



# ACCC Domestic Roaming Submission

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Media briefing

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## The ACCC is considering three key issues:

1. Would a domestic roaming declaration promote competition?
2. Would a domestic roaming declaration achieve any-to-any connectivity?
3. Would a domestic roaming declaration promote efficient investment and use of infrastructure?

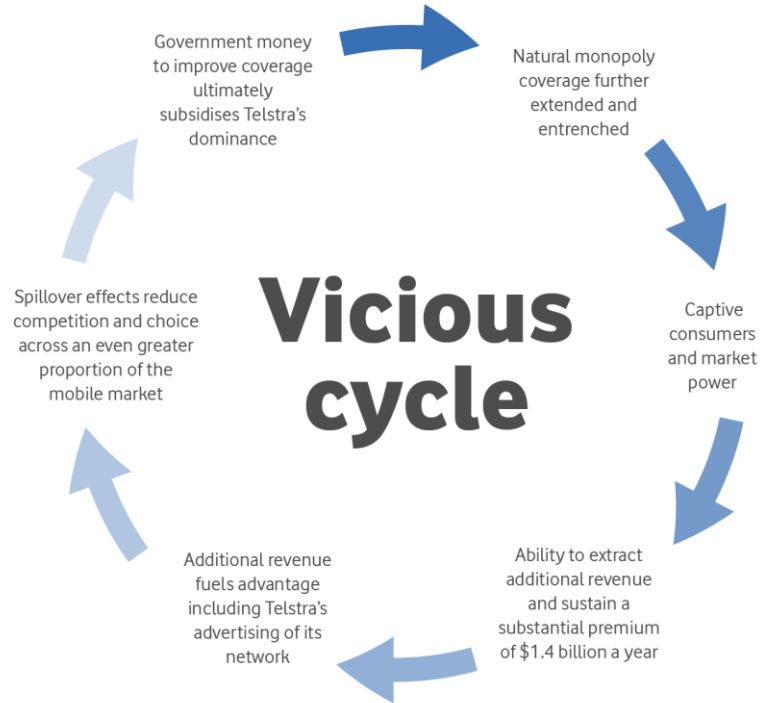


## Our key points:

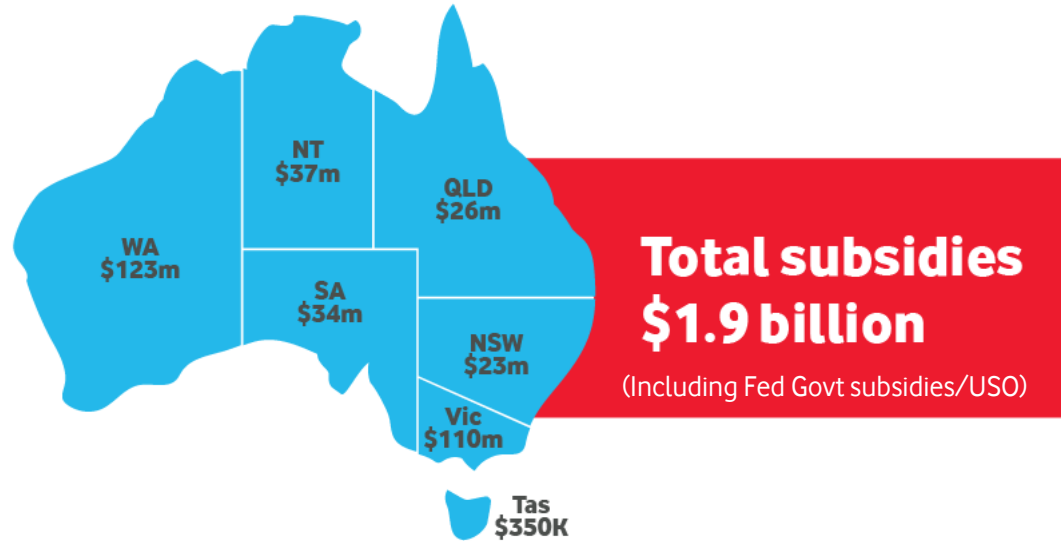
1. Australia is uniquely susceptible to natural monopoly
2. Telstra's mobile monopoly has been entrenched by subsidies
3. Telstra's market power spills beyond the natural monopoly footprint
4. Uniform national pricing places no effective constraint on Telstra
5. Telstra is denying the only means by which its rivals can effectively compete
6. Telstra would receive a fair price when customers of other operators used its network
7. A declaration would restore the abilities of all operators to compete on coverage
8. Declaration of domestic roaming would have no adverse impact on investment
9. The international experience demonstrates that roaming promotes competition and investment
10. Declaration of roaming will promote competition and consumer choice



# Telstra's market dominance is a vicious cycle

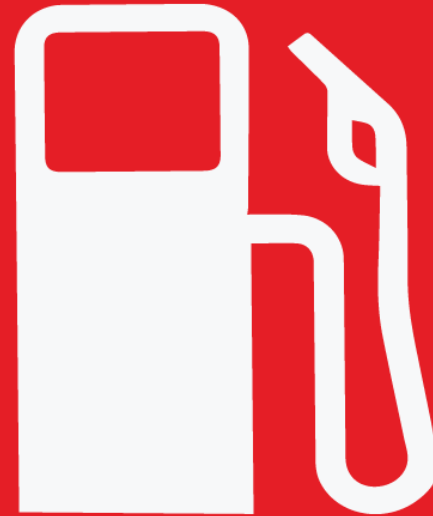


# The government and industry subsidies that are driving the vicious cycle



## Vicious cycle costing Australian mobile customers \$1.4 billion per year

Equivalent to  
**14c/L**



# Domestic roaming is the answer

- The current situation will not self-correct
- Australian taxpayers are the biggest investors in regional telecommunications, so it makes sense these networks should be available to all consumers
- Domestic roaming would, for the first time, give customers the choice of provider and benefits of competition
- Telstra would receive a fair price when customers of other operators used its network
- Domestic roaming is the most common regulatory solution in western economies with large land areas and low population densities
- There is no international evidence that domestic roaming reduces investment incentives
- The US, Canada and France saw an uplift in investment by the incumbent and industry overall following regulated roaming
- The cost of building and upgrading mobile networks would be shared between two or more mobile providers



## We conclude:

1. Differences in geographic coverage are preventing competitive and efficient outcomes
2. Declaration will promote competition
3. Declaration will achieve any-to-any connectivity
4. Declaration will encourage efficient investment and use
5. Declaration of roaming is in the long-term interests of end-users







**Questions?**