29 October 2016

ACCC Domestic Mobile Roaming Declaration Inquiry

Aerostats All Australia AAA Mobile Coverage

Thanking ACCC for the opportunity to make a submission to the Commission's inquiry into the domestic mobile roaming declaration.

We think it's time to be "courageous" for all Remote and Regional Australians!
Successive Regional Reviews of Telecommunications in Australia over the last 10 years have called for policy recognition of the mobile service for regional Australians to be made available wherever they live, work and play.

While the current Government has taken steps under its Mobile Black Spot Program to improve coverage "at the margins" almost 70% of the land area will remain without mobile coverage. Now Aerostats All Australia (AAA) provides us an opportunity for a "courageous decision" to take the next steps and realise a truly breakthrough solution that addresses this roadblock. This feasibility study by AAA identifies the way forward.

AAA wants to highlight the common misconception that regional areas have cost barriers to competition relegating regional Australia to effective duopoly by the two major incumbents with significant investment in regional Australia infrastructure.

AAA provides coverage at less than one tenth of the cost of deploying via mobile towers. AAA enables coverage matching Optus for less than $50m and matching Telstra's coverage for less than $100m. Obviously, matching the capacity of Optus and Telstra would cost billions of dollars.

ACCC's discussion paper refers 11 times to mobile towers without even once mentioning game changer aerial solutions – aerostats in the case of AAA – that provide coverage at the tiny fraction of deploying via mobile towers.

We recommend ACCC either withdrawing its inquiry or at least re-issuing it with the understanding of modern technology as deployment via mobile towers in regional areas is a prohibitively expensive yesteryear's technology relevant to the previous ACCC inquiries back in 1998 and 2005 but not in today's world.

We highlight the extreme danger of declaring mobile roaming leading to the 'race to the bottom' with the inferior MNO/MVNOs cherry picking the few regional areas worth investing in mobile infrastructure and roaming elsewhere via Telstra and Optus. This will lead to:

1) Collapse in investment in regional Australia telecommunications infrastructure if cherry picking is not prohibited;

2) Inferior 'cheap and nasty' mobile services with very low Quality of Service unless QoS is also regulated and there are significant complexities regulating QoS.

ACCC declaring mobile roaming would be to the significant detriment of regional Australia and would remove the incentive to invest in low-cost high coverage aerial solutions such as AAA.

The focus now should shift to the 70% of the Australian land mass with no mobile coverage with some of the most disadvantaged people in Australia to open-up our vast country to development.

It is in these areas with no mobile coverage where government funding and associated regulation should be targeted. Business case for AAA in remote Australia with no mobile coverage would benefit from **voluntary** roaming mutually agreed by all parties and supported by government funding.

AAA's view is that declaring mobile roaming would be to the detriment of regional Australia, would bring about 'worst of the worst' behaviors of cherry picking in regional Australia telecommunications investment, a race to the bottom for Quality of Service and a death blow to providing AAA mobile coverage in remote Australia.

Yours sincerely

Ben Livson

Chief Executive Officer

BAL Consulting Pty Ltd

1908/168-170 Kent Street

Millers Point NSW 2000

www.bal.com.au/AAA.pdf