



# NBN: Initial List of 120 NBN Co POIs

STAKEHOLDER SUBMISSION TO THE ACCC

**NEXTGEN NETWORKS PTY LIMITED**

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## About Nextgen

Nextgen Networks owns and operates Australia's 3<sup>rd</sup> largest Optic fibre cable network. Nextgen focuses largely on the supply of telecommunications transmission services to Carriers, ISPs, large corporate and government customers.

Further information on Nextgen can be found on [www.nn.com.au](http://www.nn.com.au)

## Submission

Nextgen is encouraged by the recent advice given to Government by the ACCC on the NBN Points of Interconnect and the framework that it sets up to determine the starting point for industry in defining the Initial Points of Interconnect and the promise of further consultation around;

- a) Interconnection below the POI due to technical issues;
- b) NBN Co's final proposal on POIs as part of its SAU; and,
- c) Empirical assessment of the POI location competition criteria.

Nextgen looks forward to these steps of review as an important part of this process and views this stage of input into the process as partial based on the limited set of information provided to us so far. Nextgen notes that one vital piece of information that is required for a full assessment of the initial 120 proposed Poles is the transit routes that will be used to aggregate the large number FSAs served by a large number of the POIs. This information is vital for both assessment of network protection levels and the potential of competition to offer better alternatives to the POIs selected where multiple choices exist for POIs on transit rings.

Within the limitations of the information available to Nextgen, Nextgen submits the following;

Nextgen's Network is adaptable through both augmentation and upgrade of existing electronics systems and cable extension to locations that are not currently on network. Nextgen submits that for the 120 locations identified in the list of 'Initial POIs', that are

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within reasonable proximity of the existing cable, that there are no material limitations to providing competitive transmission services at these locations.

Although there could be more, Nextgen has been able to identify one location where it believes that the choice of POI will disrupt and displace existing competitive markets.

Nextgen notes that Katanning in Western Australia is listed as a POI to serve 100,794 premises and aggregate 31 FSAs. Based on the transit mapping provided by NBN Co in its Corporate Plan 2011 – 2013 (page 65) it would appear that aggregation for the 31 FSAs proposed could also occur at Kalgoorlie.

Nextgen submits that Kalgoorlie is an existing competitive market for transmission service where as Katanning is not currently, but has the potential to become a competitive market, and that early selection of Katanning in favour of Kalgoorlie is likely to disrupt the existing competition. In addition Kalgoorlie is a major transmission hub for two carriers operating transmission between two capital cities and has better prospect for investment and scalability leading to cheaper transmission prices.

Nextgen submits that Katanning is an example of a large number of locations that could be POIs due to the presence of 2 or more potential providers of transmission services. Nextgen notes that there are a large amount of these locations on the Nextgen network. Nextgen notes the advice from the ACCC on Page 64 of ACCC advice to government – NBN POIs November 2010.

“...if there was evidence of the prospect for competition in transmission markets, increasing (e.g. increased investment in transmission infrastructure above the POI and/or increased demand for capacity at the POI) this might lead to consideration of a POI being moved closer to the end-user.” *Page 64 of ACCC advice to government – NBN POIs November 2010.*

Nextgen believes that there may be other examples like the one identified above, however without visibility of NBN Co transit rings identification is not possible. Nextgen notes that the ACCC would appear to have no fail-safe for this lack of assessment in that while it has identified that more POIs could be established closer to the end user it has not yet mandated any process to achieve this, and at this stage has only advised on a process that ‘could’ occur over the long term to determine additional POIs.

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“One process by which POIs could be reviewed over the long term would be for NBN Co to incorporate a POI review process within any SAU it submits. The SAU could set out the criteria for determining the location of POIs, the circumstances that would trigger a review of the POI location (e.g. changes in market conditions, or a certain time period lapsing), the principles by which a POI review would be conducted and the process to be undertaken, e.g. public consultation. Any POI review process included in an SAU would be considered by the ACCC as part of its assessments of the reasonableness of the SAU.”

*Page 64 of ACCC advice to government – NBN POIs November 2010.*

Nextgen recommends that before the final decision is made on the location of the initial POIs either the transit plan is made available for further consultation or that the above process is mandated for the SAU.

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