OptiComm Submission to Joint Parliamentary Committee on the National Broadband Network

Introduction

OptiComm was the first and is currently the largest open access, wholesale-only FTTP telecommunications carrier in Australia (License Carrier 239). The National Broadband Network's business model is based on OptiComm's own business model – a fact admitted by the Minister of Communications. OptiComm has been designing, building and operating open access FTTP networks since 2006 with over 22 active sites and another 28 under contract for deployed over the next 12 months. There is no other company in Australia with the depth of knowledge and experience in deploying FTTP and more specifically GPON networks and has signed agreements with over 11 RSP's for Internet and phone as well as 2 Pay TV providers. Our engineering, operations and management team each have over 7 years experience in FTTP deployment, some with over 10 years.

OptiComm have the scale and experience to provide Developers with a complete turnkey solution including the design, construction, provisioning and operation of a wholesale only, open access FTTP network. OptiComm has a proven track record of delivering solutions to NBN Tasmania, on-time and on-budget as well as the depth of experience of working with some of Australia's leading developers including, but not limited to Lend Lease, Mirvac, Springfield Land Corporation, Landcom NSW, LMC (SA), Urban Pacific, Villawood, CIC, Stockland, MAB, Sunland, and LWP. OptiComm has also recently designed, built and now operates an open access GPON FTTP network within the Westfield Sydney City retail centre that runs all the building services such as security systems, CCTV, EFTPOS, traffic monitors, public WiFi, digital signage, environmental monitoring as well as voice and data traffic for the retail tenants.

OptiComm and its staff have been involved in a number of key milestones in the deployment of FTTP in Australia such as:

- Designed and built the first FTTP network (Oct 2001);
- Designed and built the first IPTV network in Australia (Dec 2001);
- Deployed the first fibre connected home in a Greenfield estate (June 2003);
- Developed and implemented the Open Access, wholesale business model now adopted by the NBN (2006);
- Developed the first 100Mbps residential internet product (Late 2008);
- Connected the first residential customer to 100Mbps in Australia (Feb 2009);
- Deployed the first (non wireless) SmartGrid in Australia (Jun 2010);
- Connected the first NBN customer in Australia (July 2010);
- Connected the first business and the first school to the NBN (Jul 2010);
- Demonstrated the first 4k Ultra High Definition Video stream (4 times the resolution of 1080p) over a broadband network (Jul 2010);
- Demonstrated the first High Definition Video Conference over a residential network in Australia (Jul 2010) and
- Connected the first 1Gb/s service over GPON in Australia

OptiComm's robust and mature OSS/BSS solution is used to operate NBN Tasmania Stage 1 as well as existing Greenfield estates and Westfield Sydney. OptiComm's OSS/BSS solutions and the Network Operations Centre in Hobart and Perth (to ensure coverage of all time zones) can be quickly and easily scaled to manage many hundreds of thousands of ONT's and associated Layer 2 services. OptiComm will have an operational B2B for the RSP's to the Communications Alliance standard by Q3 2011 to enable a service which is scalable to support the large scale rollout of new estates.

OptiComm currently has national agreements with Optus and NextGen for backhaul and agreements with smaller providers such as Pipe Networks, Amcom and Uecomm.

OptiComm enjoys a close working relationship with all of Australia's major property developers and is a member of the all state branches of the peak development body, UDIA. OptiComm/Hills staff members are on various UDIA infrastructure committees in each state.

Recommendations

NBN Co has been appointed by the Government to be the "carrier of last resort" and as such it is very important that there are a number of active and competitive providers in the market to provide Developers with a choice of options. Private FTTP operators offer Developers a number of options not available with the "free" NBN Co offering. These include the delivery of Free-to-Air and Pay TV over the single fibre to the premises negating the need for unsightly antennas within an estate, the provision of community CCTV and the delivery of new and exciting applications like IPTV, Smartgrid and eHealth before they are available on NBN Co networks.

There are three key issues that affect the competitiveness of the private FTTP Greenfield Providers under the proposed legislation. OptiComm's recommendations are:

1. Network design and service delivery standards should be defined and administered by the Communications Alliance, the industry body established many years ago to set standards and codes of practices for the telecommunications industry The legislation SHOULD NOT stipulate NBN Co standards (which have never been peer reviewed) as industry wide standards. Communications Alliance standards are designed to provide a broader range of option and encourage innovation within the industry.

2. Consideration of allocating funds, be it from the USO fund or via soft loans, to the private sector (provided they ensure they meet wholesale only, open access requirements and also deliver the same outcome as the NBN) so to level the "playing field" and provide Developers with a wider, richer choice of options. The funding should be in the order of $1,500 per dwelling unit.

3. Consideration of making backhaul more accessible and affordable for the private FTTP providers by requesting the ACCC to declare backhaul services at affordable rates. The rates could be determined by an industry body such as the Communications Alliance.