



Fixed line telecommunications services declaration inquiry

Final decision

26 November 2018



Australian Competition and Consumer Commission

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Glossary

access seeker	Telecommunications companies that seek access to the declared service (that is, the right to use the declared service).
access provider	Telecommunications companies that provide access to a declared service.
ADSL	Asymmetric Digital Subscriber Line. A technology for transmitting digital information at high data rates on existing copper phone lines. It is called asymmetric because the download and upload speeds are not symmetrical (that is, download is faster than upload).
CAN	Customer Access Network. The portion of the copper network that connects each telephone end-user to the network switch at their local exchange.
declaration inquiry	The process by which the ACCC holds a public inquiry to determine whether a service should be declared.
declared service	A service that the ACCC regulates under Part XIC of the <i>Competition and Consumer Act 2010</i> (CCA). Once declared, a service provider must supply the service to other parties in accordance with the standard access obligations and the terms and conditions set in the final access determination.
downstream	Further along the supply chain. For example, mandating access to network services can promote competition in downstream retail broadband services.
end-user	Retail consumers of telecommunication services.
exchange	Place where various numbers and types of communication lines are switched so as to establish a connection between two telephones. The exchange also houses DSLAMs, allowing end-users to connect to the internet.
FAD	Final Access Determination. The FAD is made by the ACCC and sets the terms and conditions (including prices) on which a service provider must supply a declared service.
fixed line services	Telecommunications services provided over fixed networks, such as Telstra's copper network and HFC networks. The 'declared fixed line services' are the six fixed line services declared in 2014 – the ULLS, LSS, WLR, LCS, FOAS, and FTAS.
FOAS	The declared fixed originating access service. Allows a telephone call to be connected from the caller to a point of interconnection with another network.
FTAS	The declared fixed terminating access service. Allows a telephone call to be carried from the point of interconnection to the party being called on another network.
IIC	The Internal Interconnection Cable. The IIC is a cable that connects access seeker equipment to Telstra's main distribution frame within the Telstra exchange.

LCS	The declared Local Carriage Service. For a 'per-usage' charge, allows access seekers to resell local calls to end-users without having to invest in their own network and switching equipment. The LCS is purchased in conjunction with the WLR service.
LSS	The declared Line Sharing Service. Allows access seekers to share the use of the copper line connecting consumers to the telephone exchange, allowing them to provide fixed internet services using their own equipment. An alternative provider provides the voice services.
PSTN	Public Switched Telephone Network. The telephone network that allows the public to make and receive telephone calls via switching and transmission facilities and utilising analogue and digital technologies.
PSTN OA	The previously declared PSTN Originating Access service. Allows a telephone call to be connected from the caller to a point of interconnection with another network.
PSTN TA	The previously declared PSTN terminating access service. Allows a telephone call to be carried from the point of interconnection to the party being called on another network.
retail service provider	Companies that offer telecommunications services to end-users.
SIO	Service In Operation. Refers to an active telecommunications service provided to an end-user.
ULLS	The declared Unconditioned Local Loop Service. Allows access seekers to use the copper line connecting end-users to the local telephone exchange, allowing them provide both fixed internet (broadband) and voice services using their own DSLAMs and other exchange equipment.
Wholesale ADSL	The declared Wholesale ADSL service. Allows access seekers to purchase a Wholesale ADSL product from Telstra and resell internet services to end-users.
WLR	The declared Wholesale Line Rental service. For a monthly 'per-user' charge, it allows access seekers to purchase a line rental service from Telstra, which includes access to the copper line and associated services (including a dial tone and telephone number) supplied using Telstra's equipment.

1. Executive summary

The ACCC has made a final decision to extend the declaration of the following six fixed line telecommunications services until **30 June 2024**:

- Unconditioned Local Loop Service (ULLS)
- Line Sharing Service (LSS)
- Wholesale Line Rental (WLR)
- Local Carriage Service (LCS)
- Fixed Originating Access Service (FOAS, formerly PSTN OA)
- Fixed Terminating Access Service (FTAS, formerly PSTN TA).

After consideration of submissions received in response to the consultation and position paper, the ACCC has determined that continued declaration will promote the long-term interests of end-users (LTIE).

In particular, declaration will continue to **promote competition** in the markets for fixed-line voice and broadband services by allowing access seekers to continue to actively compete to build market share prior to moving to the NBN. Without declaration, Telstra retains the ability and incentive to use its market power arising from its control of the legacy copper network to raise prices for access seekers.

Declaration, particularly in relation to voice interconnection services, will continue to ensure **any-to-any connectivity** can be achieved regardless of the network the end-user is on. In the absence of declaration, network operators with a large number of users have the ability and incentive to use their market power to either deny interconnection or impose above-cost charges for interconnection.

Declaration will also promote **economically efficient use of existing infrastructure**, as it will ensure access prices better reflect efficient costs and end-user services can still be competitively offered utilising existing infrastructure. This applies to both the copper network and any existing DSLAM equipment that has been installed in exchanges by access seekers. As the NBN rollout is scheduled for completion in 2020, investment in the copper network (either by access seekers or Telstra) is likely to decline in conjunction with the NBN migration. As such, the effect on incentives for investment is likely to be neutral.

Notably, all submissions in response to the August 2018 consultation and position paper supported the proposal to extend all six of the existing service declarations for a further five years.

As a result of this declaration, the ACCC will shortly commence an inquiry to determine the terms and conditions of access to these declared services, including price.

2. Introduction

This document sets out the ACCC's Final Decision to extend the expiry date of the existing declarations under subsection 152ALA(4) of the *Competition and Consumer Act 2010* (CCA), of the following fixed line telecommunications services, effective from 1 August 2019 until 30 June 2024:

- Unconditioned Local Loop Service (ULLS)
- Line Sharing Service (LSS)
- Wholesale Line Rental (WLR)
- Local Carriage Service (LCS)
- Fixed Originating Access Service (FOAS, formerly PSTN OA)
- Fixed Terminating Access Service (FTAS, formerly PSTN TA).

The ACCC was required to conduct this inquiry during the 18 month period preceding the expiry of the current declarations, which are set to expire on 31 July 2019. The purpose of the inquiry was to determine whether the declaration should be extended, revoked, varied, allowed to expire or extended and then allowed to expire.¹

The National Broadband Network (NBN) rollout is well advanced – as at 11 October 2018 over 7 million premises are able to connect to the NBN, with over 4 million already connected.² As the NBN rollout progresses, the relevance of Telstra's bottleneck copper network declines. Within the fixed line rollout, end-users must migrate to the NBN or another high-speed network as the legacy copper services are switched off. However, in the short term, the network still remains relevant to millions of end-users, either prior to migration or in NBN fixed wireless and satellite areas where legacy services remain available.

2.1. Inquiry and consultation process

The ACCC commenced its public inquiry into the declaration of the fixed line services on 31 August 2018 and released a consultation and position paper on this date.³ The paper sought submissions from interested stakeholders in response to a range of questions and on the ACCC's position to extend the declarations of all six services until 30 June 2024. The submission period closed on 12 October 2018.

The ACCC received nine submissions in response to its paper and the public versions are available on the ACCC's website.⁴

¹ See subsection 152ALA(7) of the CCA.

² <https://www.nbnco.com.au/corporate-information/about-nbn-co/corporate-plan/weekly-progress-report.html>

³ ACCC, Fixed line services declaration inquiry – Consultation & submissions received, August 2018, <https://www.accc.gov.au/regulated-infrastructure/communications/fixed-line-services-declaration-inquiry-2018/consultation-submissions-received>

⁴ Ibid.

3. Legislative framework

Under Part XIC of the CCA, the ACCC can declare a specified eligible service if it is satisfied that this will promote the LTIE of carriage services or of services provided by means of carriage services.⁵

When determining whether declaration of the service promotes the LTIE, the ACCC must have regard to the extent to which declaration is likely to result in the achievement of the following three objectives:

- promoting competition in markets for telecommunications services
- achieving any-to-any connectivity (the ability of end-users on a particular network to communicate with end-users on any other network)
- encouraging the economically efficient use of, and the economically efficient investment in, the infrastructure by which telecommunications services are supplied, and any other infrastructure by which such services are, or are likely to become, capable of being supplied.⁶

An eligible service is a carriage service or a service that facilitates the supply of a carriage service.⁷ A carriage service is defined in the *Telecommunications Act 1997* (Telco Act) as a service for carrying communications by means of guided and/or unguided electromagnetic energy.⁸ This includes communications services, such as telephone and internet services, that are provided using fixed-lines, satellite-based facilities, mobile towers and certain radio communications links. The unconditioned local loop service is an example of a carriage service, while access to facilities (such as ducts and exchange space) are examples of services that facilitate the supply of carriage services.

Once a service is declared, an access provider (typically an infrastructure operator) that supplies the declared service to itself or others must also supply the service, upon request, to service providers (or access seekers) in accordance with the standard access obligations set out in section 152AR of the CCA. The ACCC must also commence a public inquiry into making an access determination for that service (a FAD). The access determination may include a broad range of terms and conditions but must specify price or a method of ascertaining price.⁹

The ACCC is required to conduct a public inquiry during the 18 month period preceding the expiry of a declaration.¹⁰

The declaration inquiries referred to in sections 152AL/ALA of the CCA are inquiries under Part 25 of Telco Act, which states that the ACCC must:

- publish the fact that that it is holding an inquiry and certain other matters (section 498)
- provide reasonable opportunity for a member of the public to make a written submission (the ACCC is taken not to have provided a reasonable opportunity to make submissions unless it has allowed a period of at least 28 days) (section 500)
- prepare and publish a report (section 505).

⁵ CCA, section 152AL.

⁶ CCA, section 152AB.

⁷ Where the service is supplied, or capable of being supplied, by a carrier or carriage service provider (whether to itself or other persons). CCA, subsection 152AL(1).

⁸ Telecommunications Act 1997, section 7.

⁹ CCA, subsections 152BC(3) and 152BC(8).

¹⁰ CCA, subsection 152ALA(7).

The Telco Act also allows the ACCC to have regard to prior evidence, submissions and other material and information and prior findings from the 2014 Final Declaration Decision (sections 505A and 505B) when undertaking this declaration inquiry. This enables the ACCC to consider what remains the same and has changed since the last declarations and, therefore, what needs to be taken into account for any new decision.

3.1. The long term interests of end-users (LTIE)

The following sections consider the statutory test outlined above that the ACCC must use to determine whether declaration is in the LTIE. The following sections broadly outline aspects of these elements that would apply, whereas Chapters 4 and 6 consider the relevant services more specifically.

Promoting competition in telecommunications markets

Since the ACCC's focus is the LTIE, the ACCC must consider whether competition will be promoted in the markets for services used by end-users; these are downstream retail markets. To deliver retail services, retail service providers (RSPs) require wholesale services that allow them to supply these retail products. The question for this declaration inquiry was which wholesale services should continue to be declared in order to promote competition in the related retail markets and thereby promote the LTIE.

Consistent with the 2014 Final Declaration Decision, the ACCC considers that there are three main related markets for which the regulated services are supplied over bottleneck infrastructure. These are:

- fixed voice services
- fixed broadband services
- bundles of fixed voice and broadband services.

In considering whether declaration would promote competition, the ACCC applies a 'with or without' test to declaration. In general, without declaration a provider with bottleneck monopoly infrastructure has the incentive and ability to raise prices, limit access or reduce quality for access seekers' customers.

Further, subsection 152AB(4) of the CCA provides that, in determining the extent to which declaration is likely to result in the objective of promoting competition, regard must be had (but is not limited)¹¹ to the extent to which declaration will remove obstacles to end-users of listed services gaining access to listed services.

Achieving any-to-any connectivity

Subsection 152AB(8) of the CCA provides that 'the objective of any-to-any connectivity is achieved if, and only if, each end-user who is supplied with a carriage service that involves communication between end-users is able to communicate, by means of that service or a similar service, with each other whether or not they are connected to the same telecommunications network'.

In the declaration context, only certain services are of substantive relevance to the achievement of any-to-any connectivity.

Any-to-any connectivity is most relevant in this context to voice interconnection services – originating and terminating access (FOAS/FTAS). Voice interconnection is the handover of telephone calls between telecommunications network operators. Through interconnection

¹¹ CCA, subsection 152AB(5).

arrangements, network operators provide end-users with access to other end-users, services or content on other networks, regardless of which retailer they use.

Economically efficient use of, and economically efficient investment in, infrastructure

In determining the extent to which declaration is likely to encourage the economically efficient use of, and economically efficient investment in, infrastructure, certain matters must be considered. Subsection 152AB(6) of the CCA also requires the ACCC to have regard to the technical feasibility of providing and charging for the services, the legitimate commercial interests of the supplier(s) of the services, and the incentives for investment in infrastructure.

4. The services in question

The six declared services (ULLS, LSS, WLR, LCS, FOAS & FTAS) can be grouped as network access (ULLS, LSS), resale (WLR, LCS and FOAS pre-selection and override) and voice interconnection services (FOAS special numbers and FTAS).

The ACCC has decided not to alter the service descriptions from those used in the 2014 Final Declaration Decision. The ACCC considers that the existing service descriptions (set out in full at [Attachment A](#)) remain current and appropriate. An outline of the services is set out below.

The ACCC's position to maintain existing service descriptions was supported by all submissions that addressed the service descriptions. Telstra, Optus, Vocus, Macquarie Telecom and Commpete all agreed with the ACCC that the existing services are well understood and remain reflective of the existing operating environment.

Macquarie Telecom submitted that the service descriptions set out in the 2014 declaration inquiry are well understood, remain reflective of the current operating environment and have remained substantially the same over a long period of time.¹² Vocus noted that there were no significant changes in the underlying infrastructure that would merit any revision to the terms since the previous inquiry.¹³

4.1. Network access services

Network access services are wholesale services that provide access to Telstra's copper network. An access seeker can provide voice and/or broadband services to end-users through access to Telstra's copper network and by installing their own equipment in Telstra's exchanges.

There are two declared network access services, which are the subject of this declaration inquiry:

- The unconditioned local loop service (ULLS) - This provides access to both the high and low frequency part of the copper line to allow access seekers to supply fixed voice, fixed broadband or a bundle of both.
- The line sharing service (LSS) - This allows use of the copper line to be shared by two parties by providing access to the high frequency part of the copper line only. This enables an access seeker to provide broadband only services to an end-user while voice services to that end-user are supplied by another service provider (typically Telstra).

The ULLS and LSS can be used by access seekers to supply products to other access seekers at the wholesale level (such as wholesale fixed voice services or wholesale fixed broadband services) or directly to end-users at the retail level.

¹² Macquarie Telecom, October 2018 submission, p. 2.

¹³ Vocus, October 2018 submission, p. 3.

4.2. Resale services

The wholesale line rental (WLR), local carriage service (LCS) and public switched telephone network originating access (FOAS OA) (pre-selection and override), are wholesale inputs usually purchased as a bundle to allow an access seeker to supply traditional retail fixed voice services.

The WLR provides access to the low frequency part of the copper line to enable fixed voice calls and includes a dial tone and telephone number. The LCS involves the carriage of a telephone call from one end-user to another end-user in the same standard zone or local exchange area. FOAS pre-selection and override provide for the handover of telephone calls between network operators where the caller wants to use another service provider for particular services, such as international calls.

Purchase of the WLR, LCS (the two resale services) and FOAS (pre-selection and override) services, usually as a bundle, enables access seekers to provide a full suite of voice services to their retail customers (local, long distance, international and fixed-to-mobile calls). Resale services enable access seekers to supply end-users with traditional fixed voice services without having to invest in their own equipment in Telstra's telephone exchanges. Being part of a bundle, FOAS OA (pre-selection and override) is considered for the purposes of this inquiry as being part of resale services, rather than voice interconnection services.

4.3. Voice interconnection services

The fixed originating access service (FOAS) (special numbers¹⁴) and fixed terminating access services (FTAS) are used to allow the connection of fixed voice calls between end-users on different networks. These services support any-to-any connectivity between end-users. Access seekers predominately use FOAS and FTAS services to provide the following services:

- national long-distance calls
- international calls
- mobile phone to fixed network calls
- fixed network to mobile network calls
- local calls.

At this time the ACCC is not making a change to the service description for the voice interconnection services. The existing service descriptions remain workable and there is no agreement in Australia on an IP-based interconnection standard. However, if industry moves to IP-based voice interconnection, consideration of an updated service description may be warranted in the future.

¹⁴ Call origination for the facilitation of 13/1300 and 1800 number services.

5. Changes in the markets since 2014

At the time of making the 2014 Final Declaration Decision, the ACCC expected that during the five year declaration period the NBN would continue its rollout and end-users would progressively migrate to the NBN or another high-speed network as the legacy copper services are switched off. The NBN roll out is now well advanced – as at 11 October 2018 over 7 million premises are able to connect to the NBN, with over 4 million already connected.¹⁵ As expected, the relevance of Telstra’s bottleneck copper network is declining but it remains relevant to millions of end-users in the meantime.

While the NBN will be available to all premises, the copper network is not required to be ‘switched off’ in NBN fixed wireless and satellite areas. To the extent users choose to stay with their copper based services in these areas, this may have the effect of slowing migration to the NBN.

Optus submitted that the NBN rollout currently does not overlap existing Telstra exchange areas in its entirety and, even if the NBN is available within an Exchange Service Area (ESA), there is still potentially up to two years before the copper disconnection date takes effect as required under the Telstra Migration Plan. Optus expects that customers will remain on the legacy network until well after the completion of the NBN rollout.¹⁶

A pause in the hybrid-fibre coaxial (HFC) components of the NBN rollout in late-2017¹⁷ will also increase the relevance of the copper network to some end-users in the short term, as their migration timing may be delayed. However, the ACCC does not consider that the pause on the HFC rollout is a substantive issue for the consideration of future declaration, given its short term effect on only a relatively small proportion of end-users.

Lastly, Telstra is the Primary Universal Service Provider under the Telecommunications Universal Service Obligation (USO), which requires it to provide a standard voice telephone service to all premises on request, under contract until 2032. However, in its December 2017 response to the Productivity Commission’s 2017 inquiry into the USO, the Government announced its intention to develop a new Universal Service Guarantee (USG) for both broadband and voice services to all Australian premises on request.¹⁸ It also noted that a consideration in developing the new USG will be alternative means to provide voice services in NBN satellite areas. Whether the legacy copper network could have a role in that context remains unclear.

Vocus submitted that a further key development since the ACCC’s 2014 Declaration Final Decision is Telstra’s establishment of InfraCo on 1 July 2018, as a separate business unit accountable for Telstra’s copper and HFC networks. While InfraCo is currently not considered a fully structurally separated company¹⁹, Telstra has publicly stated ‘importantly, Telstra InfraCo will provide significant optionality for us in the future for a potential demerger or the entry of a strategic investor once the NBN network rollout concludes’²⁰. Vocus submits that the future ownership of Telstra’s InfraCo business and the impact that this will have on competition remains unclear at this stage.

¹⁵ <https://www.nbnco.com.au/corporate-information/about-nbn-co/corporate-plan/weekly-progress-report.html>

¹⁶ Optus, October 2018 submission, p. 3.

¹⁷ <https://www.nbnco.com.au/blog/the-nbn-project/changing-the-way-we-activate-on-our-hfc-network.html>

¹⁸ <https://www.communications.gov.au/documents/australian-government-response-productivity-commissions-inquirytelecommunications-universal-service>

¹⁹ Optus, October 2018 submission, p. 4.

²⁰ Telstra 2022 Our Plan to Lead, Telstra Exchange post, 20 June 2018.

6. Assessment of declaration against the LTIE criteria

It is clear that the copper network remains relevant to a large number of end-users. The June 2018 Snapshot of Telstra's customer access network²¹ indicates that it still has over 1.1 million ULLS in operation (which can be used by third parties to provide retail voice and or broadband services) and around 270,000 LSS (for third party retail broadband only services), out of the 5.5 million services supplied over the copper network. The Telstra Economic Model (TEM) Structural Separation Undertaking (SSU) FY18H1 Public Report²² also identifies that there are just over 1 million resale services in operation (listed as 'Local Carriage Services') still active on the copper network.

The Telco Act also allows the ACCC to have regard to prior evidence, submissions and other material and information and prior findings from the 2014 Final Declaration Decision (sections 505A and 505B) when undertaking this Declaration Inquiry. This Final Decision document does not set out all of the discussion of the 2014 Final Declaration Decision, but provides for ease of reference the relevant concepts and summarises the ACCC's final views from that decision. Please refer to that document for the full findings.²³

Submissions are discussed below in relation to the criteria the ACCC must consider in making a decision to declare a service. Note that most submissions received supported the proposal to extend all six declarations in totality and did not address each assessment criterion with respect to each service.

6.1. Promotion of competition

6.1.1. The 2014 Final Declaration Decision

Network access services

In the 2014 Final Declaration Decision, the ACCC considered that 'without extending the declarations, Telstra will have significant market power in the negotiation of commercial terms and conditions for these services. In particular, Telstra will have the power to charge higher prices for the network access services and access seekers will be unable to compete effectively with Telstra by offering products to end-users at competitive prices.'²⁴

The ACCC further concluded that 'extending the declaration of ULLS and LSS will promote greater competition in related downstream markets and will provide access seekers with greater flexibility to develop products which meet the needs of their end-users'.²⁵

Resale services

The ACCC's 2014 Final Declaration Decision found that continued declaration would promote competition (section 5.1.3.1 refers).²⁶ Resale services allow access seekers to provide a national service with only some or none of their own equipment installed in exchanges. Without declaration, the ACCC determined that Telstra would have the ability and incentive to increase prices or deny access, reducing their ability to compete nationally – particularly in the context of migration to the NBN.

²¹ <https://www.accc.gov.au/regulated-infrastructure/communications/monitoring-reporting/telecommunications-reports-record-keeping-rules/quarterly-snapshots-of-ulls-lss-and-dsl>

²² <https://www.accc.gov.au/regulated-infrastructure/communications/monitoring-reporting/telecommunications-reports-recordkeeping-rules/telstra-ssu-migration-plan-reporting/tem-reports>

²³ ACCC, [Fixed line services declaration inquiry 2013: Final Report](#).

²⁴ ACCC, Fixed line services declaration inquiry 2013: Final Report, p. 23.

²⁵ Ibid.

²⁶ ACCC, Fixed line services declaration inquiry 2013: Final Report, p. 32

Voice interconnection services

In relation to voice interconnection, a caller cannot select which network the person they are calling is on. Accordingly, in its final views in section 6.1.3 of the 2014 Final Declaration Decision, the ACCC considered that network effects would mean that a network owner with a large number of fixed voice services has the ability and incentive to exercise market power by raising the price of termination on its network to any network owner that has a smaller number of customers. The exercise of such power would likely cause competitive harm to the extent it meant higher costs being passed on to end-users or end-users switching to the larger provider to avoid the costs.

6.1.2. Submissions

All submissions in response to the consultation and position paper – from ACCAN, Commpete, Finder, Macquarie Telecom, Optus, Telstra, Vocus and NBN Co – agreed that continued declaration of these services would promote competition over the copper network.

Macquarie Telecom submitted that Telstra's copper network continues to remain relevant to a large number of end-users. Macquarie Telecom submits that not declaring Telstra's fixed copper network could create an infrastructure bottleneck, whereby Telstra could refuse to supply or set unreasonable terms of supply for these services which would be detrimental to competition. Macquarie Telecom proposes that further extending the declaration of fixed line services will enable access seekers to compete effectively in building and maintaining their customer bases and offering end-users an alternative service provider to Telstra.²⁷

Vocus considered that the NBN will not be sufficiently rolled out to act as a substitute to services provided over Telstra's copper network by the July 2019 declaration expiry date. Vocus anticipates that access seekers would face increased costs for these wholesale services if the existing declarations are not extended. They indicated that this increase in costs would likely result in less favourable pricing for consumers, given the financial pressure access seekers are already facing with NBN pricing as they transition customers to the NBN. Vocus also raised concerns regarding uncertainty about the future ownership of Telstra's InfraCo business and the impact that this will have on competition.²⁸

Telstra supported the extension of the declaration of fixed line services. It submitted that continued declaration will allow access seekers to continue to offer voice and broadband services over the legacy copper network in areas where the NBN rollout and migration has not yet occurred or been completed, which will promote competition in the transition to the NBN.²⁹

6.1.3. The ACCC's assessment

The considerations relevant to the declaration of **network access services** and **resale services** are quite similar – as both allow an access seeker to provide a retail service in competition with the monopoly infrastructure owner. In some cases an access seeker may have their own DSLAM equipment installed in exchanges, in others they will not.

While many end-users have already migrated to NBN based services (which are in most cases substitutes for the legacy copper network's services within the NBN fixed line footprint), a large number of end-users still receive services over Telstra's legacy copper network. This includes end-users in the NBN fixed line services footprint where the rollout

²⁷ Macquarie Telecom, October 2018 submission, p. 3-4.

²⁸ Vocus, October 2018 submission, p. 3.

²⁹ Telstra, October 2018 submission, p. 23.

and migration has not been completed, as well as end-users in fixed wireless and satellite areas where the copper network is not being 'switched off' at this time and who have not chosen to use NBN based services.

Without continued declaration, in the context of migration to the NBN, there remains an incentive and ability for Telstra to charge access seekers higher wholesale prices to access the copper network if the services were to become unregulated. The ability to charge higher prices would allow a monopoly infrastructure provider to offer its own retail services more cheaply, which would in turn be advantageous for retaining end-users when they choose an NBN service provider. However, with continued declaration of network and resale services, access seekers would continue to be able to offer competitive retail services to continue to compete over the legacy copper network and vie for retail customers as they migrate to the NBN.

Consistent with the 2014 Final Declaration Decision, the ACCC considers that continued declaration of network access and resale services will help maintain lower barriers to entry to the downstream retail markets by removing the obstacles that access seekers may face in gaining access to those services if they were not declared. Competition in the retail market provides incentives for access seekers and Telstra to differentiate their retail service offerings and provide end-users with the products and quality they demand.

The ACCC therefore considers that extending the declaration of network access and resale services would continue to promote competition in relevant markets. This is particularly the case until the competitive landscape is better known once the NBN rollout is complete and decisions relating to the future of the USO are made by the Government.

The ACCC also considers that the continued declaration of **voice interconnection services** would promote competition in the retail markets for end-users. Absent regulation, a network owner with a greater number of fixed voice SIOs has the incentive and ability to raise the price of origination for calls on its network to special numbers that terminate on a network with fewer fixed voice customers. Where this occurs, owners of 13/1300 and 1800 numbers are likely to switch to the larger network where their origination charges will be lower for a larger number of calls received.

Further, because several owners of fixed line voice networks own mobile networks, any exercise of market power in the provision of FTAS would have the potential to harm competition in the retail market for mobile voice services. This is because a provider of FTAS would have an incentive to raise prices for termination on its fixed line network of mobile calls from networks that compete with its own mobile network.

The ACCC considers that the above analysis for FTAS also applies to the special numbers component of the FOAS service (where the called party pays all or most of the cost of the call). This is because owners of 13/1300 and 1800 numbers cannot select which network the user is calling from (i.e. there is no scope to substitute to another provider of special numbers origination).³⁰

Accordingly, the ACCC considers that the continued declaration of FTAS and the FOAS (special numbers) services will promote competition in the markets for fixed voice services,

³⁰ The special numbers functionality of voice interconnection facilitates the origination of calls to telephone numbers beginning with 13/1300 and 1800. That is, an A-party can call a B-party (the owner of the 13/1300 or 1800 number) without incurring a charge, or only incurring a limited charge, from their service provider. Instead, the B-party's service provider pays for the cost of originating the call by purchasing FOAS from the A-party's service provider. This origination charge and other costs, relating to the provision of special numbers services by the B-party's network, are then billed to the B-party. If the B-party wants to accept a call from the A-party, the call must originate from the network operated by the A-party's RSP; there is no scope to substitute to an alternative provider of origination.

bundled fixed voice and broadband services, mobile voice services and bundled mobile voice and broadband services.

In conclusion, the ACCC has decided that declaration of the six fixed line services would promote competition in telecommunications markets.

6.2. Any-to-any connectivity

6.2.1. The 2014 Final Declaration Decision

Any-to-any connectivity is not of substantial relevance to considering declaration for network access services and resale services and was not discussed in detail in the ACCC's final view in the 2014 Final Declaration Decision.

At section 6.1.3.2 of the 2014 Final Declaration Decision³¹, the ACCC considered the impact of continued declaration of voice interconnection services on any-to-any connectivity. The ACCC was of the view that network operators have market power in respect of calls terminating on their network and calls to special numbers that originate on their network. Network operators have the ability and incentive to use their market power to either deny interconnection or to impose above cost charges for these interconnection services. Doing so would either prevent or discourage any-to-any connectivity between end-users on different networks.

As such, the ACCC concluded in the 2014 Final Declaration Decision that the continued declaration of voice interconnection services was in the LTIE.

6.2.2. Submissions

The impact of continued declaration of fixed-line services on any-to-any connectivity was addressed by two service providers, Telstra and Macquarie Telecom.

Macquarie Telecom submitted that continued declaration of the voice interconnection services, specifically the FOAS (special numbers) and the FTAS, are essential for promoting any-to-any connectivity. These are the services which enable end-users of one network to connect with end-users and services of another network. Without such services, any-to-any connectivity cannot be provided.³²

Telstra's view was similar to Macquarie Telecom, noting that continued declaration of fixed voice interconnection services will facilitate end-users communicating with each other, whether or not they are connected to the same network, thereby helping to achieve any-to-any connectivity.³³

6.2.3. The ACCC's assessment

Any-to-any connectivity remains of particular relevance to voice interconnection services, as these services allow users on one network to make and receive voice calls to another party regardless of which network they are on.

While the number of fixed line SIOs is dropping, the larger networks retain a position of power such that if they were to raise the cost of voice interconnection services it could negatively impact on any-to-any connectivity. Any-to-any connectivity can be more readily assured through continued declaration.

³¹ ACCC, Fixed line services declaration inquiry 2013: Final Report, p. 53.

³² Macquarie Telecom, October 2018 submission, p. 4.

³³ Telstra, October 2018 submission, p. 15.

Network operators have market power in respect of calls terminating on their network and calls to special numbers that originate on their network. Network operators have the ability and incentive to use their market power to either deny interconnection or to impose above-cost charges for these interconnection services. Doing so would either prevent or discourage any-to-any connectivity.

In relation to any-to-any connectivity (including with respect to subsection 152AB(8) of the CCA), the ACCC considers that regulated access to the FTAS and the FOAS (special numbers) services will ensure that network operators will not have the ability to exercise market power over termination and special numbers origination. Consequently, end-users will be able to call other end-users, regardless of the network they are calling from and the network the called end-user is on, thereby achieving any-to-any connectivity.

Accordingly, the ACCC considers that declaration of the six fixed line services would promote any-to-any connectivity.

As noted in the consultation and position paper, voice interconnection services may continue to exhibit qualities that warrant declaration in the future, within and outside the NBN fixed line footprint – even if the copper network is no longer in use. For example, the provider of a FOAS special service cannot choose the network the call originates from or terminates on. Nor can a caller making a standard voice call choose which network the call terminates on. The ACCC will continue to monitor the situation, including in any future consideration of declaration of interconnection services.

6.3. Economically efficient use of, and economically efficient investment in, existing infrastructure

6.3.1. The 2014 Final Declaration Decision

Network access services

Section 4.1.3.2 of the 2014 Final Declaration Decision set out the ACCC's view that declaration would promote retail competition and lead to greater efficiency through incentivising innovation, investment and cost-reflective pricing.³⁴

It further considered that 'if the declarations were not extended, Telstra would have the ability and incentive to charge prices for the ULLS and LSS that exceed the efficient costs of supplying those services. This would increase the costs to access seekers of using their existing copper-based DSLAM equipment and could lead to less than efficient use of access seekers' infrastructure investments and disincentives to undertake any further investments that may otherwise be efficient and commercially viable'.

Resale services

In section 5.1.3.2 of the 2014 Final Declaration Decision, the ACCC considered that continued declaration would 'encourage the efficient use of both access seekers' DSLAM equipment and Telstra's copper network'³⁵. Further, without declaration it may incentivise investment by access seekers in equipment that would not be efficient and result in underutilisation of the copper network.

³⁴ ACCC, Fixed line services declaration inquiry 2013: Final Report, p. 25.

³⁵ ACCC, Fixed line services declaration inquiry 2013: Final Report, p. 34.

Voice interconnection services

Without declaration, the ACCC found in the 2014 Final Declaration Decision that in the absence of regulated access to interconnection services, larger network owners would have the ability and incentive to exercise market power arising from network externalities to encourage end-users to switch to their network from smaller networks and discourage their own end-users from switching to another network. The ACCC considers that this is likely to deter efficient investments in new networks (or new network capacity). In addition, existing networks or network capacity may not be used efficiently for the same reason (section 6.1.3.3 of the 2014 Final Declaration Decision refers).

6.3.2. Submissions

Macquarie Telecom submitted that the continued declaration of the network access services is consistent with promoting the efficient use of infrastructure. This is because declaration will result in efficient cost-based pricing of these services. In turn, this will ensure that Telstra's fixed copper network is used efficiently. In the absence of declaration, Telstra's pricing of the ULLS and the LSS could be higher than regulated prices. If this was the case, RSPs would demand less, which would lead to network infrastructure becoming idle or underutilised.³⁶

Telstra indicated that continued declaration of the six fixed line services will promote the economically efficient use of existing infrastructure – the copper network and existing DSLAM investments – by allowing services to be competitively offered over this infrastructure during the transition to the NBN. Continued declaration will also promote efficient use of existing copper networks for voice interconnection services by ensuring service providers are able to interconnect with Telstra's PSTN and offer competing services to end-users.³⁷

Commpete noted that the continuation of the declaration of the legacy copper network is unlikely to increase investment in either last mile infrastructure or ULLS/LSS based services as these will be determined by the timing and impact of the NBN rollout. Commpete observed that the removal of declaration of the legacy copper-based services would add to ongoing disruption and uncertainty from the stop-start NBN rollout and changes to its strategy, technology choices and pricing. This would be to the detriment of investment, competition and consumers.³⁸

6.3.3. The ACCC's assessment

Compared to at the time of the 2014 Final Declaration Decision, the likelihood of new investment in the legacy network is lower, given the context of the NBN rollout. The ACCC considers that, since 2014, the advanced rollout of the NBN (scheduled for completion in 2020) and ongoing large capital investments in mobile has reduced access seekers' incentives to invest further in copper-based infrastructure. As such, the effect on incentives for new investment is likely to be neutral, so the ACCC does not consider it as relevant to declaration at this point in time.

However, continued declaration of **network access services** and **resale services** during the NBN rollout and migration will help maintain economically efficient use of existing infrastructure. This will ensure access prices better reflect efficient costs and end-user services can still be competitively offered utilising existing infrastructure, both the copper

³⁶ Macquarie Telecom, October 2018 submission, p. 3-4.

³⁷ Telstra, October 2018 submission, p. 11, 15, 23.

³⁸ Commpete, October 2018 submission, p. 4.

network and any existing DSLAM equipment that has been installed in exchanges by access seekers.

The ACCC considers that in the absence of the network access and resale service declarations, the ability of access seekers to acquire these services, or to acquire them on reasonable terms and conditions, during the transition to the NBN is likely to be reduced. As a result, access seekers' demand for these services will be distorted, leading to network infrastructure becoming idle or underutilised.

Extending the declaration of **voice interconnection services**, specifically the FTAS and FOAS (special numbers) services, would also encourage the economically efficient use of, and economically efficient investment in, infrastructure used to supply listed services.

The ACCC notes that in the absence of regulated interconnection services, larger network owners would have the ability and incentive to use their market power to either deny interconnection or to impose above cost charges for these interconnection services to encourage end-users to switch from smaller networks to larger networks and discourage switching to smaller networks. This would be likely to deter efficient use of existing networks or network capacity.

Accordingly, the ACCC has decided that declaration would continue to promote the economically efficient use of, and economically efficient investment in, infrastructure.

The ACCC considers that continued declaration of the six fixed line services will not substantially adversely affect Telstra's legitimate commercial interests. While the relevant costs will increase proportionally as SIOs decline, regulated prices for the fixed line services are set to allow Telstra to recover the efficient costs of supplying and charging for these services.

Regarding the requirements of subsection 152AB(6)(a) of the CCA, given the legacy nature and longstanding regulatory arrangements applicable to the six services currently under consideration, the ACCC considers that technical feasibility for the services to be supplied and charged for is no longer an issue of substantial relevance.

Having regard to the above, the ACCC's final decision is that continued declaration of the six fixed line telecommunications services is likely to encourage the efficient use of infrastructure used to supply fixed voice and fixed broadband services.

7. Length of declarations

Subsection 152ALA(1) of the CCA requires the ACCC to specify an expiry date for a declaration. In specifying an expiry date, the ACCC must have regard to the principle that an expiry date should occur within the period that begins three years after the declaration was made and ending five years after the declaration was made, unless the ACCC considers that there are circumstances that warrant a longer or shorter declaration period.

Subsection 152ALA(4) allows the ACCC to extend or further extend the expiry date of a specified declaration as long as the extension or further extension is for a period of not more than five years.

The ACCC proposed in the consultation and position paper to extend declarations for the six fixed line services with an expiry date of **30 June 2024**.

7.1. Submissions

All submitters to the consultation and position paper – ACCAN, Commpete, Finder, Macquarie Telecom, NBN Co, Optus, Telstra, Vocus and a member of the public – agreed that the six fixed line services continue to be declared for a further five years.

Telstra submitted that during the remaining NBN rollout and migration period, the LTIE are best serviced by extending the declaration of the six fixed line services for five years, and retaining the existing service descriptions.³⁹

Macquarie Telecom submitted that a five year extension provides RSPs with a more certain operating environment and promotes the LTIE by enabling RSPs to offer service and price differentiation and ensure efficient use of existing infrastructure.⁴⁰

ACCAN supports the ACCC's position to extend the six existing declarations of the fixed line services for five years. ACCAN submitted that a five year declaration period will provide certainty and stability should there be any delays with the NBN rollout.⁴¹

Optus⁴², Vocus⁴³, Finder⁴⁴ and Commpete⁴⁵ agreed with the ACCC that it is in the LTIE to continue declaration of the fixed line services for a further five year period given the continued relevance of Telstra's copper network to millions of end-users and uncertainty in the future competitive and policy landscape.

NBN Co submitted that continued declaration of fixed line telecommunications services will ensure stability and is likely to promote the LTIE.

The ACCC considers that an extension of the declaration expiring on 30 June 2024 will provide regulatory certainty within the industry and a fall back for RSPs requiring access to these services in question, until the NBN rollout is complete. It will also allow time for the ACCC to undertake a further declaration inquiry after the NBN rollout and migration is expected to be complete (by 2020, with full migration potentially around 18 months later).

³⁹ Telstra, October 2018 submission, p. 3.

⁴⁰ Macquarie Telecom, October 2018 submission, p. 1.

⁴¹ ACCAN, October 2018 submission, p. 1.

⁴² Optus, October 2018 submission, p. 2-3.

⁴³ Vocus, October 2018 submission, p. 2.

⁴⁴ Finder, October 2018 submission, p. 1-2.

⁴⁵ Commpete, October 2018 submission, p. 2.

The proposed timeframe has received extensive support from industry. Stakeholders consistently raised that this period is consistent with previous declaration inquiries and would provide businesses requiring these services a more certain operating environment through ensuring continuity of service supply.

8. The ACCC's final decision

The ACCC has decided that the six fixed line telecommunications service declarations should be extended, with an expiry date of **30 June 2024**.

The ACCC confirms its position from the inquiry's consultation and position paper that, despite the transition to the NBN, Telstra's legacy copper network remains an essential bottleneck facility of relevance to many end-users, at least until the NBN rollout is complete. The ACCC considers extending the declaration will provide access to this bottleneck infrastructure and provide regulatory certainty during the transition to an NBN environment.

Consistent with this view, the ACCC has concluded that extending the declaration of these services until 30 June 2024 will promote the LTIE.

As a result of this decision, the ACCC will shortly commence an inquiry into making new FADs under section 152BC of the CCA for the six fixed line services and the wholesale ADSL service.⁴⁶ The FADs will set out the price and non-price terms and conditions of access to these services. The current FADs expire on 30 June 2019.⁴⁷

⁴⁶ The inquiry into making FADs for the fixed line services will include the Wholesale ADSL service. The FAD for the Wholesale ADSL service expires on 30 June 2019, consistent with the expiry date for the other declared fixed line services. Consequently, the ACCC has combined the FAD inquiries for the six fixed line services that are the subject of this declaration inquiry and the Wholesale ADSL service.

⁴⁷ ACCC, Fixed line services Final Access Determination inquiry 2013, p. 1.

A. List of submissions received

Submissions received in response to August 2018 consultation and position paper
M Spencer, 9 September 2018
Telstra, (confidential and public versions), 12 October 2018
Macquarie Telecom Group, 12 October 2018
Vocus Group, 12 October 2018
Australian Communications Consumer Action Network, 12 October 2018
Commpete, 12 October 2018
Finder, 12 October 2018
Optus, 19 October 2018
NBN Co Limited, 25 October 2018

B. Service descriptions

Unconditioned Local Loop Service

Declared service

Pursuant to section 152ALA(4) of the *Competition and Consumer Act 2010* (the Act), the Australian Competition and Consumer Commission extends the expiry date for the Unconditioned Local Loop Service (ULLS) declaration to 30 June 2024.

Note: the previous expiry date was 31 July 2019.

Service description

The Unconditioned Local Loop Service is the use of unconditioned communications wire between the boundary of a telecommunications network at an end-user's premises and a point on a telecommunications network that is a potential point of interconnection located at or associated with a customer access module and located on the end-user side of the customer access module.

Definitions

Where words or phrases used in this declaration are defined in the Act or the Telecommunications Act 1997, they have the meaning given in the relevant Act.

In this Appendix:

boundary of a telecommunications network is the point ascertained in accordance with section 22 of the Telecommunications Act 1997;

communications wire is a copper or aluminium based wire forming part of a public switched telephone network;

customer access module is a device that provides ring tone, ring current and battery feed to customers' equipment. Examples are Remote Subscriber Stages, Remote Subscriber Units, Integrated Remote Integrated Multiplexers, Non-integrated Remote Integrated Multiplexers and the customer line module of a Local Switch; and

public switched telephone network is a telephone network accessible by the public providing switching and transmission facilities utilising analogue and digital technologies.

Line Sharing Service

Declared service

Pursuant to section 152ALA(4) of the *Competition and Consumer Act 2010* (the Act), the Australian Competition and Consumer Commission extends the expiry date for the Line Sharing Service (LSS) declaration to 30 June 2024.

Note: the previous expiry date was 31 July 2019.

Service description

The Line Sharing Service is the use of the non-voiceband frequency spectrum of unconditioned communications wire (over which wire an underlying voiceband PSTN service is operating) between the boundary of a telecommunications network at an end-user's premises and a point on a telecommunications network that is a potential point of interconnection located at, or associated with, a customer access module and located on the end-user side of the customer access module.

Definitions

Where words or phrases used in this declaration are defined in the Act or the Telecommunications Act 1997, they have the same meaning given in the relevant Act.

In this Appendix:

boundary of a telecommunications network is the point ascertained in accordance with section 22 of the Telecommunications Act 1997;

communications wire is a copper or aluminium based wire forming part of a public switched telephone network;

customer access module is a device that provides ring tone, ring current and battery feed to customers' equipment. Examples are Remote Subscriber Stages, Remote Subscriber Units, Integrated Remote Integrated Multiplexers, Non-integrated Remote Integrated Multiplexers and the customer line module of a Local Switch;

public switched telephone network is a telephone network accessible by the public providing switching and transmission facilities utilising analogue and digital technologies;

voiceband PSTN service is a service provided by use of a public switched telephone network and delivered by means of the voiceband portion of the frequency spectrum available over a metallic line.

Wholesale Line Rental

Declared service

Pursuant to section 152ALA(4) of the *Competition and Consumer Act 2010* (the Act), the Australian Competition and Consumer Commission extends the expiry date for the Wholesale Line Rental (WLR) declaration to 30 June 2024.

Note: the previous expiry date was 31 July 2019.

Service description

The Wholesale Line Rental service is a line rental telephone service which allows an end-user to connect to a carrier or carriage service provider's public switched telephone network, and provides the end-user with:

- (a) an ability to make and receive any 3.1khz bandwidth calls (subject to any conditions that might apply to particular types of calls), including, but not limited to, local calls, national and international long distance calls; and
- (b) a telephone number

however, the wholesale line rental service does not include services where the connectivity between the end-user and the carrier or carriage service provider's network is provided in whole or in part by means of a Layer 2 bitstream service that is supplied by an NBN corporation.

Definitions

Where words or phrases used in this declaration are defined in the Act or the Telecommunications Act 1997, they have the same meaning given in the relevant Act.

In this Appendix:

Layer 2 bitstream service has the same meaning as in the Telecommunications Act 1997;

NBN corporation has the same meaning as in the National Broadband Network Companies Act 2011;

public switched telephone network is a telephone network accessible by the public providing switching and transmission facilities utilising analogue and digital technologies.

Local Carriage Service

Declared service

Pursuant to section 152ALA(4) of the *Competition and Consumer Act 2010* (the Act), the Australian Competition and Consumer Commission extends the expiry date for the Local Carriage Service (LCS) declaration to 30 June 2024.

Note: the previous expiry date was 31 July 2019.

Service description

The Local Carriage Service is a service for the carriage of telephone calls from customer equipment at an end-user's premises to separately located customer equipment of an end-user in the same standard zone, however, the local carriage service does not include services where the connectivity between the end-user and the carrier or carriage service provider's network is provided in whole or in part by means of a Layer 2 bitstream service that is supplied by an NBN corporation.

Definitions

Where words or phrases used in this declaration are defined in the Act or the Telecommunications Act 1997, they have the same meaning given in the relevant Act.

In this Appendix:

Layer 2 bitstream service has the same meaning as in the Telecommunications Act 1997;

NBN corporation has the same meaning as in the National Broadband Network Companies Act 2011;

public switched telephone network is a telephone network accessible by the public providing switching and transmission facilities utilising analogue and digital technologies;

standard zone has the same meaning as in Part 4 of the Telecommunications (Consumer Protection and Service Standards) Act 1999;

telephone calls are calls for the carriage of communications at 3.1kHz bandwidth solely by means of a public switched telephone network.

Fixed Originating Access Service

Declared service

Pursuant to section 152ALA(4) of the *Competition and Consumer Act 2010* (the Act), the Australian Competition and Consumer Commission extends the expiry date for the Fixed Originating Access Service (FOAS) declaration to 30 June 2024.

Note: the previous expiry date was 31 July 2019.

Service description

An access service for the carriage of telephone calls (i.e. voice, data over the voice band) to a POI from end-customers assigned numbers from the geographic number ranges of the Australian Numbering Plan and directly connected to the access provider's network.

For the avoidance of doubt, the service also includes a service for the carriage of telephone calls from customer equipment at an end-user's premises to a POI, or potential POI, located at or associated with a local switch (being the switch closest to the end-user making the telephone call) and located on the outgoing trunk side of the switch.

Channel Capacity

The service will establish a connection for the purposes of voice communication with the standard bandwidth of 3.1kHz.

Services

The service is provided on a call that is made with:

- pre-selection, or
- an access seeker specific code including Special Services codes and number ranges, or
- a long distance, international or shared operator codes dialled with an over-ride/access code in accordance with the Australian Numbering Plan.

Pre-selection and code override services are not declared where connectivity between the enduser directly connected to the access provider's network and a POI is provided in whole or in part by means of a Layer 2 bitstream service that is supplied by an NBN corporation.

Signalling

Signals for this service will use CCS#7 signalling. Unless otherwise agreed, this CCS#7 signalling will be in accordance with the NIIF/ACIF Interconnection-ISUP specification.

Nature of switchports

At POIs the calls will be delivered to the AS at 2.048Mbit/sec Switchports. The switchports will operate at 2.048Mbit/sec in accordance with the ITU Recommendations G.703, G. 704 and G.732 (Blue Book).

Definitions

Where words or phrases used in this declaration are defined in the Act or the Telecommunications Act 1997, they have the meaning given in the relevant Act.

In this Appendix:

NBN corporation has the same meaning as in the National Broadband Network Companies Act 2011.

point of Interconnection or **POI** means an agreed location which:

- is a physical point of demarcation between the networks nominated by the access seeker and the access provider; and
- is associated (but not necessarily co-located with) with one or more gateway exchanges of each of the networks nominated by the access seeker and the access provider in respect of the POIs nominated by the access provider.

Fixed Terminating Access Service

Declared service

Pursuant to section 152ALA(4) of the *Competition and Consumer Act 2010* (the Act), the Australian Competition and Consumer Commission extends the expiry date for the Fixed Terminating Access Service (FTAS) declaration to 30 June 2024.

Note: the previous expiry date was 31 July 2019.

Service description

An access service for the carriage of telephone calls (i.e. voice, data over the voice band) from a POI to end-customer assigned numbers from the geographic number ranges of the Australian Numbering Plan and directly connected to the access provider's network.

For the avoidance of doubt, the service also includes a service for the carriage of telephone calls from a POI, or potential POI, located at or associated with a local switch and located on the incoming trunk side of the switch to customer equipment at an end-user's premises.

Channel Capacity

The service will establish a connection for the purposes of voice communication with the standard bandwidth of 3.1kHz.

Services

The service is provided on a call that is handed over for termination to a customer directly connected to the access provider's network with numbering in accordance with the Australian Numbering Plan.

Signalling

Signals for this service will use CCS#7 signalling. Unless otherwise agreed, this CCS#7 signalling will be in accordance with the NIIF/ACIF Interconnection-ISUP specification.

Nature of switchports

At POIs the calls will be delivered to the access seeker at 2.048Mbit/sec Switchports. The switchports will operate at 2.048Mbit/sec in accordance with the ITU Recommendations G.703, G. 704 and G.732 (Blue Book)

Definitions

Where words or phrases used in this declaration are defined in the Act or the Telecommunications Act 1997, they have the same meaning given in the relevant Act.

In this Appendix:

NBN corporation has the same meaning as in the National Broadband Network Companies Act 2011.

point of Interconnection or **POI** means an agreed location which:

- is a physical point of demarcation between the networks nominated by the access seeker and the access provider; and

- is associated (but not necessarily co-located with) with one or more gateway exchanges of each of the networks nominated by the access seeker and the access provider in respect of the POIs nominated by the access provider.