



## ATUG Focus Forum

ACS Telecommunication Society of Australia  
(ACS-TSA)

Perspectives on the  
Telecommunications Reform Package

*ICT Professionals Shaping Our Future*



## NBN Initiative

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- ◆ Platform and enabler for participation in the digital economy
- ◆ Visionary: addressing Australia's inadequate investment in BB infrastructure
- ◆ Also addresses Australia's inadequate regulation of market power in wholesale and retail BB markets
- ◆ But the nature of the service that the NBN will deliver is still far from being well understood.



## The high level issues

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- ◆ What will be the NBN's wholesale service exactly?
- ◆ What will be its guaranteed QoS?
- ◆ NBN and national wholesale pricing?
- ◆ Will the NBN serve IPTV providers with network neutrality in respect to the suppliers of content?
- ◆ How can transparency be achieved in the NBN's business practices?
- ◆ Should an industry Ombudsman be created to deal with the NBN's retail performance issues?
- ◆ What transitional arrangements and competitive protections will apply for service providers using current networks?
- ◆ Will competitors to the NBN really be permitted or even safeguarded?



## **What will be the NBN's wholesale service?**

### **At least three components:**

- ◆ Implementation service
- ◆ Transmission capability: point-to-point with guaranteed QoS re performance: bandwidth, outages, signal/noise ratio, jitter etc
- ◆ Maintenance service

### **Layer 2 only or Layer 3 (addressing) as well?**

- ◆ Is there economic scope for more than one Layer 3 wholesale provider? If not, better for NBNCo to provide this underlying service rather than inflate the floor price for all retail BB services.



## What will be the guaranteed QoS?

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- ◆ Essential for the NBN to offer minimum guaranteed service levels for all service aspects within its (implementation, transmission, maintenance) to provide a basis on which retail service providers can offer QoS to their end customers, especially business customers.
- ◆ Can the NBN offer multiple SLAs? Can it actually deliver a range of SLAs?
- ◆ The realities of service bottlenecks in international links can be allowed for in service agreements

# NBN and national wholesale pricing?



- ◆ Costs vary with geography & density
  - Sparse population - high 'backhaul' costs
  - Low population densities
  - See ACCC decision!
- ◆ Elements of the solution
  - Multiple platforms : FTTP for 90%, advanced wireless and satellite for 10%
  - Multiple POIs
  - Backhaul 'network'
  - Cross subsidy within NBN
- ◆ Should NBN Co sponsor a national 'backhaul network' between multiple POIs?

## Will the NBN offer network neutrality?



- ◆ Network Neutrality (NN) means no differentiation in terms of price for performance that depends upon the *content source* for transmission through the NBN
- ◆ NN is essential for pro-competition reasons in general – allowing new market entrants to compete with big players having deep pockets.
- ◆ In particular, NN will be important to allow competition in IPTV services (versus the established networks)
- ◆ One implication of NN is that the NBN must provide a basic transmission QoS capable of supporting synchronous streaming services such as IPTV



## Transparency in the NBN business?

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- ◆ Since NBN Co is a government-owned public company providing essential infrastructure in the public interest, its policy decisions (both at the Board level and at the implementation level) need to be transparent to both its customers and to end users.
- ◆ Transparency at the Board level should include publishing all decisions made after each Board meeting (ICANN is a good model)
- ◆ Transparency at the implementation level could include review of conformity with Board and governmental policy decisions by an Industry Ombudsman

## Is a new industry Ombudsman needed?

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- ◆ The current TIO powers relate to end user complaints and not to complaints by ISPs and other customers of a carrier such as the NBN.
- ◆ To maximise public confidence in the NBN, and to minimise the need for litigation, it is desirable that an Industry Ombudsman Office be created with powers to investigate and mediate on complaints by NBN customers on NBN performance.

## Transitional arrangements and protections

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- ◆ What transitional arrangements and competitive protections will apply for service providers using current networks?

# Safeguards for competitors to the NBN?



- ◆ Will competitors to the NBN really be permitted or even safeguarded?