

Submission to the Australian Communications and Media Authority

Review of the Numbering Plan and associated instruments – Reply- to-Comment

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1. Introduction

Sinch appreciates the opportunity provided by the Australian Communications and Media Authority (**ACMA**) to provide a reply-to-comment with respect to the submissions made to the ACMA's Discussion Paper for the *Review of the Numbering Plan and other instruments 2024 (Discussion Paper)*.

Driven by bold ambitions and simplicity, Sinch is pioneering the way the world communicates, helping people and businesses build stronger connections and paving the way for what's next in cloud communications.

Comprising wholly owned subsidiaries including Sinch Australia, Sinch MessageMedia and Sinch ClickSend, Sinch is a leading communications platform as a service (**CPaaS**) provider of messaging, voice and email services to enterprises around the globe, delivering hundreds of millions of messages per month within Australia, and enabling businesses of all sizes, and across all sectors of the economy, to optimise how they communicate and engage with their customers.

2. Summary

Sinch notes that some respondents have proposed limiting the right for non-mobile network operators to receive (or be allocated) digital mobile numbers. Those respondents, Sinch notes, are in the minority. Many respondents are not supportive of imposing limitations of this kind, noting concerns that such restrictions will likely result in reduced competition and benefits to businesses and consumers. Sinch shares these concerns.

As many submissions have noted, technology convergence has resulted in an increased use of digital numbers such as over-the-top applications and communications. Sinch has also observed this trend. That said, several submissions have proposed that digital mobile numbers should only be used for the supply of a public mobile telecommunications service. In Sinch's view, these proposals ignore how technology has converged in relation to communications and the de-coupling of mobile voice and messaging. Consequently, Sinch agrees with the many industry submissions recognising that any such limitations would:

- (a) be unnecessarily regressive;
- (b) hinder technological innovation that increased consumer benefits; and
- (c) detrimentally impact consumers and customers through reduced competition.

In any event, Sinch agrees that any rules developed in relation to the use of digital mobile numbers should be technology agnostic or neutral.

Sinch supports the industry's ongoing focus on scam prevention. In this regard, Sinch supports further consideration as to the appropriateness of any future power for the ACMA to cancel and/or withdraw the use of a digital mobile number if that number was used in scam activity. This is primarily because of the disproportionate and detrimental impact any such cancellation or withdrawal may have on legitimate businesses because of the broad-based nature in which digital mobile numbers may be used in a technologically converged world.

3. Sinch's reply-to-comment

3.1 Carriage Service Providers

Several respondents have indicated that they support the development of a requirement that a carriage service provider (**CSP**) register with the Numbering Plan before that CSP is able to be assigned numbers.¹

Sinch notes that the current *Telecommunications Numbering Plan 2015 (Numbering Plan)* already provides for registration requirements.²

Sinch further notes that in 2023, the Department of Infrastructure, Transport, Regional Development, Communications, and the Arts (**Department**) released a Discussion Paper in respect of the registration or licensing of CSPs (**2023 Discussion Paper**) and that industry submissions are still under consideration.

Sinch agrees with submissions that express concern about duplicative registration requirements³ and to avoid additional overlap, and the operational industry costs associated with multiple registration schemes, Sinch submits that any registration requirements under the Numbering Plan should be considered in the context of the 2023 Discussion Paper and the current "registered carriage service provider" concept in the Numbering Plan.

3.2 Rules for allocation and use of digital mobile providers

Sinch notes that several submissions, primarily from mobile network operators (**MNO**), have stated or suggested that:

- (a) the allocation of digital mobile numbers should only be limited to MNOs;⁴
- (b) entities that are not MNOs "should not be permitted to receive mobile numbers, especially if they cannot demonstrate how they will interconnect with other networks";⁵
- (c) that digital mobile numbers must only be used for supply of a public mobile telecommunications service (as defined in the *Telecommunications Act 1997 (Cth)*);⁶ or
- (d) that digital mobile numbers can only be used to originate traffic from an MNOs' network.⁷

3.2.1 Allocation of digital mobile numbers should not be limited to MNOs

Sinch agrees with the submissions from Twilio,⁸ Commpete⁹ and Voxbone¹⁰ that reject the contention by certain MNOs that only MNOs should be allowed to be allocated digital mobile numbers.

As submitted by Twilio,¹¹ Sinch agrees that this approach to limiting the allocation of digital mobile numbers only to MNOs does not reflect the way in which digital mobile numbers are actually being used by CSPs.

¹ For example, see the Telecommunications Industry Ombudsman submission and the ACCAN submission.

² See Chapter 11 of the Numbering Plan.

³ See Commpete's submission, page 5.

⁴ See Optus' submission, page 3.

⁵ See Telstra's submission, page 12 and Optus' submission, page 3.

⁶ See Telstra's submission, page 12 and Optus' submission, page 3.

⁷ See Telstra's submission, page 9 and TPG's submission, pages 17 and 20.

⁸ Twilio submission, paragraphs 7.2 and 7.3.

⁹ Commpete's submission, page 4.

¹⁰ Voxbone's submission, response in relation to "VoIP, application-based messaging, and cloud-based services".

¹¹ Twilio's submission, paragraphs 7.2 and 7.3.

Sinch submits that the telecommunications market now, and in the future, includes and will include a wide number of other CSPs that will continue to provide mobile network services (such as short messaging services), but do not own or operate a mobile network or supply a public mobile telecommunications service; a point that is consistent with numerous submissions by industry to the Discussion Paper, including Optus, despite its own submission that digital mobile numbers should only be allocated to MNOs.¹²

If CSPs are unable to receive an allocation of digital mobile numbers, they will be forced to rely on MNOs.

On this basis, Sinch agrees with industry submissions that any such limitation would be a backward step that could negatively disrupt the market, and may give established MNO carriers the ability to block non-MNOs from entering the market, or from providing alternative competitive services.¹³ In this instance, Sinch also notes that this process creates inefficiencies in number allocation and may encourage hoarding or warehousing numbers in an anti-competitive or otherwise restrictive manner.¹⁴

As the Australian Competition and Consumer Commission (**ACCC**) has noted in its submission to the ACMA, "[n]umbering plays an integral role in the regulatory framework for telecommunications" and that the Numbering Plan and related instruments were "first introduced to underpin important policy objectives including competition, consumer protection, security and safety".¹⁵ Importantly, the "allocation of numbers" is a key enabler that facilitates consumer choice and allows CSPs to "offer competitive communication services across telecommunications networks".¹⁶

In this regard, Sinch agrees with industry submissions that any limitation that has the effect of restricting the allocation of digital mobile numbers only to MNOs will:

- (a) stifle competition and innovation and, in particular, will favour incumbent carriers or mobile network operators; particularly as the ACCC notes that the ACMA's research has indicated a continued increase in demand for over-the-top communications applications;¹⁷
- (b) hinder economic efficiency;¹⁸ and
- (c) result in increased costs to the consumer as a consequence of reduced competition and technological innovation.¹⁹

Further, Sinch agrees with industry's concerns that any such limitation may likely result in lower service reliability because of an increased risk of service degradation without easy redundancy in a single-carrier supply arrangement.²⁰

With less competition, the consumer's choice of competitive communication services is reduced; a detrimental outcome to the industry and the telecommunications market in general. Further, this approach is unlikely to support the ACMA's stated goal that the Numbering Plan should continue to evolve to support the services offered by CSPs and demanded by consumers and more efficient allocation of numbers.

¹² Optus' submission, paragraph 16.

¹³ See Twilio's submission, paragraphs 5.4 to 5.6, Commpete's submission, page 4.

¹⁴ Sinch refers the ACMA to the Verizon submission in relation to the FCC regulations governing the allocation and use of numbers in the USA, page 3.

¹⁵ The ACCC's submission, page 1.

¹⁶ The ACCC's submission, page 1.

¹⁷ The ACCC's submission, page 4 and Twilio submission, paragraph 7.2.

¹⁸ Twilio's submission, paragraph 7.2.

¹⁹ See Twilio's submission, paragraphs 5.4 to 5.6, Commpete's submission, pages 3 and 4.

²⁰ The ACCC itself has indicated that its understanding is that there have been instances where non-mobile network operators have not been able to properly use their digital mobile numbers "because other operators would not condition them" (page 4, ACCC submission). See also Twilio's submission, paragraph 5.4 and Commpete's submission page 8.

Consequently, Sinch supports the submission that any future rules around the allocation of digital mobile numbers in the Numbering Plan should be developed in a manner that encourages competition and innovation, and such rules should also be technology agnostic to provide flexibility for future innovation.²¹

3.2.2 Use of Digital Mobile Numbers

Sinch agrees with the submissions from Twilio,²² Pivotal,²³ Virtutel,²⁴ Vocus,²⁵ and Voxbone²⁶ that digital mobile numbers should not be limited to only being used to originate calls from mobile networks.

In particular, Sinch agrees that the use of digital mobile numbers has changed over time, including the attachment of mobile numbers to short messaging services.²⁷

Consequently, Sinch agrees that any restriction on the use of digital mobile numbers such that they may only be used to originate calls from mobile networks, inherently ignores the fact that such numbers may be legitimately used for other mobile communications, such as short messaging services, that are distinct or separate from a call made from a mobile device.

In this regard, Sinch does not agree with submissions that digital mobile numbers should only be used for the supply of a public mobile telecommunications services²⁸ or that digital mobile numbers can only be used for traffic originating from an MNOs network.²⁹ Such reform, in Sinch's view, would be contrary to recent industry developments and innovation.

From a rules perspective in relation to the use of digital mobile numbers, Sinch agrees with industry proposals that the ACMA review should consider future developments in technology,³⁰ both from a carriage perspective as well as convergence (including communication platforms). As the ACCC itself has indicated, demand for over-the-top communications applications (and thus, application-to-person (A2P) technologies) "continues to grow, and may be displacing some demand that was previously expressed for fixed and mobile voice calls".³¹ On this basis, Sinch agrees with industry submissions that digital mobile numbers should be permitted for A2P services for voice and data,³² but notes that further consideration should be given to the appropriateness for additional rules (for example, to manage or limit the use of such digital mobile numbers by CSPs to create a mobile network without carrier infrastructure).

Sinch also supports the view that any changes to the Numbering Plan as a result of the ACMA's review should allow for innovative use cases and should be drafted in a technology neutral manner.³³ In particular, Sinch notes that this approach should also assist with achieving the ACMA's stated aim that the Numbering Plan should continue to evolve to support services offered by CSPs and demanded by consumers now and in the future.³⁴

²¹ Voxbone's submission, see section "VoIP, application-based messaging, and cloud-based services".

²² Twilio's submission, paragraph 7.1.

²³ Pivotal's submission, paragraphs 15 to 17.

²⁴ Virtutel's submission, paragraph 15.

²⁵ Vocus' submission, page 2 in relation to Question 15.

²⁶ Voxbone's submission, response in relation to "Regulation and use of digital mobile numbers"

²⁷ Symbio's submission, paragraph 7 and Pivotal's submission, paragraph 15.

²⁸ Optus' submission, paragraphs 15 and 16 and TPG's submission, page 17.

²⁹ Telstra's submission, page 9 paragraph 15.

³⁰ Pivotal's submission, paragraph 16.6.

³¹ The ACCC's submission, page 4.

³² See Virtutel's submission, page 4 for example.

³³ Pivotal's submission, paragraphs 16.6 and 17, Voxbone's submission in "Regulation and use of digital mobile numbers", and Twilio's submission, paragraphs 7.2, 7.11 and 7.12.

³⁴ The ACMA Discussion Paper, page 2.

3.2.3 Scam Prevention

Sinch supports the industry's ongoing focus on scam prevention and has been an active industry member in separate Government consultations on proposed scam law reform.

Sinch agrees that any changes to the rules with respect to the use of digital mobile numbers and scam prevention should be developed having regard to the current regulatory framework that already requires carriers and CSPs to prevent scam calls and short messages. Sinch notes this framework will further evolve as the Australian Government continues to undertake various consultations and reforms to combat scams.³⁵ For this reason, Sinch agrees with those respondents whose submissions encourage alignment across concurrent industry code reviews.³⁶

Sinch supports industry submissions that note that scam prevention should not be used as the basis for restricting access to CSPs that are not MNOs from directly receiving an allocation of digital mobile numbers, and that existing scam regulation coupled with industry's anti-scam initiatives is having the desired effect.³⁷

4. Enhanced Rights of Use – power for the ACMA to withdraw or cancel a number for scam activity

Sinch notes that a number of respondents have indicated support for the ACMA to have the discretion or power to cancel and/or withdraw the use of a digital mobile number if that number was used in scam activity.³⁸

Sinch agrees with the Telecommunications Industry Ombudsman that there needs to be adequate safeguards if the ACMA is given the power to cancel and/or withdraw the use of a digital mobile number in this instance. With increased reliance on digital mobile numbers,³⁹ Sinch submits that there is a disproportionate risk to customers and consumers if broad rules for cancelling and/or withdrawing the use of a digital mobile number in this instance are permitted. In turn, this will result in a higher risk of a detrimental impact (for example, significant business disruption and/or appeals process) to legitimate businesses that may not have been at fault.

³⁵ For example, the Treasury "Scams – mandatory industry codes" consultation process and the Australian Government's publicly announced additional \$67.5 million in the 2024-25 Budget for its second tranche of scam reforms, and the recent introduction of the *Telecommunications Amendment (SMS Sender ID Register) Bill 2024* (Cth).

³⁶ See Twilio's submission paragraph 1.4.

³⁷ Twilio's submission paragraph 7.4.

³⁸ See the ACCAN's submission, page 2; and the TIO's submission.

³⁹ See Symbio's submission, page 2; Verizon's submission, page 2; and Voxbone's submission, section 2.