



Introduction

I note I am speaking today after Minister Conroy and Mr Turnbull but before Mr Quigley of NBN Co, Mr Harris from the Department and other industry representatives. Once again the ACCC finds itself in the middle of things. Key decisions we will make over the coming months will have impacts on the industry that will reverberate for some time.

There are a couple of current matters that will bear upon these decisions. These are, of course, Parliament's recent passage of the NBN Bills – generally known as the National Broadband Network Companies Bill and the National Broadband Network Access Arrangements Bill. As well as the other critical process underway and that's the negotiation of the Definitive Agreements between Telstra and NBN Co. While the outcomes of these processes may have some impact in terms of timing on the ACCC's assessment of a special access undertaking from NBN Co and a structural separation undertaking from Telstra, these don't necessarily change the fundamental issues the ACCC will have to consider in performing these assessments.

The roll-out of the National Broadband Network continues to drive and shape developments in the telecommunications industry.

Over the past 12 months, there have been a number of critical policy announcements, legislative changes and key regulatory decisions and advice by the ACCC, much of which directly concerns the NBN and the competitive landscape that will emerge during the transition period.

In particular the passage of the *Telecommunications Legislative Amendment (Competition and Consumer Safeguards) Bill* last November puts in place the framework to address structural issues in the industry and encourage the delivery of competitive and innovative telecommunications services in the coming months and years. The ACCC has already delivered some initial regulatory pricing decisions under the new legislation as the first step in delivering a more competitive environment.

We have also initiated other processes that will focus on encouraging competition in other aspects of the industry. However, we know significant work is required and will be undertaken to realise these processes. We continue to engage with industry and Government where necessary, but, as always, throughout these processes our overarching objective, as spelled out in the *Competition and Consumer Act 2010*, remains the promotion of the long term interests of end-users.

Today I will be speaking about some of these key processes – those that have already started and for which initial outcomes have been published and those we know we will be undertaking sometime in the future. But before I get into this detail, it

is timely to quickly review how we got to where we are today as relevant context for recent industry developments.

How we got to where we are today

It is now twenty years since the fixed line duopoly between Telstra and Optus was created by the Telecommunications Act of 1991. If a week is a long time in politics, twenty years in the telecommunications industry is several generations (not least of all from a technological viewpoint).

But the gradual process of change in the industry, from a Government owned and run monopoly to open competition, began a few years earlier with the corporatisation of Telecom, as Telstra was then known, in the late 1980s. This was the first step in changing the industry landscape. The goal was that no longer would the industry be a government run monopoly but made up of new companies and infrastructure competing to efficiently provide competitive and innovative services to users.

The mid-1990s saw investment in 3 digital mobile networks (by Telstra, Optus and Vodafone) as well as HFC cable networks for Pay TV services. The development of cable networks and Pay TV services were quite late in coming to Australia compared to some international jurisdictions. When cable networks were built in the US in the 1970s they were specifically constructed for the purpose of broadcast television services.

However by the time cable networks started being rolled-out in Australia the technology had advanced. No longer just useful for television services, cable networks could also be used to provide fixed line voice services as well. So when Optus started construction of its HFC network, Telstra, recognising the threat this posed to its fixed voice revenues, began construction of its own HFC network. The story of Telstra following Optus down the street while rolling out its own cable network has become part of telecommunications folklore.

1997 saw further reform of the industry. The privatisation of the first tranche of Telstra occurred. The industry was opened up further to competition and the telecommunications specific access and competition regimes were introduced to the Trade Practices Act (as it was then known) and the ACCC assumed responsibility for the economic regulation of the industry. The years since then have seen further changes to the industry's regulatory framework and the complete privatisation of Telstra.

The decisions that were made over the years allowed the highly integrated structure of our telecommunications industry to develop and set the framework from which competition was expected to emerge. When Telstra was corporatized some twenty odd years ago, there was considerable debate at that time whether the company should be structurally separated. The debate arose again during the mid-1990s when the first tranche of Telstra was privatised.

But structural separation didn't happen either when Telstra was corporatised or privatised. Since that time Telstra has become one of the most highly integrated telecommunications companies in the world with vertical and horizontal interests. The ACCC has long said that competition in the industry has not developed to the extent

initially envisaged when markets were first deregulated because of the underlying highly integrated industry structure.

In its submission to the Government's regulatory review in 2009 (Regulatory Reform for 21st Century Broadband) the ACCC raised longstanding issues with the telecommunications-specific access and competition regimes. There have been a number of problems associated with the access regime, namely the length of time it took to resolve disputes and the fact that disputes were bilateral and terms did not apply industry-wide. This created a cycle of access disputes and uncertainty for access seekers and users. Under the competition provisions, competition notices did not operate as effectively as they should have for a number of procedural and operational reasons and it was difficult to quickly address alleged anti-competitive conduct.

The recent legislative changes passed in November last year in the *Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill 2010* put in place streamlined access arrangements and new mechanisms for dealing with alleged anti-competitive conduct. The legislation also creates a framework to facilitate the functional or structural separation of Telstra and finally address the underlying structural issues of the industry that were first debated some 20 odd years ago.

These legislative changes now provide an opportunity to remedy the errors of previous governments and resolve the issues with the underlying structural framework of the industry. Overall, we are moving into a new paradigm for telecommunications regulation as we transition to the NBN. However, during this lengthy and complex process, one thing that will not change is the ACCC's commitment to the long term interests of end-users.

The new regulatory paradigm

The new regulatory paradigm goes some way to addressing issues that have arisen over several years of the operation of the regulatory and competition framework for the industry. The ACCC has been broadly supportive of these reforms to promote competition in the telecommunications sector.

In particular, the ACCC has welcomed the intent of:

- the streamlining of the telecommunications access and competition regimes in the CCA;
- the strengthening of consumer safeguard measures;
- the structural reform initiatives.

I'll discuss structural matters a bit later, but, first I'd like to focus on the changes to the access regime and new tools that have already been used by the ACCC to address access issues in the industry.

Under the amendments to the access regime the ACCC has a number of new mechanisms available to it, to address access and competition issues in a more timely fashion and provide more certainty to industry. These include being able to determine up-front terms and conditions of access for a three to five year period following consultation with industry, which will serve as default terms, applying to the

whole industry rather than being party-specific, if parties are unable to reach agreement. The ACCC is also able to determine fixed principles to apply for longer periods. In addition, the ACCC can make binding rules of conduct where there is an urgent need to address problems with the supply of regulated wholesale services.

The amendments to the telecommunications-specific competition provisions also make some operational and procedural changes to streamline processes. Now when dealing with anti-competitive conduct in the industry the ACCC will no longer have to consult with a party before issuing a competition notice. Previously, this consultation process was prone to delay and obstruction and meant any alleged anti-competitive conduct could not be addressed quickly. In addition, the scope of services to which these provisions apply has also been expanded. The competition notice regime will now also apply to content services, such as subscription television services, delivered by carriers and carriage service providers.

These changes should encourage more timely solutions to access and competition issues, and the ACCC is already utilising these mechanisms, to provide greater regulatory certainty to industry during this time of transition.

Regulatory Pricing – fixed line services

In early March, the ACCC issued interim access determinations setting out price and non-price terms of access for 6 key fixed line services, making this the first decision under the new access regime. The ACCC is able to issue IADs for services that are already declared and is able to issue them in a timely fashion because it is explicit in the legislation that the ACCC does not have to observe procedural fairness requirements in issuing IADs.

The regime still provides for commercial negotiation and access agreements negotiated between parties will be given primacy over access determinations made by the ACCC. The terms in an IAD are, therefore, effectively a fall back for parties and establish a benchmark for when access seekers are negotiating their own access agreement. Compliance with an access determination is a condition of a carrier licence.

The IADs cover the six key fixed line services provided via Telstra's copper network – the unconditioned local loop service, the line sharing service, wholesale line rental, the local carriage service and PSTN originating and terminating access services.

Prices for these services have been developed based on the cost-based Building Block Methodology. The BBM represents a major shift in the ACCC's pricing approach to telecommunications services but is commonly used in other regulated industries.

The review of the telecommunications pricing approach began in December 2009 when the ACCC initiated a full-scale review of the access pricing principles that had underpinned telecommunications pricing since 1997. At that time, when markets were opened to competition, variations of long run incremental cost (LRIC) pricing were being implemented around the world.

The ACCC adopted the total service long run incremental cost (plus an allocation of indirect overhead costs) – or TSLRIC - in most cases, but the 'retail minus' approach

for the LCS and WLR service (where prices are in part based on the retail prices of the access provider).

TSLRIC is based on forward looking costs which involves estimating the cost of providing the relevant service using a modern equivalent asset.

One of the problems with the TSLRIC approach was that the forward looking aspect of TSLRIC pricing for fixed line services meant continually revaluing the existing sunk assets used in providing services. This occurred at each pricing determination and the continual revaluation of the network assets meant that there has been ongoing uncertainty over changing access prices.

This has been one of the reasons industry participants have expressed a desire to move away from a TSLRIC pricing approach. The ACCC had signalled a number of times that it would be willing to consider different pricing approaches given the changing environment of Australian telecommunications.

The key feature of the building block approach (and the main difference from the TSLRIC approach) is that asset values are 'locked in' using an initial Regulated Asset Base (RAB) and then rolled forward over time to reflect net capital expenditure. This allows the access provider to recover its efficient actual costs as well as a reasonable rate of return on, and a return of, its investment in its existing sunk assets, instead of constantly revaluing the assets as under the TSLRIC approach.

The ACCC has undertaken extensive consultation with industry in considering the change in pricing approach and a change to the principles of a BBM approach has been broadly supported by industry.

The ULLS price has been set at \$16 per month for CBD, metropolitan and regional areas (also known as Bands 1-3). This is the same price as previously set in Band 2 metropolitan areas. The decision to average the ULLS price across Bands 1 to 3 was made after considering a number of factors. These bands share similar characteristics and the ACCC does not consider that the aggregation of these geographic regions will have a distortionary impact on investment or competition. This is supported by the fact that the price differentials between Bands 2 and 3 have significantly narrowed under the cost model the ACCC has used in developing the pricing (which reflects narrower band cost differentials). The ACCC considers that previous cost models overstated band cost differentials. Averaging for these three bands also simplifies the ULLS pricing structure and may reduce administrative costs.

Wholesale prices for other services, including wholesale line rental and the local carriage service, have fallen due to lower costs of providing the services and the move away from the previous 'retail minus' pricing approach which was in part based on Telstra's retail prices for these services.

In the ACCC's view the IADs will ensure a smooth move to the new access regime and pricing approach. The ACCC believes this will provide certainty to access seekers and promote competition during this time of transition.

The ACCC has undertaken extensive consultation with industry in considering the change in pricing approach and a change to the principles of a BBM approach has been broadly supported by industry. That said, we recognise that not all parties will be completely happy with the ACCC's decision. In exercising its judgment on these matters, the ACCC has put the long term interests of end-users foremost in its mind, rather than the interests of individual parties.

The ACCC will soon be commencing an inquiry into making final access determinations. This inquiry will allow for further consultation with industry on inputs into the Building Block model and pricing structure.

Points of interconnection and transmission services

Along with immediate consideration for telecommunications pricing the ACCC is also addressing issues that have arisen out of its advice to government late last year in relation to Points of Interconnect for the National Broadband Network.

In October last year, the government asked the ACCC and NBN Co to provide advice on the number and location of initial points of interconnection for the National Broadband Network. A short consultation period was conducted with industry in preparing the advice.

The number and location of points of interconnect has important implications for the future structure and competitiveness of the telecommunications industry. A point of interconnection is essentially an inter-network location where traffic is exchanged between one network and another. That is, where access seekers are able to connect and exchange traffic with the NBN.

In developing its advice the ACCC considered in great detail the current level and potential future level of competition in transmission, wholesale and retail markets and the role of points of interconnection in developing effectively competitive markets.

The ACCC recommended a semi-distributed approach to determining POI locations which contrasts with NBN Co's initial proposal for a system of 14 centralised POIs located in capital cities. NBN Co's proposal regarding POIs was aimed at delivering the government's objectives for uniform national wholesale pricing (UNWP).

Under the ACCC's recommended approach, points of interconnection should be located in areas serviced by transmission markets that are competitive, or likely to become competitive, which in the ACCC's view, is if a route is served by at least two operators (including Telstra).

The ACCC's assessment was guided by the overarching analytical framework for its usual regulatory work under the Competition and Consumer Act and that is the promotion of the long term interests of end-users. The ACCC considered three different but related markets – transmission, wholesale and retail – and determined the approach to points of interconnection that would best promote competition in all of these markets, as well as encouraging efficient use of and investment in transmission infrastructure.

The semi-distributed approach is most likely to promote competition in wholesale and retail markets as service providers should better be able to compete in relation to price and service innovation over a greater range of products. This can be distinguished from simply promoting the largest number of competitors. In addition, this approach should preserve existing competition in transmission markets while allowing future competition to develop.

It also best promotes the efficient use of and investment in transmission infrastructure. Transmission assets on competitive routes would continue to be capable of being used for all traffic and existing competition would be maintained,

which would provide incentives for efficient use of infrastructure. Furthermore, as traffic volumes increase, this approach is likely to encourage investment in infrastructure upgrades (for example, to increase capacity) on existing routes.

Since providing the advice to the government, the ACCC and NBN Co undertook a further process which has identified points of interconnection that meet the ACCC's criteria. This list has been the subject of a confirmation process with industry.

The ACCC noted in its advice that these are initial points of interconnection only and are not set in stone. And while NBN Co will have an authorisation - which I will discuss later - to refuse additional points of interconnection during the construction phase, it is possible there may be demand at a later date for interconnection closer to the customer. We would expect NBN Co to specify the criteria for how it will deal with such demands in the Special Access Undertaking it plans to submit to the ACCC.

In providing the advice to Government the ACCC placed considerable emphasis on the importance of competitive transmission markets. There are a range of other factors – including the ACCC's decision on a structural separation undertaking (SSU) from Telstra and terms and conditions of access to the NBN – that will also contribute to the development of competition in transmission and wholesale markets once the NBN is built. We are under no illusion that this will automatically develop, but with due care the right foundations can be put in place to make these markets more effectively competitive.

It has often been raised at ATUG's regional conferences and cited by access seekers that one of the factors that has hindered investment and the roll out of better services to regional users has been the lack of competitively priced transmission services. The competition criteria developed by the ACCC ensures that points of interconnection will be initially located where transmission routes are competitive (or likely to become competitive). But there are also other mechanisms the ACCC can use to encourage competition in regional areas during the transition period to the NBN.

Most immediately, the ACCC is developing pricing for regulated transmission services as a key priority under the new streamlined access regime. The ACCC expects to shortly issue interim access determinations setting out price and non-price terms of access for certain transmission services. As flagged in our discussion paper at the end of last year, these regulated transmission prices will be based on a domestic benchmarking approach against competitive routes.

The ACCC considers effective competition at the wholesale level to be one of the key potential outcomes of the NBN, provided competition in current transmission markets is maintained during the transition. The ACCC will therefore continue to closely monitor how competition in these markets evolves as the NBN rolls out.

Access framework for the NBN

The debate around the recently passed NBN Bills puts in place certain key parameters of the access framework for NBN Co's services. Without going into all the detail of the new legislation, I'd like to touch on a couple of aspects which have received a fair bit of attention.

The access-related legislation now provides that NBN Co is not allowed to discriminate between access seekers except in limited circumstances concerning

creditworthiness or compliance failure. This is clearly addressing the concerns of some in the industry.

There are other provisions introducing wholesale-only supply of services by future competing super-fast networks, as well as amendments to the wholesale-only obligation for NBN Co's supply of services to utilities.

But the area I want to focus on are the provisions that make certain conduct by NBN Co exempt from scrutiny under competition law.

Broadly, the authorised conduct specified in the new provisions will concern points of interconnection, bundling conduct or other conduct 'reasonably necessary' to achieving uniform national wholesale pricing.

Under the provisions, NBN Co is able to refuse to interconnect facilities if a location is not a listed point of interconnection, as long as this refusal is 'reasonably necessary' to achieve uniform national pricing. In its advice to government on points of interconnect the ACCC considered that:

"A uniform national wholesale price can be achieved independently of decisions regarding NBN Co's network design".

Similarly under the new provisions, certain bundling conduct can be authorised where NBN Co can refuse to supply an access service unless other services are also acquired. However, NBN Co cannot refuse to supply services enabling data supply if an acquirer refuses to buy services enabling supply of voice. Again, this conduct and other authorised general conduct must be 'reasonably necessary' to achieve uniform national pricing.

It is important to note that in each instance, the authorised conduct is confined to that which is 'reasonably necessary' to achieve uniform national pricing. Having a specific additional policy requirement like this is not uncommon for regulated companies – for example, there are reliability obligations on electricity companies, coverage obligations such as the USO and so forth.

Similarly, it is quite standard for conduct that might otherwise raise competition concerns to be allowed in certain circumstances. For example, under the CCA, certain anti-competitive conduct that might raise concerns under the anti-competitive provisions of Part IV may be authorised if the public benefits outweigh any likely anti-competitive detriment.

Given that the 'authorised conduct' in these new provisions is confined to that which is 'reasonably necessary' to achieve the specified objective of uniform national pricing, it does not amount to a broad 'free for all' for conduct by NBN Co that will inhibit the development of competition in the industry. For NBN Co, as for any other company, the ACCC will carefully scrutinise any matter where it considers there are issues of concern.

Furthermore, the points of interconnection authorisation is limited to the duration of the period of NBN's construction, and will be subject to some review by the ACCC in 2013.

The authorisation provisions as a whole will also be subject to independent review after 2 years of operation.

NBN Co's Special Access Undertaking

NBN Co indicated in its Corporate Plan released last December that it is likely to lodge a special access undertaking (SAU) after the passage of the NBN-specific legislation and assessing the SAU will be one of the key work streams for the ACCC in the coming year. An SAU will establish the price and non-price terms and conditions of access to NBN Co's wholesale services.

The ACCC has been engaging in pre-lodgement discussions with NBN Co in relation to its SAU since late 2009 on topics such as the scope and input requirements of an SAU, the product sets that may be offered, non-price issues and pricing principles. This interaction is in the usual course of business and the ACCC has engaged in similar discussions with other parties (such as Telstra and the FANOC/G9 consortium) on their undertakings.

NBN Co also set out in its corporate plan a number of issues that it proposes to address in its SAU. For example this includes descriptions of the wholesale Layer 2 services and products that NBN Co intends to supply to access seekers as well as pricing principles and methodology amongst other matters.

The amendments last year to the access regime also provide for more flexibility in the processes regarding assessment of special access undertakings. Previously, in assessing SAUs even a minor change would require the withdrawal of an undertaking and submission of an entirely new SAU, starting the process again from the beginning. This meant that undertakings could not easily evolve or be amended throughout an assessment process. However, the ACCC can now assess changes to undertakings as the assessment process proceeds. In addition, SAUs can now deal with the same matters as an access determination and can also contain fixed principles.

In assessing an SAU, the ACCC must be satisfied that the terms and conditions will be consistent with the long-standing standard access obligations in the Competition and Consumer Act and the NBN Co-specific obligations that recently passed Parliament in the NBN Bills. The key difference between the long-standing obligations and NBN Co-specific obligations is that the former is targeted at ensuring equivalence by a vertically integrated access provider in supplying services to itself as to other access seekers, whilst the latter is targeted at a wholesale-only provider with less emphasis on equivalence of supply (as it would not be self supplying to a downstream retail arm). In addition the ACCC must also be satisfied that:

- The terms and conditions in the SAU are reasonable (having regard to the long term interests of end-users and other matters specified in the Act), and
- The SAU is consistent with any Ministerial pricing determinations.

The legislation specifies that the ACCC cannot accept an SAU unless it has published the SAU and invited submissions and considered submissions received in the relevant timeframe. This is consistent with the ACCC's preferred approach to matters like this, that the assessment be carried out in an open and transparent fashion.

Broadly speaking, once the ACCC receives an SAU it has 6 months in which to carry out its assessment and make a final decision, otherwise it is considered to have accepted the SAU. However, there are certain measures that can 'stop the clock' temporarily.

Like all its processes, the ACCC intends to carry out a robust assessment of what is proposed, bearing in mind the criteria it must have regard to in making its decision, to ensure that any terms governing access to NBN Co's wholesale services encourage competition and investment in the interests of end-users.

Structural separation & migration plan

The other legislative changes passed last year (that I alluded to earlier) that will be a key focus of the ACCC's work in the coming months are those concerning Telstra's structural separation and migration of traffic from its network onto the NBN. This provides the opportunity to remedy the errors of the past, reshape the industry and ensure that the underlying structural foundations encourage investment and competition as we transition to the NBN

The recently passed legislative changes essentially put in place the two key processes around Telstra's expected structural separation undertaking and its Migration Plan.

A structural separation undertaking must provide that at all times after the "Separation Date" (that is, 1 July 2018, but this may be extended) Telstra will not supply fixed-line carriage services to retail customers using a telecommunications network over which it is in a position to exercise control.

In assessing Telstra's structural separation undertaking, the ACCC must have regard to broad criteria including:

- the national interest in structural reform of the telecommunications industry
- the impact of that structural reform on consumers and competition in telecommunications markets
- matters set out in an instrument made by the Minister; and
- other such matters (if any) that the ACCC considers relevant.

The ACCC has not yet determined other matters it may have regard to in assessing the structural separation undertaking nor has the Minister set out matters to which the ACCC is required to have regard. However, it is likely that the ACCC will consider the effects of any relevant commercial arrangements between NBN Co and Telstra as a part of its assessment of the structural separation undertaking. These arrangements will otherwise be authorised for the purposes of the anti-competitive provisions in the CCA through the operation of a legislative exemption in the Telecommunications Act.

Telstra's structural separation undertaking must also incorporate provisions regarding how Telstra will provide services to its wholesale customers on an equivalent basis to its retail business units in the period prior to structural separation coming into effect.

The structural separation undertaking must also contain appropriate and effective mechanisms for the ACCC to monitor Telstra's compliance with it.

Under the legislation the ACCC is not required to consult publicly on its assessment of the structural separation undertaking (in contrast to the provisions governing assessment of the Migration Plan, which provide for public consultation). However, it is the ACCC's clear preference in such processes to conduct its assessment in a transparent manner, which would include public consultation.

In addition, if the Minister issues 'Migration Plan Principles', Telstra may also submit a migration plan which sets out how it will cease supplying fixed-line carriage services to customers using its networks and commence supplying fixed-line carriage services to customers using the NBN.

The ACCC's assessment of the migration plan is limited by the legislation to considering whether the plan satisfies the Migration Plan Principles, to be issued by the Minister. Telstra is not obliged to submit a migration plan, unless it undertakes to do so as a condition of its structural separation undertaking. Once the ACCC accepts Telstra's migration plan, it will form part of Telstra's structural separation undertaking. Public consultation must occur before the Minister finalises the Migration Plan Principles and the ACCC finalises its decision to accept or reject the migration plan. In the event Telstra lodges a migration plan together with a structural separation undertaking, the ACCC intends to consider them contemporaneously.

We note the recent announcement by Telstra that the extraordinary general meeting for a shareholder vote originally scheduled for 1 July has been postponed. There are a number of statutory timeframes in both Ministerial and ACCC processes that must be adhered to. For example, the Minister must consult for two weeks on relevant Ministerial instruments and the ACCC must consult for 28 days on the migration plan. The length of time taken to finalise the process depends on the complexity of the arrangements proposed but it is the ACCC's intention to carry out a robust and rigorous assessment of the SSU and migration plan in as timely a fashion as possible.

Conclusion

As I noted earlier, the goal some twenty odd years ago was that no longer would the industry be a government run monopoly but would be opened to other companies to encourage provision of competitive and innovative services to users. It is important to note that moving to an NBN environment there are some fundamental differences in the industry and not just in terms of the technology.

As we transition to the NBN the framework is now in place to make a major break from the past and remove underlying structural impediments to investment and competition development in the telecommunications industry. The structural separation of Telstra and NBN Co being a wholesale only provider could go a long way towards delivering the more competitive telecommunications sector that was envisaged when the industry was first opened up to competition.

In addition, the strengthened and streamlined regulatory framework is better able to quickly address access and competition issues than the previous regime. The ACCC can and will use the new mechanisms available to it to address issues promptly (as it is doing so), to encourage certainty and to ensure competition is promoted in the transition to the National Broadband Network.

The ACCC will look to make certain that the conditions are in place to promote competition and investment at all levels of the industry, including in transmission, wholesale and retail markets. The ACCC considers focussing on outcomes at these three levels will ensure that the long term interests of end-users are promoted.

During this time of significant change and transition to a new industry structure and new regulatory paradigm, the ACCC will conduct its assessment of matters such as access determinations, special access undertakings, structural separation undertakings and migration plans with its usual rigour in an open and transparent manner for the long term benefit of all telecommunications users.