

30 May 2019

Australian Competition and Consumer Commission  
Infrastructure Regulation Division  
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## **DOMESTIC MOBILE TERMINATING ACCESS SERVICE DECLARATION INQUIRY – DRAFT REPORT**

Over the Wire thanks the Australian Competition and Consumer Commission (**ACCC**) for the opportunity to make a submission in relation to the Declaration of the Domestic Mobile Terminating Access Service Declaration Inquiry Draft Report published on 2 May 2019 (the **Draft Report**).

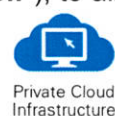
Please note that confidential information has been appropriately identified with the “c-i-c” symbol and shaded grey.

### **About Over the Wire**

Over the Wire Holdings Limited is an ASX listed telecommunications, cloud and IT solutions provider that has a national network with points of presence in all major Australian capital cities and Auckland, New Zealand. The company offers an integrated suite of products and services to business customers including Data Networks and Internet, Voice, Data Centre co-location, Cloud and Managed Services.

The Over the Wire group includes Over the Wire, NetSIP, Faktortel, Sanity Technology, Telarus and VPN Solutions.

Entities in the Over the Wire Group, NetSIP and Faktortel, provide voice phone services over the internet (**VoIP**) using Session Initiation Protocol (**SIP**), to allow customers to make



local, interstate and overseas telephone calls to both fixed line and mobile numbers using their broadband internet connection.

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### **MTAS SMS termination**

In the Draft Report, the ACCC stated that its draft position is “that OTT messaging services are now effective substitutes for SMS services for which SMS termination is required to supply.”

With respect, Over the Wire submits that while this position may be more accurate for person-to-person (**P2P**) SMS, it is certainly not accurate for application-to-person (**A2P**) SMS.

While some A2P SMS is used for sending unsolicited messages, it is also utilised extensively for non-spam purposes, for example in providing appointment reminder or sending links to retrieve tickets to sports and entertainment. Excluding SMS termination from the MTAS Declaration may result in the cost of A2P messages used for non-spam purposes increasing. This in turn may result in businesses either ceasing to provide services using A2P SMS or seeking to recover their costs in doing so from their customers. In the case of small businesses, this may put a significant drain on the business’ finances. In some cases it may mean that the business forgo A2P messages giving a clear advantage to their larger competitors, who have a stronger bargaining position with their telecommunications provider.

The ACCC has stated that “if the cost of contacting an end-user via SMS is too high (for instance if wholesale prices increase), then an end-user can choose to use a messaging service that is not dependant on MTAS.” Over the Wire disagrees, as OTT messaging services are not likely to be effective substitutes for many A2P SMS messages, as end-users are not likely to connect with sellers and service providers through OTT messaging

services. Consider sensitive purchases or appointments, for example medical or mental health appointments, consultation with a family lawyer prior to separation. Many OTT services link to a more detailed personal profile, for example Facebook messenger links to a user's full Facebook profile). With a number of high-profile data security breaches making news headlines in recent times, it is understandable that end-users would be reluctant to connect with providers using OTT services.

### **Conclusion**

For the reasons above, Over the Wire does not support the ACCC's draft position that SMS termination on a mobile network should not continue to be a declared service. We respectfully request that the ACCC reconsider this draft position.

Over the Wire is available to provide further information or assistance that the ACCC may need in considering this matter. Please do not hesitate to contact Jay Binks, General Manager - Voice at [jay.binks@overthewire.com.au](mailto:jay.binks@overthewire.com.au) or the Over the Wire Regulatory team at [Start c-i-c] [REDACTED] [End c-i-c].

Yours faithfully,

  
Jay Binks  
General Manager - Voice