

COMMUNICATIONS DAY

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Coutts' call for USO reboot: pass it to NBN Co, bring in mobile

The end of TUSMA, and the ongoing NBN Co-Telstra negotiations, herald the ideal time for a drastic rework of the Universal Service Obligation – shifting it to NBN Co rather than Telstra, and bringing mobile into the mix. That's the view of industry veteran professor Reg Coutts, a member of the expert panel that advised on the previous version of the NBN. And with Coutts' ideas including the possible provision of more mobile backhaul in regional areas, his concept might just mesh with the recent arguments from some parts of the mobile industry.

Coutts has been working on a paper – still under development – to “get the discussion started.” In it, he argues that “the time has come to reboot the USO to reflect the need for broadband and mobile service by all citizens in Australia... and develop a framework that involves the minimum of regulatory intervention to find alignment of interests encouraging co-investment with the private sector using... a ‘smart subsidies’ program.”

In the paper, Coutts notes that “curiously the mobile service, increasingly for many a substitute for the fixed phone service, has been ignored for any intervention in remote areas – which have clamoured for better coverage since 2002.” Thus, he's calling for mobile to be considered as part of USO reform, perhaps as an extension to the well-received but relatively small-scale A\$100 million mobile black spots program currently being executed by the federal government. Coutts envisages his smart subsidy fund “recognising that access to a competitive mobile service should be a core objective of the long-term reform of the USO.”

Coutts also suggests that rather than setting up the smart subsidy fund as a completely new and separate entity, it might be possible to “broaden the scope of NBN Co to include the smart subsidy fund [and in turn] to include infrastructure that would enable wholesaling the USO service and mobile service to competing regional retailers.”

“This option would more likely open ways NBN Co could better develop opportunities to stimulate shared infrastructure for the mobile network operators – to more effectively increase the area of competitive supply of mobile services through providing more shared open access infrastructure.”

That might well fit with what key industry figures like Vodafone CEO Inaki Berroeta are asking for: more choice in competitive mobile backhaul in regional areas to ease the business case for ex-metro investment. And charging NBN Co with managing shared infrastructure would certainly align with some current policy direction here as well. “The government's going in the right direction of basically saying that NBN Co can be instrumental [in mobile] in a number of ways; in terms of backhaul, and shared sites, which helps to redress the competitive imbalance,” noted Coutts.)

But it also highlights the second part of the proposal articulated in the paper: moving USO responsibility in general away from Telstra and onto NBN Co, already handily established as a national wholesale-only infrastructure provider. Under Coutts' proposal, NBN Co would become the USO wholesale infrastructure provider, funded by government and contributions from eligible industry players (based on revenue) including Telstra.

“My argument is that the funding shouldn't go through Telstra, per se... NBN Co [would] provide the infrastructure and then you'd potentially have competitive USO resellers... NBN Co is the logical

The NBN: Rebooted

Solving the Multi Technology Puzzle

A Communications Day/Communications Alliance workshop addressing national broadband policy implementation challenges

WHEN: Monday 17 and Tuesday 18 November 2014

WHERE: Swissotel, Market St, Sydney



**Federal communications minister
Malcolm Turnbull**



**NBN Co chief customer officer
John Simon**



**Parliamentary secretary,
communications Paul Fletcher**



**Australian Competition & Consumer
Commission chair Rod Sims**



**Shadow communications minister
Jason Clare**

PROGRAMME

17 NOVEMBER: 9am Comms Alliance chair Michael Lee 9.05am Communications Minister Malcolm Turnbull 9.45am NBN Co chief customer officer John Simon 10.10am Comms Alliance CEO John Stanton 10.30 Break 10.45 **TECHNOLOGY KEYNOTES** from Alcatel Lucent and Cisco 11.30 **SERVICE PROVIDER PANEL** with confirmed speakers from Telstra Wholesale, Macquarie Telecom, eintellego networks and more to come 12.40PM ACCC chair Rod Sims 1pm LUNCH sponsored by Alcatel Lucent 2PM **VERTIGAN REVIEW AND NBN ROLLOUT** challenge panel with Henry Ergas, Telstra, Opticomm, Macquarie Telecom and Nextgen representatives. 3.40PM BREAK 4.00 **PRICING, PRODUCTS AND COMMERCIAL CONSTRUCTS PANEL** 5.30 DRINKS sponsored by Cisco

18 NOVEMBER: 9AM **ACCESS TECHNOLOGY ISSUES PANEL** with Assia, Alcatel-Lucent, NBN Co, Arris, Cisco, FTTH Council and more 10.30 Parliamentary secretary Paul Fletcher 10.55 BREAK 11.10AM **TECHNOLOGY KEYNOTE** from Adtran 11.30 **OPERATIONAL CHALLENGES PANEL** with Ericsson, NBN Co, Telstra and more 12.35 Shadow communications minister Jason Clare 1 LUNCH sponsored by Adtran 2 TBC 2.25 **VDSL2 AND VECTORING WORKSHOP** with Assia, Alcatel-Lucent, NBN Co, Telstra and more 3.20 BREAK 3.40PM **CLOSING PANEL** with Optus' David Epstein, Telstra's Tony Warren, Vodafone's Matthew Lobb moderated by Grahame Lynch

WHAT YOU WILL EXPERIENCE: Two days of deep dive NBN discussion + two lunches and networking breaks + first day drinks

- Registered delegate including lunches: \$A997 including GST
- Three registered delegates for price of two (with lunch): \$A1994 including GST
- Comms Alliance member: A\$797 including GST
- Comms Alliance member 3 for 2 deal: A\$1597 inc GST

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