



**Submission by AAPT Limited in response to the Australian
Competition and Consumer Commission's call for comment
on the revised list of initial NBN POIs**



Introduction

1. AAPT Limited (**AAPT**) welcomes the opportunity to comment on the Australian Competition and Consumer Commission's (**ACCC's**) and NBN Co's revised list of initial points of interconnect (**POIs**) for the National Broadband Network (**NBN**).

Executive summary

2. AAPT fully supports the industry consultation process adopted by the ACCC on this matter and agrees with the ACCC's advice to Government on NBN POIs and aside from a small number of suggested changes aimed at avoiding unintended consequences (as detailed below), AAPT considers that the revised list of initial NBN POIs represents a much more considered balancing of the issues at stake.
3. However, AAPT is still concerned that it is unclear whether NBN Co can or will offer backhaul services from each or some of the locations in the revised list of initial NBN POIs to capital cities.
4. In AAPT's view, allowing NBN Co to provide this backhaul on request by an access seeker may have the same detrimental impact on the industry as a whole and the LTIE as NBN Co building only 14 POIs as originally proposed.
5. Finally, AAPT anticipates that there will be significant demand from access seekers for access to Telstra ducts in order to build to many of the proposed NBN POIs. Given that NBN Co and Telstra have concluded a financial heads of agreement (the **FHOA**) which, among other things, allows NBN Co to utilise Telstra ducts for the purposes of building the NBN, AAPT is concerned that access seekers may be prevented from gaining adequate access to Telstra ducts for the purposes of building out to NBN POIs.



6. While AAPT acknowledges that this submission may not be the right forum in which to raise this final point, AAPT considers that it is an issue of significance which should be on the public record and about which the ACCC should at least be aware.

AAPT agrees with the ACCC's advice to Government on NBN POIs

7. AAPT agrees with the ACCC's advice to Government on NBN POIs and is pleased to see the ACCC's understanding of the telecommunications industry and support for competitive markets come together in this way.
8. AAPT agrees with the ACCC's proposed semi-distributed approach and considers that it is likely to promote the LTIE.
9. AAPT also agrees with the ACCC's proposal for the implementation of this approach, ie locating POIs where (**competition criteria**):
 - o it is technically and operationally feasible to do so;
 - o there are at least 2 optical fibre competitors within a nominated distance; and
 - o there is evidence that a particular route is or is likely to become effectively competitive.
10. In AAPT's view, NBN Co's originally proposed "composite model" for NBN POI locations would have resulted in a significant detrimental impact to the telecommunications industry and the long term interests of ends users (**LTIE**) and AAPT is pleased to see that this has been averted.

The revised list of initial NBN POIs represents a much more considered balancing of the issues at stake



11. AAPT is pleased that both NBN Co and the ACCC have worked together on the application of the competition criteria and AAPT supports the resulting POI planning rules which, among other things, assumes for the purposes of identifying the locations of the initial POIs for the NBN that:
 - Telstra exchanges will be used to provide the facilities for the POIs and that NBN Co will be able to obtain access to those exchanges under the FHOA; and
 - if, for some reason, it is not possible to use a Telstra exchange then NBN Co will seek to locate the POI as close as practicable to the relevant exchange.
12. Many access seekers have established POIs at Telstra exchanges and either leased or built backhaul to those exchanges. Consequently, locating NBN Co POIs at Telstra exchanges will significantly assist in the efficient migration of services from the Telstra copper to the NBN.
13. In its application of the POI planning rules NBN Co has identified 120 POI locations and aside from a small number of suggested changes (as detailed below) aimed at avoiding unintended consequences, AAPT considers that the revised list of initial NBN POIs represents a much more considered balancing of the issues at stake and will be in the LTIE because it will:
 - limit stranding or impairment of fibre assets;
 - establish NBN Co as a provider of last mile access as originally intended;
 - limit overbuild of competitive transmission markets;
 - enable infrastructure based competition;
 - encourage competition in both backhaul and retail markets; and



- facilitate an efficient transition to the NBN.
14. Consequently AAPT urges NBN Co and the ACCC to resist any suggestions to either significantly increase or decrease the number of NBN POIs.

It is unclear whether NBN Co will offer backhaul from each NBN POI to a capital city

15. In AAPT's view, it is unclear whether NBN Co will offer transmission services to access seekers from each POI on the revised list back to a capital city or whether access seekers will need to acquire this capability from a service provider other than NBN Co or build the capacity itself.
16. In AAPT's view, allowing NBN Co to provide this backhaul on request by an access seeker may have the same detrimental impact on industry and the LTIE as NBN Co building only 14 POIs as originally proposed.
17. However, if a competitive backhaul market does not develop or is not as effective as had been expected, AAPT accepts that NBN Co could be permitted, with ACCC oversight, to provide the backhaul to a capital city.
18. AAPT notes that there is nothing in the NBN Companies Bill or the NBN Access Bill that would prevent NBN Co from offering such a backhaul service from each of the POIs, although AAPT notes that the Minister will have the power under the NBN Companies Bill to impose a carrier licence condition on NBN Co either mandating or prohibiting a service.

Unintended consequences of proposed POI locations



19. The ACCC has called for submissions on whether any of the specific locations proposed in the revised list of initial NBN POIs may result in unintended consequences.
20. In AAPT's view the proposed locations appear reasonably sound, although there are a few exceptions where some POIs:
 - o appear to be an unnecessary duplication of a nearby proposed POI; or
 - o have been proposed in locations which are unnecessarily remote from the transmission routes used by most major carriers and/or from population centres.
21. In AAPT's view, the unnecessary duplication of POIs and the location of some POIs in areas which are too remote from major carrier transmission routes and/or population centres will lead to inefficiencies and more expense being incurred by industry without any benefit to end users.
22. However, AAPT considers that these issues (as detailed below on a State by State basis) can be easily rectified by the elimination of a small number of duplicate POIs and a reconsideration of the proposed location for a small number of more remote POIs.
23. Finally, AAPT notes that it is important when making a choice for location of a POI site that proposed locations should take into account the environmental and disaster scenarios and any related recovery planning.

New South Wales

24. AAPT notes that the proposed:



- Cranebrook POI is only 5 km from Penrith where no POI has been proposed. AAPT considers that it would be more efficient if the proposed Cranebrook POI was instead located in Penrith which is physically closer to the main transmission routes used by most major carriers; and
- Shalvey POI is a considerable distance from the main transmission routes used by most major carriers and should be relocated to a larger population centre closer to the main transmission routes where access could be achieved more efficiently and cost effectively.

Victoria

25. AAPT notes that the proposed:

- Frankston POI is very close to the proposed Mount Eliza POI. AAPT considers that it would be more efficient if the proposed Mount Eliza POI and Frankston POI were consolidated into a single Frankston POI;
- Narre Warren POI is very close to the proposed Berwick POI. AAPT considers that it would be more efficient if the proposed Narre Warren POI and Berwick POI were consolidated into a single POI which could in fact be further consolidated into the Dandenong POI;
- Windsor POI is very close to the proposed St Kilda POI. AAPT considers that it would be more efficient if the proposed Windsor POI and St Kilda POI were consolidated into a single POI; and
- Tarneit POI is very close to Werribee where no POI has been proposed. AAPT considers that it would be more efficient if the proposed Tarneit POI was instead located in Werribee where carriers will be able to more effectively and efficiently gain access to it.



Queensland

26. AAPT notes that the proposed Goodna POI is very close to the proposed Ipswich POI. AAPT considers that it would be more efficient if the proposed Goodna POI and Ipswich POI were consolidated into a single Ipswich POI.

Western Australia

27. AAPT notes that the proposed Joondalup and Armadale POIs are some distance from the main transmission routes used by most major carriers and should instead be located closer to larger population centres and the main transmission routes where access could be achieved more efficiently and cost effectively.