

**COMMUNICATIONS
ALLIANCE LTD**



Implementation of Universal Service Policy for the transition to the National Broadband Network environment

INTRODUCTION

- 1 Communications Alliance is the peak telecommunications industry body in Australia. Its membership is drawn from a wide cross-section of the communications industry, including service providers, vendors, consultants and suppliers. Its vision is to provide a unified voice for the telecommunications industry and to lead it into the next generation of converging networks, technologies and services. The prime mission of Communications Alliance is to promote the growth of the Australian communications industry and the protection of consumer interests by fostering the highest standards of business ethics and behaviour through industry self-governance. For more details about Communications Alliance, see <http://www.commsalliance.com.au>.
- 2 Communications Alliance welcomes the opportunity to respond to the Department of Broadband, Communications and the Digital Economy (DBCDE) Discussion Paper *Implementation of Universal Service Policy for the transition to the National Broadband Network environment* (the Discussion Paper).
- 3 Communications Alliance has sought the input its members representing the carriers, carriage service providers and telecommunications equipment vendors to identify areas of common interest on the issues raised in the Discussion Paper. Due to the necessarily short consultation timeframe, this submission represents a limited view from our membership base.
- 4 This submission highlights a number of issues that the industry wishes to bring to the attention of the DBCDE. Due to the nature of the input, the submission does not attempt to provide answers to all of the questions as presented in the Discussion Paper.
- 5 Communications Alliance understands that individual organisations will be responding to the specific questions posed in the Discussion Paper and will defer to those organisations to address those questions.

Comments

- 6 The Australian Government has announced its intention to establish a new entity, USO Co to manage the delivery of the Universal Service Obligation. This entity is to have the regulated responsibility for delivering the Government's public policy objectives in the telecommunications sector in the areas including access to the STS, payphones, emergency call handling, the National Relay Services, migration of voice-only customers and continuity of public interest services.
- 7 The establishing of this new entity introduces another layer of bureaucracy and complexity and care should be taken to ensure that it does not lead to the imposition of additional costs on the industry – and ultimately on consumers. Industry already is obliged to fund the costs of the ACMA through carrier licences and numbering plan charges.
- 8 The Discussion Paper proposes that the administrative costs of USO Co should also be included as costs to be borne by industry. A cost-reduction or at a minimum a cost-neutral objective for the administrative costs that are borne by industry would be favoured.
- 9 The Discussion Paper notes that at this time it is not anticipated that USO Co will have any regulatory powers or functions. The industry supports the view that the USO Co should not have any regulatory or quasi-regulatory powers. Such powers should remain with the existing regulator, including the power to determine the annual USO subsidy. It is noted that there is the danger in establishing another

entity that over time could increase the burden upon industry in such areas as information gathering, investigative and policy-based inquiries and other functions which are already vested in existing industry regulators. This will lead to confusion of function, increased administrative overheads and other costs.

- 10 With respect to Q3.8(6), the industry supports the establishment of an advisory board of stakeholders to advise USO Co. As industry has considerable expertise in service delivery, and will be providing funding towards USO Co's delivery of services, industry can appropriately offer guidance and assistance concerning the arrangements for the delivery of the services involved.
- 11 In particular it will be important for USO Co to explore more cost effective ways to deliver USO services, taking advantage of new advances in technology and applications as they emerge.
- 12 The Discussion Paper notes that the institutional and operational arrangements for USO Co will be informed by the framework detailed in the Department of Finance and Deregulation's publication *Governance Arrangements for Australian Government Bodies 2005*. It is observed that the establishment of USO Co should operate under existing mechanisms for review and repeal, including those of the Commonwealth Ombudsman and Senate Estimates.
- 13 To the extent that the definition of what services are included in the USO is reviewed in future - e.g. in the Government's foreshadowed 2011 review of regulation in a converged digital environment – it may be prudent to coincidentally review the arrangements for USO Co, to ensure that it remains relevant to the task.