this is our real concern

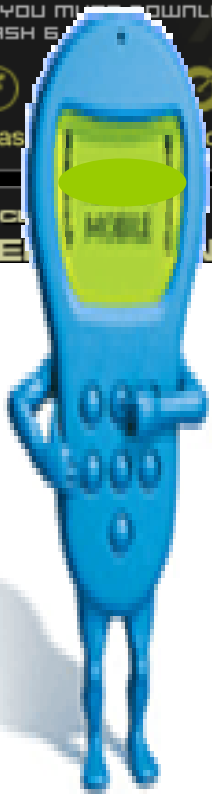
TERMINATOR 3
RISE OF THE MACHINES

Mobiles

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INTERNAL



The logo features the word "POWERTEL" in a bold, white, sans-serif font. A black, curved swoosh element is positioned behind the letters "T" and "E". Below the main name, the tagline "OUR NETWORK. YOUR SOLUTION" is written in a smaller, white, sans-serif font. The entire graphic is centered on a red background with a subtle pattern of thin, white, curved lines.

POWERTEL
OUR NETWORK. YOUR SOLUTION

**Mobile Services Review
ACCC public hearing
Sydney**

11 September 2003

Regulatory Affairs

PowerTel is a fixed network provider of broadband services for voice, data and internet

PowerTel is a provider of communications services (voice & data) to business, corporate, government and wholesale

In less than ten years, the three incumbent mobile carriers have managed to connect more subscribers to their three networks than the fixed network carriers have managed to connect over 100 years

Need to continue current declaration

The Commission should consider the imposition of proxy rates to initiate immediate access rate reductions

The Minister should direct the Commission to include mobile termination as a 'Core service'

Need to implement a cost based pricing methodology

Merits of cost based pricing principle vs retail benchmarking

Adjustments to current retail benchmarking pricing principle

Concern about degree of fixed-to-mobile ‘pass through’

Ensures MNO's in Australia comply with WTO obligation on cost based interconnection

Provides incentive for MNO's to improve allocative efficiencies

Will generate more competition in the fixed-to-mobile market

Leads to long term benefits for end-users

Investment

PowerTel estimates that the three incumbent mobile carriers have invested about \$12b over the past ten years

Return

PowerTel estimates that in the mobile carriers have recovered \$14b in wholesale mobile termination alone

And this does not include retail revenue from consumers or mobile origination interconnect revenue

Has proven to be onerous to manage

Has not encouraged competition in wholesale termination as T/A rates are almost identical across MNO's

It is subject to data manipulation

Is retrospective and as yet to produce a useable guideline

PowerTel concurs that not all consumers have benefited from the token reductions in wholesale mobile termination

Once wholesale mobile termination rates are set at the right level, market forces will ensure that there is competition in the retail fixed-to-mobile service

Following the adoption of cost based interconnection, there is a need to examine retail price controls

The Commission should publish an indicative mobile termination access price around 10c immediately

The Minister should direct the Commission to include mobile termination & origination as a 'core service'

The Commission should begin work on a cost based pricing model and look to release regular indicative pricing

The Commission should consider the appropriate level of regulation to ensure that reductions in wholesale mobile interconnection will result in a more competitive retail fixed-to-mobile market