



4 September 2020

I am writing to outline my objections to Telstra being granted a continuation of its exemptions to complying with the requirements to provide a Layer 2 bitstream service (and other special arrangement) on the grounds of detriment to the community.

The current SBAS arrangements, as applied to Telstra's Velocity networks, have led to:

- Limited to no competition
- Excessive retail pricing
- Artificially limited speed and services

Question 4

Do you consider that Telstra's fibre networks in South Brisbane and Velocity estates should continue to be exempt from the requirement to provide a Layer 2 bitstream service?

No. The continuation of the exemption granted to Telstra's Velocity networks hinders competition and results in material loss for consumers.

The structure and setup of Telstra's Velocity FAB-L2IG network service results in additional costs [in addition to the requirement to purchase Telstra's wholesale line rental service] and technical hurdles for access seekers.

Due to these technical constraints, there is a lack of comparability in speeds between Telstra's Velocity networks and LBAS / NBN networks.

In its application for an extension to the Telecommunications (Network Exemption—Telstra South Brisbane Network) Instrument 2012 and Telecommunications (Network Exemption—Telstra Specified Velocity Networks) Instrument 2012, Telstra stated that “...the main FAB service offering has a maximum speed of 30/1 Mbps...” [p. 5] which “while a proximity to, does not satisfy the superfast carriage service characteristic of 25/5 Mbps” [p. 5].

Telstra's Velocity network speed of 30/1 Mbps is entirely inadequate for current and future work at home arrangements as it is incapable of sustaining live video conferencing without severe degradation of quality and / or 'dropouts'. This has the potential to greatly affect people's livelihoods. It should be noted that the upload speed of 1 Mbps is five times slower than the minimum stipulated by the recently introduced Statutory Infrastructure Provider requirements.

Question 6

What is the extent of competition at the wholesale level of the superfast broadband services market, and what is the risk of competition not developing in the future?

The nature of Telstra's Velocity networks restricts end user choice of providers and services. This is particularly apparent in many Telstra Velocity Estates where there is no alternative provider. Of the two providers [Internode and Exetel] identified by the ACCC in its SBAS / LBAS consultation papers (2016) neither *accept new customers* in the Telstra Velocity Estates of Kingsford and Saltwater Coast (Victoria). When contacted, Internode responded:

"Reach Fibre was available from 9 August 2012 until 12 September 2017. Reach Fibre offered a Fibre to the Premises service within over 125 Velocity Fibre enabled housing estates around Australia.

Reach Fibre was available from 9 August 2012 and was grandfathered on 12 September 2017. At this time, customers already on these plans can remain on them, but no further sign ups are available."

Similarly, an Exetel sales representative stated;

"I ran an internal check on your address and unfortunately it seems like Velocity fibre cannot be offered through Exetel."

I have not been able to identify an alternative retail provider that will offer a service through Telstra's Velocity network in these areas.

With respect to the extent of competition, and the adequacy of the SBAS / LBAS declarations, the ACCC should conduct a case study comparing the Telstra Velocity (whole sale and vertically integrated provider) networks [SBAS] to those of OptiComm (wholesale only) / Uniti [LBAS].

Yours sincerely,

