

3rd November 2011
The Chairman ACCC.
Mr Rod Sims
Dear Sir
Re NBN Monopoly, Telstra & Optus.

FILE No:
DOC:
MARS/PRISM:



Dear Sir,

I am writing to you, as I understand one of the remits of the ACCC is to defend the public, consumers & business from overwhelming and adverse monopolistic business practices, arrangements or powers of companies in the Australian marketplace.

The proposed agreements between the NBN and Telstra and NBN and Optus will provide the NBN with an effective entrenched monopoly on the provision High speed Internet data services & shut down the 2 existing Hybrid fibre cable networks of Telstra & Optus.

These 2 HFC networks are realistic existing, sunk cost & real low cost 100Mb/s competitors to the impending NBN fibre network and can already deliver the required 100Mb/s with little or no additional capital outlays.
It is entirely feasible that in the future life of the NBN that upgraded speeds beyond 100Mb/s will become available for these two HFC networks.

The agreements currently between NBN and Telstra/Optus additionally force the consumers to be migrated to the NBN's vastly & intrinsically more expensive service that will then have no effective or realistic fibre based competitors.

This directly affects about 10 million of the urban east coast population who are within reach of the existing two HFC networks.

Post HFC shutdown there will not be any viable competitor to this NBN monopoly at data speeds above 5Mb/s as wireless Internet is already proven both in Australia & overseas to have serious capacity, congestion and data bandwidth limitations.

Users of Vodaphone wireless/mobile data services are currently loudly complaining about poor data rates far that below the peak claimed speeds and endemic network congestion. I have personal experience of this issue.

It is my understanding that these aggrieved users believe they have been miss sold the capacity & capability of Vodaphone Mobile based data services and have a class action at foot against Vodaphone.

Additionally it now appears that Telstra is to agree to a NBN requirement so as not to compete with the NBN using its wireless technologies for an additional 20 years.

It is my understanding that a significant majority of internet users subscribe to a basic service for about \$25/mth of about 1mb/sec via ADSL copper based services and do not see a cost benefit or a need for higher speed services.

Currently the Optus HFC network has: -

A footprint capable of servicing about 6million of the Australian east coast population, Offers a 100Mb/sec data service at a component cost of about \$64/ month when bundled with other discounted telephonic services.

The incremental cost of upgrading from a midrange Optus Fusion Bundled service of 20Mb/s service to a 100 Mb/s is a miniscule \$15/month.

This data rate is a credible world-class service and already a serious competitor for the NBN.

The NBN monopolistic agreement with Optus is to pay Optus to shut down this competitive, high performance and economic broadband Internet service and replace it with a substantially more expensive service that will, for most consumers, offer only higher costs to access the needed level of broadband services.

Currently the Telstra HFC network has: -

A footprint capable of servicing about 10million of the Australian east coast population.

Is an earlier technology to that of Optus but has been upgraded in Melbourne inexpensively for about \$250M to 100mb/s.

The Foxtel IQ boxes that have been extensively deployed for cable television are already capable of enabling to 100mb/sec so a stealth partial deployment of high-speed 100mb/s has already occurred on the eastern states HFC network.

This HFC based data service in Sydney & Brisbane is readily & inexpensively upgradeable to a credible world class 100mb/s internet broadband service and already is a serious competitor for the NBN .

The NBN monopolistic agreement with Telstra is to pay Telstra to shut down this competitive, high performance and economic broadband internet service and migrate its customers to the NBN.

As an engineer with a small knowledge of communications technology I have great concerns about the planned shut down of the Hybrid Fibre Cable (HFC) networks by Telstra & Optus and the forced migration of customers there upon to the NBN as part of the agreements between Telstra, Optus and the NBN.

These agreements are to take out of service the existing HFC networks of Telstra & Optus, to cripple the ability to deliver broadband of any future Wireless based broadband services and so remove these high performance & low cost/sunk cost broadband competitors of the future NBN network.

These actions of the NBN are clearly designed to entrench the NBN as a monopoly sole provider of broadband services in Australia.

In summary:-


There exists in the existing Telstra & Optus HFC networks 2 competitive capable & adequate broadband networks able to service abt 10million of the urban east coast population at 100Mb/s.

These Telstra & Optus HFC networks are to be shut down and replaced by a similarly capable 100Mb/sNBN Fibre network at vast national cost and without the effective commercial reality of 2 strong competitors in the broadband marketplace .

Such deployment is a profligate waste of the nations resources and ensures that the economy is burdened for the foreseeable future with a high cost monopoly broadband provider wedded to a technology long since outdated.

That the ACCC has failed to forcefully condemn & oppose these NBN-Telstra & NBN-Optus MONOPOLY arrangements can only be taken as a complete abrogation of the ACCC's anti monopolistic charter.

Please contact me if I can be of any further assistance in your deliberations



Ken Curry B.Eng (Elec)

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PUBLIC REGISTER**