



Submission by TPG Telecom Limited (TPG)

to

Australian Competition and Consumer Commission (ACCC)

Superfast Broadband Access Service Declaration Inquiry

1. TPG's general position is that declaration of a superfast broadband access service is an unnecessary cost, at least at this point in time.
2. The rationale for declaration is to open up essential infrastructure that has bottleneck characteristics and is controlled by one party.
3. At this point in time, there is no evidence that TPG's FTTB product (which uses VDSL, currently unvectorred) is presenting any bottleneck characteristics. There are many competitive delivery methods that are now, or could be soon, available to end users in buildings where there may be a superfast broadband service, including:
 - (a) ADSL2+
 - (b) HFC
 - (c) NBN Co supplied fibre to the premises
 - (d) NBN Co supplied competing VDSL
 - (e) Satellite offerings
 - (f) Fixed Wireless offerings, such as those supplied by Big Air;
 - (g) Mobile Broadband offerings over the wide range of licensed spectrum that has been allocated by the ACMA including 3G, 4G and in the near future 5G.
4. TPG particularly notes that many of these competing services are already providing an alternative option for consumers of broadband services. NBN Co has indicated that it intends to overbuild TPG's FTTB network and it has done so in some buildings. Any difficulties that may arise in relation to two VDSL systems operating in the one building are not yet tested in any TPG buildings, so it is not certain that issues will arise. It is possible and perhaps even likely that work-arounds, whether technical or commercial, can be found to resolve any issues that do arise.
5. The best interests of end users are served by creating an infrastructure based competitive environment. Economic signals that discourage investment in competitive infrastructure should be used sparingly and generally only in relation to a significant dominant provider. If the efforts of non-dominant providers to install infrastructure to compete with the dominant provider are squashed by regulatory intervention, the economic signals will be clear and infrastructure investment will dry up.
6. The Minister's Carrier Licence Condition in relation to superfast broadband networks will result in TPG operating the FTTB network on a wholesale only basis. Wholesale offerings are already available with appropriate pricing.
7. There has been only limited interest from other carriers/CSPs seeking to resell TPG's FTTB network, and no active interest from NBN Co or other large carriage service providers. In those circumstances, perhaps the interest of such other carriers is to slow or stop a non-dominant provider from providing effective competition. It is TPG's full expectation that even if the ACCC does declare the Service and go through a cost assessment exercise, there will be limited interest from third party carriers in taking up such a service. Any such interest could be fulfilled right now but, for reasons that are not clear, only limited interest exists.
8. On that basis, there will have been no economic value created and, as such, TPG submits that the ACCC should not make a superfast broadband access service declaration.