



## Rethinking the Universal Service Obligation

A report by Prof Reg Coutts commissioned by Vodafone Hutchison Australia. The full report is attached.

### Recommendations

#### Recommendation 1: Universal Service Fund

Establish a Universal Service Fund (USF), managed by the Department of Communications, to help fund non-commercial but socially important telecommunications infrastructure. The USF would be funded from contributions via an improved levy scheme that would look to reduce the distortionary impositions of the current arrangements.

#### Recommendation 2: NBN as the Universal Infrastructure Provider

Consistent with NBN's current remit, formally designate NBN as the Universal Infrastructure Provider to connect all premises in Australia. This would mean that all Retail Service Providers on the NBN would be able to provide voice and broadband services to all premises in Australia.

#### Recommendation 3: NBN as the Standard Communications Service Provider

Plan the phase out of Telstra's current USO obligation, to maintain its copper network to provide a Standard Telephone Service, and provide funds to NBN to deliver a modern Standard Communications Service delivering voice and broadband capability to all premises.

#### Recommendation 4: Mobile coverage and choice

The Universal Service Fund should also consider the provision of funding for other essential services such as improving mobile coverage and choice in regional Australia via an expanded Mobile Black Spot Programme. The NBN should also develop a project plan to assist the industry expand competitive mobile services in regional Australia by providing access to NBN backhaul and by upgrading its fixed wireless towers to deliver a wholesale 4G regional mobile network.

## Recommendation 5: Broader range of telecommunications solutions

As an alternate to traditional payphone subsidies, consider broadening the remit of the Universal Service Fund to deliver a broader range of telecommunications solutions for regional communities and other consumers, such as public open access WiFi. Consideration should also be given to providing funds for small scale community-led communication projects to enable broadband services to all Australians.

## Acknowledgements

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Keywords:

[Universal Service Obligation](#) [2]

[Vodafone](#) [3]

[Reg Coutts](#) [4]

## Comments

### Reported and reviewed in CommsWire 15 July 2015 [5]

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The Vodafone commissioned report was covered in [CommsWire on 15 July 2015](#) [6] and also reviewed by ECONOMUSE - John de Ridder - in the same issue with some additional strong points made.

Dr Paul Paterson, head of the Bureau of Communications Research, is speaking at a TelSoc event of 24 July in Sydney. There should be ample opportunity to raise the challenges there. [Register here](#) [7].

Graham Shepherd

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