

16 June, 2017

[mobileroaminginquiry@acc.gov.au](mailto:mobileroaminginquiry@acc.gov.au)

Australian Competition & Consumer Commission

Dear Sir/Madam,

## **DOMESTIC MOBILE ROAMING DECLARATION INQUIRY**

In its May 2017 Draft Decision regarding the domestic mobile roaming declaration inquiry (“Draft Decision”), the ACCC referred to the possibility of incorporating non-carrier tower owners into the facilities access regime, and sought views from stakeholders on this and other ways to increase infrastructure sharing in order to increase coverage.

Axicom’s views in relation to this proposition are as set out below.

### **Background**

Axicom, (formerly known as Crown Castle) commenced operations in Australia in 2000, acquiring around 700 mobile towers from Cable and Wireless Optus. In 2001, it acquired approximately 660 mobile towers from Vodafone. An additional 140 mobile towers were acquired from Vodafone in 2008. Further investments followed, including the acquisition of KAW, (a company specialising in site acquisition, environmental planning and property management services) in 2011, and Structel, (an industry leader in structural engineering services for the telecommunications industry) in 2013. In 2015, Crown Castle became Axicom. Today, Axicom owns, operates and manages a portfolio of approximately 1900 tower and rooftop sites across Australia.

### **Our Business**

Our core business is to provide Australia-wide mobile tower and rooftop sites for wireless communication. With over 20 million Australians obtaining access to wireless services via our tower and rooftop network every day, Axicom is Australia’s largest independent mobile infrastructure provider. Our sites are used by mobile carriers, NBN Co, government entities, (including emergency service providers), wireless internet service providers, broadcasters and various community service providers (such as community radio and surf lifesaving clubs).

In conjunction with our structural engineering firm, Structel, Axicom has particular expertise in facilitating the physical deployment of equipment on towers and lowering the cost of structural upgrades. Axicom’s innovative tower upgrade designs enable us to incrementally increase the capacity of the industry’s wireless infrastructure to accommodate the requirements of new technologies such as LTE and 5G. Axicom ensures that installations are undertaken in accordance with world’s best practice engineering design standards to avoid tower or installation failure.

While Axicom is a tower owner, it is not a carrier and is therefore not subject to the Facilities Access Code (the “Code”). However, as an independent wireless infrastructure supplier with no operating network presence, Axicom facilitates the maximum use of towers on a competitively neutral basis.

Our aim is to make infrastructure available to co-users for the environmentally and economically efficient deployment of communication networks throughout Australia.

The Code is intended to “...encourage the co-location of facilities, where reasonably practicable, and promote competition by facilitating the entry of new mobile and fixed line operators”. It imposes various mandatory and non-mandatory conditions of access in relation to telecommunications transmission towers. While the carriers are required to comply with these obligations today, Axicom has an effective self-regulated interest in facilitating sharing, (i.e. “No access” = “no business”). In addition, incorporating non-carrier tower owners, like Axicom, into the facilities access regime would introduce further costs in order to comply with the various obligations set out in the Code. These costs would need to be addressed in Axicom’s business model with its customers. It is Axicom’s view that this aspect of the market works efficiently without the need for further regulation, and the costs associated with compliance would therefore be both avoidable and unnecessary.

## **Our Market**

Axicom has around 300 customers utilising its infrastructure across Australia. For many of our customers, the only feasible deployment choice to achieve genuine scale is through Axicom. We provide speed to market compared to the alternative of negotiating access with hundreds of individual site owners. Further, we continually invest in our sites and business systems to ensure our infrastructure is secure and safe for our customers and the communities they serve.

As an independent mobile infrastructure provider, Axicom’s incentives to co-locate service providers are different to our customers. Axicom has an average 2.4 unique customers per site. We believe this to be higher than any of the carriers in the market. Optus and Vodafone license a substantial proportion of our sites. Telstra is co-located on 700+ Axicom sites and NBN Co makes extensive use of Axicom’s regional site portfolio for their fixed wireless network.

There is already significant reuse of infrastructure in metro and regional areas in Australia. Indeed, Australia has fewer mobile towers per capita and more subscribers per base station than most international markets. In addition, Australia did not experience the duplication of towers that was particularly evident in the UK market.

The commercial drivers in the market enable access to independently owned telecommunication facilities on reasonable terms and conditions. This is evidenced through the high level of co- location on Axicom facilities compared to that on facilities owned and operated by carriers. Further, access costs (inclusive of rent and structural upgrade costs) associated with deployment on independent mobile infrastructure typically present substantial savings when compared to a new tower build option for a carrier.

## **Conclusion**

The open access tower infrastructure model is successful in Australia. There is far more co-location, network differentiation and ultimately consumer choice in Australia due to Axicom’s role as an independent mobile infrastructure provider. This has removed a substantial barrier to market entry for new wireless network operators. In addition, Axicom anticipates further compliance costs to its business model should it be required to comply with the facilities access regime. Further, as a non-carrier, Axicom would not be able to benefit from utilising the same regime on carrier owned towers. Accordingly, it is our view that the role that Axicom plays in the market ensures the objectives of the Code are being met and that the incorporation of non-carrier tower owners into the facilities access regime is unnecessary.

Thank you for the opportunity to express the views provided in this letter.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Stefan Kennedy', with a period at the end.

**Stefan Kennedy**  
General Counsel  
Axicom