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ACCC Mobile Services Review 3G Services and Investment

Vodafone Australia

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Agenda

- **Part 1: Should the current mobile origination and termination declarations be varied to include services provided on 3G networks?**
- **Part 2: What would be the impact of any such regulation?**
- **Part 3: What are the implications for control over access to content for the development of 3G mobile services and network?**

PART 1: Regulation of 3G Services?

- **Guiding Principles for regulatory intervention:**
 - Durable market failure
 - Possibility of regulatory failure even in this context
- **Regulatory Forbearance:**
 - Possibility of regulatory failure requires regulators to exercise regulatory forbearance prior to intervention
 - This should be the over-arching principle to be applied when considering regulatory intervention

PART 1: Regulation of 3G Services?

- **Should 3G services be regulated?**
 - In Vodafone's view there is no justifiable basis upon which to regulate 3G services
- **Why Not?**
 - No durable market failure
 - Internationally there is no advocacy for regulation of 3G services
 - Impact on future investment

PART 1: Regulation of 3G Services?

- **Intervention is untenable :**
 - Regulation simply for the sake of consistency is untenable
 - Commission should not even be considering this as these are new and emerging services
 - Sends dangerous signals to the market and in particular investors

PART 2: Impact of Regulation?

- **Impact of Regulation:**
 - Real prospect that declaration would prejudice decisions to invest
 - Uncertainty in regulatory regime in general
 - Dulls incentive to innovate and be first to market
 - International approach: if consistency is the aim, this would leave Australia as a real outlier

PART 3: Content Issues

- **Implications for control over content?**
 - Access to content may result in competition issues
 - No evidence at this time that there is a problem with access to content
 - Regulatory forbearance the right approach
 - Sufficient powers under Part XIB or general competition principles to deal with issues that might arise



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