

WORLD TRADE ORGANIZATION

RESTRICTED

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Negotiating Group on Basic Telecommunications

Original: English

COMMUNICATION FROM AUSTRALIA

Draft Offer on Basic Telecommunications

Revision

The attached communication is circulated at the request of Australia to members of the Negotiating Group on Basic Telecommunications.

The offer is conditional upon satisfactory initial commitments being received from other negotiating partners. The Australian Government reserves the right to withdraw, modify or reduce this offer, in whole or in part, at any time on or before April 1996 if satisfactory offers are not made by Australia's negotiating partners. Australia further reserves the right to make technical amendments and corrections to the offer.

AUSTRALIA - REVISED DRAFT OFFER

Modes of supply:	1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or sub-sector	Limitations on market access		Limitations on national treatment	Additional commitments
2. COMMUNICATION SERVICES				
C. <u>Telecommunications services</u>				
Covers the following sub-sectors from the Services Sectoral Classification List				
(a) Voice telephone services (7521)	(1) None		(1) None	[Australia is prepared to consider commitments on emerging regulatory principles, subject to satisfactory commitments on these principles being offered by other negotiating partners.]
(b) Packet-switched data transmission services (7523**)	(2) None		(2) None	
(c) Circuit-switched data transmission services (7523**)	(3) Primary supply of satellite services limited to two service providers (licensed general carriers) until 30 June 1997.		(3) None	
(d) Telex services (7523**)	Primary supply of public mobile cellular telecommunications services limited to three service providers (licensed mobile carriers) until 30 June 1997.			
(e) Telegraph services (7522)	New arrangements will apply from 1 July 1997.			
(f) Facsimile services (7521** + 7529**)	There is a requirement for majority Australian ownership of the second licensed general carrier and the second and third licensed mobile carriers. The first licensed general carrier is government owned. Where appropriate, the Broadcasting Services Act 1992, applies to other service providers. New arrangements will apply from 1 July 1997.			
(g) Private leased circuit services (7522**+ 7523)				

Modes of supply:		1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons
Sector or sub-sector		Limitations on market access		Limitations on national treatment	Additional commitments
(o) <u>Other</u> Digital Cellular services (75213*) Paging services (75291) Personal Communications Services (75213*) Trunked Radio System services (7523**, 75213*) Mobile Data Services (7523**)		(4)	Unbound except as indicated in horizontal section. The number of service suppliers may be limited subject to the availability of radio frequency spectrum.	(4)	Unbound except as indicated in the horizontal section.
		(1)&(2)	The regulator can direct a licensed general carrier to make an agreement with an overseas operator which could place limits on the quantity of traffic sent by the overseas operator to licensed carriers in Australia. Such a direction would only be used where there is misuse of market power by the foreign operator.	(1) None (2) None	

Modes of supply:				
1) Cross-border supply	2) Consumption abroad	3) Commercial presence	4) Presence of natural persons	
Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments	
	<p>The regulator can direct a licensed general carrier to make an agreement with an overseas operator which could fix prices in relation to the provision of termination/interconnection services. Such a direction would only be used where there is misuse of market power by the foreign operator.</p> <p>The regulator can declare an international public telecommunications service provided by a service provider other than a licensed general carrier and which is interconnected at both ends to public switched networks to be an unlicensed service if it is considered by the regulator to be not in the public interest. Where such a declaration is made, the regulator can ensure that the service is no longer interconnected at the Australian end.</p>			
	<p>(3) As for sub-sectors (a) to (g) above; and, the regulator can declare an international public telecommunications service provided by a service provider other than a licensed general carrier and which is interconnected at both ends to public switched networks to be an unlicensed service if it is considered by the regulator to be not in the public interest. Where such a declaration is made, the regulator can ensure that the service is no longer interconnected at the Australian end.</p>	(3) None		
	<p>(4) Unbound except as indicated in the horizontal section.</p>	<p>(4) Unbound except as indicated in the horizontal section.</p>		

NOTE TO THE SCHEDULE - BASIC TELECOMMUNICATIONS SERVICES

(a) Licensing

A "general carrier" is a service provider with the exclusive right to install or maintain reserved line links and to be the primary supplier of satellite services. Only two general carriers will be licensed until 30 June 1997. A mobile carrier has the exclusive right to be the primary supplier of cellular mobile services. Only three mobile carriers will be licensed until 30 June 1997. New arrangements will apply after 1 July 1997.

Services supplied by service providers other than licensed general carriers must be supplied in accordance with class licences issued and administered by AUSTEL. There are no practical restrictions on the provision of services supplied on capacity leased from a licensed general or mobile carrier, including switched voice services interconnected with the Public Switched Telecommunications Network (PSTN).

International services supplied under the International Service Providers Class Licence (ISPCL) can be supplied unless the independent regulator considers the service to be "not in the public interest". Should the regulator consider the service to be "not in the public interest", it can declare the service to be an unlicensed service. Where such a declaration is made, the regulator can ensure service is no longer connected at the Australian end. There is a requirement under the licence in some circumstances for resellers to enrol with the regulator where, for example, there is an intention to supply double-ended PSTN interconnected international services. This is a notification procedure, not an approval process.

The ISPCL also allows for services to be supplied on facilities from sources other than the licensed general carriers as an exception. In this case the services supplied can only be connected to the public switched network at one end.

(b) Interconnection

Licensed general carriers and licensed mobile carriers have more favourable access and interconnection rights to each others networks than do other service providers, and can be exempted from specified State and local laws for specified activities. Licensed general carriers have various land access and rights of way. Other service providers do not. Licensed general carriers and licensed mobile carriers also have various responsibilities that other service providers do not have, including:

- contributions towards payment for universal service;
- provision of untimed local calls to residential customers;
- prompt identification and repair of faults;
- provision of accurate call charging;
- network rollout obligations;
- network modernization obligations;
- provision of directory services;
- obligations to provide services for certain categories of users;

- provision of network traffic and planning information to other carriers for interconnection and network development purposes;
- billing information;
- provision of equal access technologies;
- access to supplementary services and infrastructure;
- industry development plans, interconnection and tariffing obligations and a number of other obligations;
- requirement to cooperate with law enforcement organizations;
- the provision of an industry ombudsman.

(c) Transparency

Relevant legislation is the Telecommunications Act 1991, Telecommunications (Universal Service Levy) Act 1991, Telecommunications (Carrier Licence Fees) Act 1991, Telecommunications (Public Mobile Licence Charge) Act 1992, Telecommunications (Numbering Fees) Act 1991, Radiocommunications Act 1992, Telstra Act 1991, Broadcasting Services Act 1992, Foreign Acquisitions and Takeovers Act 1975, Trade Practices Act 1974.