

**Ratchford, Chris**

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**From:** John Lindsay [JLindsay@internode.com.au]**Sent:** Tuesday, 1 February 2011 10:55 PM**To:** Davies, Joshua; O'Leary, Grahame**Subject:** ACCC POI discussion - January 2011

Hi Joshua,

Internode has a few (late) comments on the 120 POI documents.

**120 POIs in general**

The 120 POI interconnect model will significantly increase the costs of interconnecting with the NBN which will inevitably result in smaller service providers either acquiring service from a sub wholesaler, which is financially inefficient, selling out to a competitor or exiting the market.

The 120 POI model will result in less competition and is disproportionately in the interests of Telstra's shareholders while the additional costs for service providers will inevitably lead to higher retail prices which is hardly in the interests of consumers.

**Backhaul of satellite services**

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.

**Internode opinion**

Backhauling satellite services from their ground stations to capital cities and then to the regional areas they service so that RSPs can connect to them and then haul them all the way back to capital cities is absolutely insane. It imposes utterly unnecessary costs upon RSPs while actually degrading the performance of the network.

**Other POI considerations**

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

- (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).
- (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.

**Internode opinion**

In one hit the ACCC has managed to remove the last of the access network protection for voice services with item (vi). Internet services are being provided by many operators without protection in any part of the access network but most Telstra PSTN voice services are built with significant protection within the network. Indeed this was a feature of the Analysys Cost Model. By moving to a large number of POIs the opportunity to build effective protection is lost. In the event of significant natural or unnatural disasters hundreds of thousands of network users will be left without any fixed line service at all. What is more, as mobile operators shift their backhaul traffic to the NBN mobile services are likely to be disabled too.

Item (vii) has been fudged in the List of initial POIs spreadsheet. Queanbeyan is listed as ACT presumably to ensure compliance with item (vii) whereas Queanbeyan is actually in NSW so roughly 40% of ACT will be serviced from NSW. Of course Internode doesn't object to this other than the attempt to disguise the breach of an arbitrary guideline.

Why is the RBBP (built explicitly to be transferred to the NBN) special whereas the NBNC Co is not special and is not allowed to provide competitive backhaul. Of course Internode would be pleased to see NBNC Co allowed to provide competitive backhaul anywhere.

Kind regards,

jsl

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