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Australian Competition and Consumer Commission
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NBN POI Public Submission

As a 2nd tier telecommunications aggregator, Platform Networks are extremely excited by the possibilities brought to us by the NBN's proposed Option 4 Composite POI proposal.

In an NBN world where market advantage will be defined by product differentiation, providing the carrier flexibility to interconnect at multiple levels of the access network allows existing backhaul owners to innovate at deeper points in the network while smaller carriers are given the opportunity to directly interface with the infrastructure owner via the 14 aggregated POI's or a combination of the two, facilitating what we expect to be an excellent infrastructure for competitive telecommunications provision to the Australian public.

Issues for Discussion:

Effect on relevant markets

1. To what extent will the number and location of POIs impact competition in the backhaul market in the short term and in the long term?

The backhaul market will almost certainly need to adjust and innovate from its current form no matter which option is selected. Option 3 will minimise their abilities to deliver innovative solutions while Option 4 will provide multiple options for them to provide services both from the 14 POI's and also from the other 195 CSA's.

NBN Co should make allowances for innovative backhaul providers to provide solutions which may help answer cost, functionality, flexibility, redundancy and other unforeseen issues created by the composite aggregation solution.

2. To what extent (if any) do you anticipate that any of your transmission assets (or other relevant assets) will become stranded under any of the proposed approaches to POIs on the NBN? What is the value of and location of those assets?

Platform Networks has no comment on this issue.

3. What is the current state of competition in the relevant backhaul markets? To what extent are backhaul services priced competitively in CBD, metro, regional and remote areas?

Platform Networks has no comment on this issue.

4. How would investment in backhaul infrastructure used for other networks, such as mobile and non-NBN fixed networks, be affected by the number and location of NBN POIs?

Platform Networks has no comment on this issue.

5. To what extent will the number and location of NBN POIs impact competition at the retail level in the short term and in the long term?

Platform Networks believe that the more POI's and therefore backhaul and infrastructure are required, the higher the barriers are to new introduced retail competition. The more POI's, the more operational and capital costs are involved in selling the product and the harder it is for retail providers to become involved in the marketplace.

High barriers to entry will cause rapid market consolidation and will reduce competition in the retail marketplace. A balance needs to be found that allows smaller niche providers to remain relevant and able to compete in the market place, while allowing larger infrastructure heavy carriers to continue to make the most of their existing investment, we believe a composite approach resolves this issue.

6. Is the emergence of a Layer 3 wholesale sector likely under the NBN? If so, how will the location of NBN Co's POIs affect this market in the short and long term?

This market already exists and Platform Networks presently provide such services to small ISPs, Telco's and IT Systems Integrators. Tier 2 network aggregators like ourselves have been providing services since dialup was introduced.

The location of NBN POI's will certainly affect our marketplace. If the barriers to entry are too high, we will be forced into a third tier position in some regions of the marketplace. Not having direct access to the network owner and its support team introduces operational inefficiencies which we deem to be inappropriate for the provision of an acceptable retail customer service experience.

The composite POI solution will also allow for our regional customers to directly connect to the NBN in their local region where the majority of their customer bases are, providing low latency regional solutions to their end users while using an aggregator such as ourselves to backfill their network with coverage of the rest of the nation.

Location of POIs on the NBN and provision of related services

7. What is the preferred number and location of initial NBN POIs and why? How would this be different in the short term and the long term?

Platform Networks is satisfied with the Option 4 composite proposal.

8. What are the strengths and weaknesses of NBN Co's preferred 'composite model' outlined in its Public Position Paper?

Platform Networks believe that the composite solution provides a an appropriate balance of interconnection opportunities for access seekers of all sizes.

The 14 POI's should be highlighted as very significant risk points within the network. NBN CO should plan such that the failure, destruction or degradation of a single POI should not interfere with continuity of service to the retail customer.

9. Where a composite or low-medium consolidation approach is adopted for NBN Co's POI location, what factors should be taken into account in determining the location of the distributed POIs? For example, is the number of available backhaul routes relevant? If so, what should be the threshold?

Platform Networks has no comment on this issue.

10. On what terms should NBN Co supply backhaul from the small number of centralised aggregation POIs to the decentralised disaggregated POIs if its 'composite model' is adopted?

Platform Networks believe that this should be provided at a simple, fixed cost

11. If NBN Co supplies backhaul, should this be on a Layer 2 Ethernet basis or in the form of dark fibre (or both)?

It would be appropriate for both options to be made available.

Timing and Business Rules for interconnection under NBN Co's composite approach

12. Under NBN Co's 'composite model', what "business rules" should govern when NBN Co will allow interconnection at the distributed POIs?

Platform Networks believe that the access seeker should be able to decide this for themselves and that NBN Co should allow for facilities space that will allow for this.

13. What should be the process to coordinate the addition of interconnection at the disaggregated POIs?

The process should be no different to the process required for interconnecting that the aggregated POI's.

Changes to the initial POIs

14. What factors should trigger a review of the location of NBN Co's initial POIs?

Platform Networks has no comment on this issue.

15. What mechanisms should be used to effect a change to the location of NBN Co's POIs? (i.e. consultation requirements and notification periods)

Platform Networks has no comment on this issue.

Layer 1 Unbundling

16. What are the implications of the number and location of POIs for potential Layer 1 unbundling and home-run network topology for the NBN?

Platform Networks has no comment on this issue.

Uniform National Wholesale Pricing (UNWP)

17. To what extent can UNWP be achieved independently of decisions about the number and location of POIs?

Not enough information is known about the final solution to be able to comment.

18. Is NBN Co's definition of UNWP "...that Access Seekers should face the same total wholesale cost from any premises to a designated state capital city point of presence" an appropriate one? If not, what alternative definition would you propose?

This definition is in line with the term Uniform National Wholesale Pricing.

19. To what extent can it be ensured that Access Seekers face the same total wholesale cost in supplying services to end-users across regions independently of decisions about the number and location of POIs? That is, are there alternative ways to the approach proposed by NBN Co of ensuring that Access Seekers face the same total wholesale cost in supplying services to end-users across regions?

Platform Networks has no comment on this issue.

20. If NBN Co's preferred composite model were to have no price differentiation between interconnecting at designated capital cities or at CSA locations, what impact would this proposal have, particularly on regional retail markets and regional backhaul transmission markets?

Platform Networks has no comment on this issue.

Wireless Services

21. Should the same approach for the number and location of POIs for NBN Co's fibre services be adopted for wireless and satellite services? Why and/or why not?

Yes, the same approach should be adopted for all services that are provided by NBN Co. There is no technical merit in creating multiple aggregation networks when the underlying delivery technology – Ethernet is the same for all three.

Other

22. In relation to the data provided in Appendix A of NBN Co's Public Position Paper, do you believe that NBN Co's input information is accurate, and has NBN Co correctly assessed the current state of the backhaul and competitive DSLAM markets?

Platform Networks has no comment on this issue.

23. Are there any other considerations or information that you think are relevant to the selection of NBN Co's POI locations?

Platform Networks believe that the proposal will be an overall win for the competitive landscape of the telecommunications industry in Australia.

