

Media Release

NBN Co gets industry support for network design and product offer

25 March, 2010

The design and wholesale product offer proposed for the new National Broadband Network has received significant industry support, NBN Co announced today.

NBN Co, the company set up to design, build and operate the network has released a report based on almost 50 submissions received in response to a consultation paper distributed in December.

The report shows that across the industry there is widespread agreement on major issues such as the network architecture (Layer 2), the choice of technology to serve the mass market (an Ethernet-based passive optical network) and the main wholesale products.

After releasing the consultation paper in December, NBN Co held road shows in January attended by over 400 people, and consulted widely with key stakeholders on the network design and wholesale product offer.

NBN Co Head of Industry Engagement, Christy Boyce, said NBN Co was pleased with the level of industry support for the fundamental elements of NBN Co's approach.

"Our response today shows how far we have come in setting technical and commercial directions for the company based on best meeting its overall priorities for coverage, competition and customer care," Ms Boyce said

"We will be releasing a series of information and consultation papers over coming weeks that give further important detail about our network, products and proposed prices."

She said there is a general consensus on the choice of Layer 2/Ethernet/GPON for the delivery of mass market residential services. NBN Co also plans to provide Ethernet point-to-point services at wholesale to address the needs of businesses, particularly those in underserved areas.

"NBN Co plans to offer a wholesale-only Layer 2 bitstream product in order to occupy as small a footprint as possible in the overall value chain. This means leaving retail service providers (RSPs) with significant ability to innovate and develop new, higher-value services.

"There was in-principle support for the positioning of network Points of Interconnect – the places where NBN Co will hand over network traffic to the retail service providers – at locations where there is contestable backhaul, however respondents said they wanted to see more information.

"NBN Co will release these details within the next fortnight" Ms Boyce said.

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The location of Points of Interconnect (Pols) will be optimised to support healthy competition among RSPs.

NBN Co has not yet made a decision regarding the placement of Optical Network Termination devices either inside or outside of premises, but plans to test a number of ONT devices and configurations as part of the first release rollout.

“As NBN Co continues to develop its product offering, it will consult with the Government on policy issues taking into account input from the Implementation Study. As these discussions progress, NBN Co may modify the thinking outlined in this document to reflect this additional input,” Ms Boyce said.

“NBN Co is committed to an open and inclusive consultation process with its future customers to develop the network and products that meet their technical and commercial requirements,” she said.

NBN Co’s response to submissions on its wholesale bitstream products is now available online. Many organisations that provided submissions have also agreed that they be made public. These are now available at www.nbnco.com.au

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Background. Layer 2 – otherwise known as the link or active layer – involves the provision of the passive fibre plus the active electronic components to offer an Ethernet bitstream service to a Retail Service Provider or another wholesale operator. RSPs or other wholesalers will take the bitstream service and add layer 2 and layer 3 (e.g. IP) services and applications to sell value-added products to end-user customers like internet, IPTV and VoIP.