

7 February 2010

Mr Philip Mason
Assistant Secretary
Universal Services
Department of Infrastructure, Transport, Regional Development and Communications

By email: Philip.Mason@communications.gov.au

Dear Mr Mason

Design of Alternative Voice Service Trials

Optus welcomes the opportunity to provide initial comments on the request for comments and expressions of interest for the proposed Alternative Voice Service (AVS) trials.

Optus is well positioned to assist the Department with AVS trials through its portfolio of satellite assets to provide voice and data services to rural communities.

Optus Satellite has a range of possible solutions which can meet the objective of the AVS trials, and which can be designed for specific use cases and locations. Optus is able to provide both voice and broadband services to an area, a cluster of premises, or single premises using a variety of existing in-use solutions.

Optus can offer:

- **Satellite Femtocell solution.** Optus Small Cell solution has already been deployed to provide Optus mobile access to the rural Australia including for Government Blackspot programs. Satellite Femtocell solution offered in this proposal provides 4G cellular coverage to small communities delivering voice and data services.
- **Satellite wireless access solution.** This solution provides VSAT backhaul to a premise acting as the central tower providing wireless access for a rural community within the coverage area of the Wireless radio at the central tower. The wireless access to customer premises will be via an outdoor wireless access point (WAP). The customers will have a voice circuit and broadband services using this wireless access
- **Satellite VSAT voice and broadband solution.** This solution is intended for a single household using a VSAT backhaul to support voice and broadband services

In addition to this AVS trial demonstrating the viability of alternative technologies, Optus' ability to provide a range of solutions would gather valuable insights on consumer preferences for each of the solutions. For instance, the AVS trials could help measure communities' preferences for in-house dedicated connections versus wide-area community coverage. Revealing these preferences would be helpful in maximising the benefit of any future changes to the USG.

We acknowledge the objectives of the trial and note that while alternative technologies are already being used to deliver voice services and are well established in a technological sense,

the number of satellite-based solution is relatively small and their capabilities not widely understood.

Optus provides comments on the specific questions posed in the AVS trials paper below.

We look forward to working with the Department to progress this trial and for further reform of the USG framework.

Yours Sincerely

Luke van Hooft
Director Economic Regulation

Question 1: Should the department be seeking to achieve other objectives through the trials? If so, how would this affect the design?

- Optus sees value in specifically stating a competition-based objective. One of the major challenges of the current USO is that it locks rural Australians into a monopoly provider which may not be the best solution. The absence of competitive supply alternatives does not ensure best value for money for the customer or the Government. To that end, Optus believes more weight should be placed on proposals put forward by CSPs other than Telstra or NBN Co.
- In addition, additional weight should be given to Australian-based solutions. That is, the use of assets owned by Australian carriers. We note some CSPs may offer solutions which are reliant on assets owned and controlled by non-Australian carriers. The Department should give weight to the additional benefits that funding Australian carrier assets bring.

Question 2: In terms of the deliverables for customers, do you have any concerns about the proposed design of the trials or suggestions to improve it, for example, locations for the trials, how best to recruit consumers to take part, requirements on CSPs, and service requirements?

- Optus has no comments

Question 3: In terms of the needs of CSPs, do you have any concerns about the proposed design of the trials or suggestions to improve it, for example, information required, capping of customer numbers, timeframes, level of funding available, and the approach to payment?

- Optus is of the view that the one year timeframe could be shortened to ensure the trial remains focused and any learnings are obtained in a timely fashion. Any learnings from the trial would likely to be made well within a one year timeframe.

Question 4: Do you have suggestions on what should happen at the end of the trials, noting that Government funding will cease?

- Optus agrees that it would be up to CSPs whether they continued to offer the alternative services and up to customers whether they continue to want to use the services on a commercial basis.

Question 5: Do you have any comments on the stakeholder reference group? What stakeholders should be represented on the groups? Would you like to nominate anyone as a possible member?

- The stakeholder reference group should include only eligible stakeholders whom are able to offer applicable services over non-Telstra and non-NBN networks.
- Optus would like to be included in the stakeholder reference group.

Question 6: Do you have any comments regarding the criteria for assessing proposals and contracting CSPs?

- Optus supports the four criteria as outlined in the request for comments. In addition, we see benefit in specifically assessing applications against its impact on competition and the provision of alternative network services.
- Optus also sees value in the criteria giving credit for solutions that can provide services other than voice at the same time as providing the voice service.

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Question 7: Do you think regular surveys of trial customers would be useful? Do you consider there are any particular matters that should be monitored and evaluated during the trials in addition to those identified (e.g. service outages, quality issues and customer turnover)?

- Optus welcomes constant feedback from trial customers. It may not be that regular surveys are the best method through which to elicit such feedback. While the details of the manner in which feedback is received can be confirmed at a later date it is important to ensure both Government and service provider receive sufficient feedback to address any ongoing issues.

Question 8: How would the trials be best promoted to rural and remote customers by both the department and CSPs? How would the results of the trials be best communicated once they are complete?

- Optus has no comments