

Our ref TZD:1360364999

30 May 2014

Damien Kelly
Australian Competition and Consumer Commission
BY EMAIL: Damien.Kelly@acc.gov.au

Dear Mr Kelly

Mobile Terminating Access Service declaration Inquiry - application-to-person SMS preliminary view

We act for Message4U.

We refer to your email of 23 May 2014 which sets out the ACCC's preliminary view in relation to the MTAS declaration inquiry. We note that the ACCC has formed the preliminary view that the declaration of SMS termination services should include application-to-person SMS (**A2P SMS**) and not just peer-to-peer SMS termination.

Message4U strongly supports the ACCC's preliminary view and the basis for that view. In particular Message4U agrees that:

- the termination of A2P SMS shares the same bottleneck features as peer to peer SMS termination and therefore justifies the declaration of A2P SMS;
- declaring A2P SMS would promote competition for wholesale A2P services and in the downstream A2P SMS markets by placing downward pressure on the costs of providing A2P SMS services; and
- the risk for either increased spam or congestion that may result from including A2P SMS in the declaration is small.

Message4U agrees that these points lead to the conclusion that it is in the long-term interests of end-users to include A2P SMS termination services in the MTAS declaration.

Message4U notes that declaration of A2P SMS has also been supported by Macquarie Telecom. Message4U acknowledges that the declaration of A2P SMS has been opposed by the mobile carriers. However, Message4U notes that this was on the basis of their perceived fear that the declaration of A2P SMS would lead to increased spam and/or congestion. In Message4U's opinion, the ACCC has rightly rejected these contentions.

Message4U believes that the ACCC has provided a high level of procedural fairness to the parties because the ACCC has:

- considered our earlier submission on behalf of Message4U (**the Previous Submission**) which responded to Optus' concerns regarding the declaration of A2P SMS;
- given interested parties an opportunity to consider and respond to the Previous Submission;
- fully considered the mobile carriers' responses to the Previous Submission; and

- clearly articulated the reasons why the ACCC has formed its preliminary view, including why it has not accepted the points made by the mobile carriers which they say justify not declaring A2P SMS.

In light of this, Message4U believes that the ACCC has conducted a proper and thorough inquiry into the declaration of A2P SMS and the ACCC's preliminary view is appropriate and robust. Accordingly, Message4U submits that the ACCC should now move to make a final decision that is consistent with its preliminary view.

Yours sincerely



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