

POI planning rules extract

Since the ACCC provided its advice to the Government dated 30 November 2010, the ACCC and NBN Co have been engaging to assist NBN Co in interpreting and applying the 'competition criteria' set out in the ACCC's advice.

For the purposes of identifying the locations of initial POIs for the NBN, it has been assumed that Telstra exchanges will be used to provide the facilities for the POI and that NBN Co will be able to obtain access to those exchanges on the conditions provided for in the FHoA (and currently being detailed in the Definitive Agreements). If a Telstra exchange proves to be unsuitable for the location of a POI, for example because there is insufficient floor space, power or air-conditioning, then NBN Co will seek to locate the POI as close as practicable to the relevant exchange.

The ACCC has also provided NBN Co with aggregated data showing, for each Telstra ESA, the number of competitive backhaul transmission providers with an optical fibre passing through (within 100m) a Telstra exchange or within a Telstra ESA. The ACCC noted that confirmation as to the capability of whether each fibre provider could deliver wholesale transmission services or could connect back to a capital city would need further confirmation through further inspection of the ACCC's infrastructure RKR data. The ACCC also provided NBN Co with further guidance in relation to a number of specific aspects of applying the criteria, including:

- the appropriate approach to geographic diversity;
- the treatment of backhaul NBN Co will need to acquire for the purposes of its wireless and satellite network elements and to fulfil its interception related obligations;
- the treatment of services that may be provided using network constructed under the RBBP.

The ACCC advised NBN Co that the 'technically and operationally feasible' element of the 'competition criteria' was not intended to be treated as a separate, threshold consideration, but rather an element to be appropriately balanced with the other elements, and that it could incorporate cost and efficiency considerations. For cost and efficiency reasons, NBN Co expects only to deploy Ethernet Aggregation and Fanout switches at the nominated POIs. In addition, NBN Co is investigating the technical and operational issues of locating the POIs for wireless and satellite based services at the same location as the fibre based services (ie. all GNAFs in the same Access Aggregation Region use a common POI). The preliminary view is that this may have technical impacts (eg. latency) on the wireless and satellite based services.

In relation to element (c) of the 'competition criteria' ("there is other evidence that the particular route is, or is likely to become, effectively competitive"), the ACCC advised that a 'soft cap' of approximately 80,000 GNAFs could be applied for metro AARs and approximately 100,000 GNAFs for outer metro/regional.

With the ACCC's guidance, NBN Co has formulated the following more detailed planning and dimensioning rules and applied those rules to identify the proposed location of the NBN's initial POIs.

The planning rules are provided for three 'bands' of FSAs identified by the ACCC based on their location. These bands are:

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- Metro: FSAs in metropolitan areas, including CBDs, in mainland state capital cities (excludes Darwin, Hobart and Canberra) that are limited by the size and/or access to suitable facilities for the active equipment.
- Outer Metro: FSAs in the metropolitan areas in mainland state capital cities (excludes Darwin, Hobart and Canberra) that are limited by the optical fibre budget (ie. maximum distance from the location housing the active equipment).
- Regional: FSAs in all other areas (ie. not Metro or Outer Metro)

The Metro POI planning rules are:

- (i) Multiple FSAs (two or more) are aggregated along a contiguous boundary to provide an AAR of approximately 80,000 GNAFs.
- (ii) The FSAs within the AAR are chosen so that the POI is in the maximally served Telstra exchange, with a minimum of 2 backhaul transmission operators, and the remaining contiguous FSAs (i.e. non-POI FSAs) are minimally served.

The Regional and Outer Metro POI planning rules are:

- (iii) Multiple FSAs (two or more) are aggregated so that the POI is in the maximally served Telstra exchange, with a minimum of 2 backhaul transmission operators, is closer to the mainland state capital city along each of the transmission paths, and the remaining contiguous FSAs (i.e. non-POI FSAs) are minimally served.
- (iv) A 'soft cap' of approximately 100,000 GNAFs should be applied to regional and outer-metro AARs.

Other relevant inputs to the selection of the location of the POI are as follows :

- (v) At least one of the backhaul transmission operators must provide a geographically protected transmission path to the capital of the mainland state in which the POI is located (i.e. to Sydney, Melbourne, Brisbane, Adelaide or Perth). NBN Co has assumed that Telstra will satisfy this criteria in each case.
- (vi) POIs are not in pairs (FSAs are not dual homed).
- (vii) FSAs should generally go to a POI in the same state (e.g. Broken Hill goes to Dubbo).
- (viii) Each AAR must be a single contiguous region (however the FSAs within an AAR are not necessarily contiguous as there will be "gaps" covered by wireless and satellite).
- (ix) Fibre installed under the RBBP is included as a provider of wholesale transmission services.
- (x) NBN Co's transit network should not be considered when assessing the number of operators.