



Alternative Voice Service Trials

Grant Opportunity Guidelines - Draft

May 2020

Response by Pivotel

Department of Infrastructure, Transport, Regional Development and Communications

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Background

Pivotel is pleased to provide a response to The Department of Infrastructure, Transport, Regional Development and Communications (the Department) request for comments on the draft grant opportunity guidelines of the Alternative Voice Service Trials (AVST).

Pivotel is well placed to participate in the AVST program through its experience and focus on the provision of tailored voice, messaging and data solutions to rural and remote communities in Australia through its strategic satellite holdings and LTE (4G) / NB-IOT Mobile Network.

Pivotel operates a mobile and satellite telecommunications network pursuant to a carrier licence issued by the Australian Communications and Media Authority in accordance with the Telecommunications Act 1997 (Cth) (Telco Act) and operates ground infrastructure in Australia, making it the fourth public mobile carrier in the country. It is the only Australian carrier with direct connection to all four major mobile satellite networks: Iridium, Inmarsat, Thuraya and Globalstar and is a reseller of the NBN Skymuster and BSS satellite services.

The company's suite of satellite and mobile technologies enable remote connectivity via satellite phones, satellite data modems, personnel and asset trackers, docking kits, machine to machine data terminals and specialist maritime communication.

Pivotel's 4G mobile network, ecoSphere®, extends its carrier network to deliver complementary terrestrial wireless services to rural and remote Australians. Using innovative small cell technology and a unique network architecture ecoSphere® can cost effectively delivery wide area cellular and IoT coverage to remote communities, mining, agriculture and pastoral properties using satellite or terrestrial backhaul complemented by satellite point to point IOT and high-speed data services.

Pivotel is uniquely positioned to participate in the AVST program having commenced operations in 2003 with a dedicated focus on servicing remote, regional and rural Australians. Pivotel has over 130 staff and has Australian offices located on the Gold Coast, Sydney, Dubbo and Perth in addition to a number of overseas locations. In regional Australia, Pivotel supports over 160 dealers and 50 value added resellers.

Pivotel's Comments

Funding Available

Pivotel notes the total funding under the AVST program remains at \$2m and is seeking to have “at least 1,000 consumers...participate in the trials” and to have “a number of CSPs involved in the program”.

The amount of trial funding and approach seems to indicate the Department is primarily considering a like-for-like replacement of the fixed telephony service which may limit the trialling of alternative services which offer a far higher degree of coverage and functionality.

Pivotel recognises that the primary objective of the AVST programme is to trial cost effective alternatives to the HCRC fixed voice service provided under the Universal Service Obligation and funded through the industry levy. However, with fixed line voice services experiencing significant decline and more and more premises opting for one or more personal mobile telephony services as a complete replacement of their fixed line telephone service, it seems appropriate that programmes such as the AVST should seek to deliver a service that better meets the end user requirements of future.

Pivotel envisages a mix of technological options built around a Mobile VoIP dialler Application which will operate over in-home WiFi connections, with a personal phone number per phone Application, and with the ability to make and receive calls over any wireless IP data network including the existing 4G networks when available. This AVST alternative could be coupled with a small cell, low power, modestly priced 4G / LTE base station located at the property, enabling enhanced voice and data coverage, and full mobility outside of the home with the inherent improved safety and operational outcomes that affords.

The funding amount of \$2m may not be sufficient to trial more expansive solutions like this which can provide mobile voice (and data) services, with the potential to provide coverage to the entire property and beyond. The AVST programme presents an excellent opportunity to test consumer appetite for the cost and benefits that will flow from such a service.

Apart from providing mobility, enhanced coverage and data services, there is also the potential to trial a network of locally meshed 4G services across a community HCRC services properties effectively providing contiguous mobile network coverage across a broader area or community.

Additionally, and as highlighted in previous submissions, Pivotel is a proponent of open access networks, which could provide the added benefit of allowing alternative mobile network users to access the ‘meshed network’ to make and receive calls, and access data services, where appropriate technical and commercial arrangements are in place. This approach also allows for remote health or social workers visiting the property to use the wireless network when on and around the property.

Pivotel therefore requests that sufficient trial funding be made available to trial enhanced voice (and data) services as described above, to maximise the potential solution benefits that could be trialled and delivered under this program. A possible alternative could also be to allocate a portion of funding from alternative Departmental programs like the Regional Connectivity Program which have similar objectives and outcomes.

Grant period and timing

Pivotel notes that the final guidelines will be issued on the 15th June with applications closing by 13th July 2020. After assessment and review by the Department, the start of grant activity is scheduled to take place sometime in August, with grant activity to cease on 30 June 2021, “or such later date as notified by the Department to grantees”.

These timeframes are unusually short and will likely result in a sub-optimal outcome. Pivotel requests a longer timeframe to submit applications (noting the Regional Connectivity Program currently allows for 8 weeks) and that the full period of the trials to be set at no less than 12 months, in line with the original request for comments and expressions of interest issued in December 2019 which states “Alternative voice services would be delivered, over a 12 month period”.

In its previous submission Pivotel requested a 3 month timeframe to deliver the solution followed by a 12 month trial period. This approach allows for relevant equipment to be delivered, installed and commissioned and a minimum 12 months to trial and test the trial service. This would be considered the minimum timeframe required for both the end user to adapt and trial the service and deal with any training or service issues during the 12 month period.

Whilst the above timeframes would result in the trials running until closer to the end of 2021 the result would be a more rigorous and fact based trial outcome.

The draft guidelines state “At the end of the trials, funding for alternative services will cease and the provision of the alternative services will cease unless consumers and CSPs make alternative ongoing arrangements. This will be a purely commercial arrangement between these two parties.”

Pivotel has some concerns with this approach as there is no provision for an ongoing subsidy for the delivery of voice services in regional areas, a service that is currently subsidised via the USO levy. In Pivotel's view it is presumptive to take such a closed approach to future subsidies without firstly evaluating the results of the programme. A consequence of this may be the ruling out of potential solutions that could be extremely cost effective in comparison to the existing subsidised service, and offer vastly superior consumer outcomes but may not be commercially viable without some level of subsidy beyond the trial.

In its initial response to the request for comments and expressions of interest issued in December 2019, Pivotel noted the Department's comments stating “Telstra would remain obliged to provide a voice service under the USO component of the USG” irrespective of the outcome of the trial. Per Pivotel's initial comments on this matter the AVST program may provide a good opportunity to re-assess the USG and USO policy framework. There appears to be some potential for service overlap and commercial disparity if Telstra continues to receive payments under the USO scheme, whereas successful trialists would appear to have no such subsidy mechanism, placing them at a distinct economic disadvantage, resulting in remote and regional users with more limited and potentially sub-par options.

At a minimum all CSPs should be able to compete equally and have access to the same level of funding. Providing voice (and data) services in an economically viable manner to regional and remote areas is a challenge that will most likely require some form of ongoing subsidy.

Usage of grant funds and redirection costs

The current draft guidelines states “applicants would need to put in place arrangements with consumers to redirect calls to the alternative service at no cost.” Pivotel understands that call re-direction costs from an incumbent users CSP, being Telstra for the HCRC service, does incur charges (depending on the end users plan), and it will be therefore be the responsibility of the incumbent CSPs to “redirect calls to the alternative service at no cost”. Assuming this is not something the Department is able to manage or control, arrangements will need to be put in place to reimburse the end user for any call re-direction charges incurred as a result of participation in the trials.

The Department is requested to provide guidance and clarity on this issue and ensure these costs are minimised.

Additionally, it is expected that incumbent CSP providers provide the necessary support and assistance to ensure seamless service transition.

Data to assist applicants and grantees

The original request for comments and expressions of interest issued in December 2019 states to “assist CSPs in undertaking the trials, we envisage making information available to them on Telstra voice services in operation in NBN Co’s fixed wireless and satellite footprint. We expect such information would be provided to participating CSPs under a confidentiality deed and in compliance with legislative requirements (e.g. Privacy Act 1988), with its use being restricted to the trial purposes. We are exploring how this would best be done.”

In the draft guidelines however, the Department is non-committal with regards to the provision of the data required to identify the services in operation in the trial areas, where it states “The Department will endeavour to provide applicants and grantees with data on premises and services in operation in the target area (i.e. in the NBN Co fixed wireless and satellite footprint) but it cannot guarantee this will be possible.”

Pivotel is of the view that this information must be made available prior to the issuance of the final guidelines and opening of applications, currently set for 15 June 2020. This information is crucial to support the identification of relevant areas to target and approach for the trials.

In addition, this information is held by the incumbent provider and, if withheld, places new and innovative CSPs at a distinct disadvantage. There should be a level playing field for all CSPs to participate in the trials and to ensure the relevant locations are captured and are the focus of the trials.

It will be necessary to ensure an open and transparent approach is adopted across all CSPs to ensure a relevant cross section of solutions and locations is covered to ensure a successful trial process.

It is recommended that the Department provide some level of governance and co-ordination during the trial process. This should include ensuring there are no substantial areas of overlap in terms of technical solution or regions covered during the trial.

Customer feedback and surveys

The draft guidelines state customers will be asked to respond to surveys and comment on information regarding their service on items like “call quality and clarity, reliability (including dropouts and faults), the time it takes to connect a call and latency”. Some of these items will be better obtained directly from the CSPs themselves in the form of network reporting to avoid any inherent bias or subjectivity by end users.

Pivotel would like to see customer feedback sought on other items like ease of use, functionality, flexibility of product compared to existing service etc.

Closing remarks

Pivotel appreciates the opportunity to provide input to the Departments Alternative Voice Service Trials and looks forward to participation in the program and playing an active role in improving voice and digital connectivity for regional Australia and would like to re-confirm its interest in participating in the Alternative Voice Service Trials.