Submission No. 12

Conditions precedent for NBN policy to meet CCC statement of principles

Key principles

- The structural separation of Telstra;
- The creation of a wholesale-only NBN; and
- Ensuring near universal coverage for both the city and regional Australians.
- Uniform national prices
- Non-discrimination between telcos

Competition questions based on different technologies

FTTN

- Copper ownership must transfer to NBN Co
- NBN Co must operate both the fibre and copper components of the network
- Copper must be made fit for purpose before hand over, but responsibility for maintenance should then be with NBNco
- Ownership transfer must be national and immediate. This is the only practical way to manage the transition from exchanges to FTTN and to prevent TLS from building ahead of NBNco.
- The upgrade path must not result in retailers owning or having control over FTTH. FTTH upgrades must be built by NBNco and any cost recovery obligation not be a “lock in” mechanism to a particular retailer.
- Telstra must use the new FTTN network via NBN Co.
- It is not acceptable for NBNCo to own the copper yet at the same time contract Telstra to manage that infrastructure. Structural separation is not achieved when contractual arrangements merely replace what were ownerships rights.
- Detail of any explicit cross subsidy from urban rollout to regional must be forthcoming. Cross subsidy must be competitively neutral. Direct subsidy should be funded explicitly from the budget, not from levies on retailers, which are necessarily borne disproportionately by market entrants. The USO is not an appropriate mechanism to deliver equality of infrastructure.
- Existing Points of Interconnect are retained as the location where all access seekers connect to the NBN.

HFC

- Structural separation ownership of Telstra HFC must be with NBN Co.

- Non discrimination must be retained. All carriers must buy via NBN Co.
- The way in which NBN rolls out in the current Telstra HFC footprint needs to be DETAILED. Currently, there is no effective infrastructure based competition between copper and cable networks and Telstra remains vertically integrated. Like the NBN CO rollout, a timeline for HFC footprint rollout and detail of the arrangements for NBN Co to take over the running of all copper and HFC in these areas must be published.