

Fixed Line Services FAD Inquiry: request for further information (Wholesale ADSL)

Table of M2 responses

Item	Background to ACCC question	Question	Response	Confidentiality
1.	<p>The ACCC recognises that access seekers make decisions to provision capacity acquired from Telstra and the decision on how they purchase the AGVC/VLAN capacity is based on their own individual needs.</p> <p>The ACCC also understands that access seekers in some cases acquire additional capacity for redundancy purposes.</p> <p>The ACCC would like to understand in detail the relevant factors associated with how access seekers choose to acquire Wholesale ADSL.</p>	Does M2 Telecommunications acquire Wholesale ADSL services from Telstra?	Yes. M2 acquires Wholesale ADSL from Telstra under a number of brands.	
		If so, how does M2 Telecommunications acquire AGVC/VLAN capacity for the Wholesale ADSL service?	M2 orders AGVC/VLAN capacity from Telstra. Telstra provides an access port to support each AGVC/VLAN.	
		What factors are relevant in making the decision regarding the acquisition of AGVC/VLAN capacity?	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	Confidential
		Does Telstra require M2 Telecommunications to purchase capacity for 'headroom' or redundancy purposes?	No. Telstra does not mandate M2 to buy extra capacity although M2 may elect to do so for redundancy purposes at its own cost.	

Fixed Line Services FAD Inquiry: request for further information (Wholesale ADSL)
Table of M2 responses

Item	Background to ACCC question	Question	Response	Confidentiality
2.	<p>The ACCC understands that it may be necessary for access seekers to acquire network components and services that do not fall within the declared service description in order to supply ADSL to end-users.</p> <p>The ACCC would like to further develop its understanding on how access seekers interact with Telstra in this regard.</p>	<p>Describe the services and/or network components that are necessary for M2 Telecommunications to acquire in order to resale ADSL services supplied on Telstra's network?</p>	<p>Telstra offers M2 a variety of different ADSL constructs and the services and/or network components that are necessary depend on the construct acquired.</p> <p>At a minimum, it is necessary for M2 to acquire a DSLAM port, a ULL and an AGVC to resell ADSL services supplied on Telstra's network.</p> <p>For completeness, it is open to M2 to acquire other services and/or network components from Telstra in connection with Wholesale ADSL services acquired from Telstra (such as IP transit services). However, it is not absolutely necessary for M2 to acquire such services and/or network components to resale ADSL services.</p>	
		<p>In order to supply the Wholesale ADSL service to end users, is it necessary for M2 Telecommunications to acquire components additional to those covered by the regulated service description for Wholesale ADSL?</p>	<p>At a minimum, it is necessary for M2 to acquire a DSLAM port, a ULL and an AGVC to resell ADSL services supplied on Telstra's network.</p> <p>The ULL service is a declared service, albeit not under the Wholesale ADSL service declaration.</p>	

Fixed Line Services FAD Inquiry: request for further information (Wholesale ADSL)
Table of M2 responses

Item	Background to ACCC question	Question	Response	Confidentiality
		If so, where in Telstra's network are these additional components situated? (A diagram containing the additional components and the AGVC and port components would be helpful to clearly indicate where these are situated).	[REDACTED]	Confidential
3.	The ACCC would like to obtain information that will enhance its understanding of the state of the current market for broadband services in light of recent developments in the market for broadband services, namely the impact on the usage of services due to increasing uptake of IPTV and video-on-demand.	Has M2 Telecommunications experienced changes in the levels of data usage in recent months?	Yes, M2 has seen rapid growth in customer data usage through the increase use of video such as Fetch TV, Netflix and YouTube.	
		Can M2 Telecommunications attribute these changes to increased demand for video streaming and IPTV services such as Netflix?	Yes, M2 has seen substantial growth in video streaming and IPTV.	
		If M2 Telecommunications has experienced increased levels of data usage in recent months, how is it meeting that demand?	M2 has increased AVGC to meet customer quality of service expectations.	
		Has increased data usage impacted on decisions that M2 Telecommunications has made or will make concerning its acquisition of the Wholesale ADSL service (i.e. the resale of fixed line broadband services supplied over Telstra's network)?	Yes. As a result of increased data usage, M2 has acquired additional bandwidth from Telstra.	
		Has increased data usage impacted on decisions that M2 Telecommunications has made or will make concerning the provision of	[REDACTED] [REDACTED] [REDACTED]	Confidential

Fixed Line Services FAD Inquiry: request for further information (Wholesale ADSL)

Table of M2 responses

Item	Background to ACCC question	Question	Response	Confidentiality
		broadband services supplied on its own network?		
		Please provide the ACCC with other information or data that you consider would assist it in assessing the acquisition and usage of ADSL capacity either by M2 Telecommunications or by access seekers more generally?	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	Confidential
		Please provide the ACCC with suggestions as to what data would be required from Telstra to assist the ACCC in assessing this issue?	Nothing further.	
<p>Notes: Each reference to "M2 Telecommunications" or "M2" is a reference to one or more subsidiaries of M2 Group Ltd.</p>				

Schedule

