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Hackett: FTTN NBN a path to obsolescence

Internode MD Simon Hackett has warned that an FTTN build for the national broadband network could see the project obsolete by 2020, as little as five years after its completion.

Hackett suggested that the best technical route for the NBN would be an FTTP rollout co-existing with current copper infrastructure – but that the next best option would be to abandon the NBN entirely and return to the drawing board.

Speaking at the Australasian Telecommunication Networks and Applications Conference in Adelaide, Hackett added that the Federal Government's current prioritisation of sheer speed was misplaced, returning to earlier arguments that "awfully large areas" of metropolitan centres were already on the 12Mbps proposed as a minimum for the NBN. Instead, he called for more focus on coverage, access pricing and competition, and on planning for an FTTP future.

"NBN speeds already exist," he said. "Fix the blackspots, find a way to build fibre to the home over the next five to ten years... FTTN is not an economic path to fibre to the home. All of those active electronics cabinets... will be switched off again if you ever go FTTP."

Hackett positioned a direct FTTP build, running in parallel to the existing copper network to ensure competition, as the best technical path for the NBN – albeit the most expensive. But his next suggestion was to abandon the NBN process completely, with the ongoing financial crisis giving "the government a good excuse to just quit this thing." "If I was going to predict a path, that would be it," he said.

"The alternative, if we build FTTN, is a national VDSL2 network that's going to realistically max out at 50-80 Mbps by 2020... the world benchmark will have hit 1Gbps... and we'll be lagging behind," Hackett concluded. "The decision is not how to go down this road and choose the manner of our own execution, it's whether that is actually the right road at all."

Internode is a member of the Terria consortium which is backing the Optus Network Investments' bid for the NBN.



Petroc Wilton

iBurst collapse means big changes for Chilli

The imminent demise of the iBurst network has raised questions over the future direction of Chilli Internet. The carrier, said to be the biggest reseller of iBurst in Australia, has revealed that the shut-down will see it cull not only its iBurst offering but also its ADSL service.

Like fellow iBurst reseller BigAir, Chilli has secured a deal with Hutchison to migrate its iBurst customers onto 3's 3G network – but with its portfolio stripped of two core services, it is not yet clear what direction the firm will take in the future.

In an email to customers, Chilli also revealed that the demise of iBurst had had a knock-on effect resulting in the termination of its ADSL services. "As a result of the iBurst network closure and its flow on effects to the rest of our business, Chilli is unable to continue to provide your ADSL internet services, and will be ceasing supply on 19 December 2008," wrote the company.

Chilli's remaining lines of business including dial-up, hosting and domain services and business solutions.

A controlling interest in iBurst wholesale provider Personal Broadband Australia was bought by Commander Communications in 2005, with Commander's subsequent slide into receivership this August spelling the end for the wireless network as buyers of the defunct telco's assets elected to discontinue the service.

"After much research and hard work Chilli has selected 3 as its partner to replace iBurst with its award winning Mobile Broadband service," said Chilli on its website. The firm is offering a special changeover deal, including free replacement of iBurst modems with 3G equivalents and two months of free service with 3 to ease the transition.

Petroc Wilton

Wireless surge pushes broadband boom

An explosion in wireless broadband sales has been the pivotal driver behind more than 1 million new broadband connections in the past year. Findings in a new joint report from the ACCC and ACMA point to a boom in wireless broadband penetration – as well as a steady stream of increasing connection speeds as more users move from ADSL to ADSL2+.

In the report 'Communications Infrastructure and Services Availability in Australia 2008', the ACCC and ACMA have painted a picture of increased infrastructure competition thanks to a marked shift from 2G to 3G mobile services as well as an increase in competitive DSLAMs. In total, there were 5.7m active broadband connections in June 2008, an increase of 1.1 million in 12 months.

Wireless broadband connections made up the lion's share of growth between June 2007 and July 2008, accounting for 47% of new broadband connections. Wireless now makes up for some 14% of total broadband services, compared to unbundled DSL with a 17% share, DSL not on unbundled lines with 53%, and 'other' connections—HFC, fibre to the kerb, satellite—at 16%. There were 8.55m 3G mobile services in operation by June 2008.

Non-metro regions proved to be a big focus for fixed wireless services – of the 225 companies providing fixed wireless broadband, three quarters served regional areas, mostly in Queensland. The report quotes ABS statistics showing that wireless broadband use grew 90% in six months from 433,000 last December to 809,000 in June this year.

Unbundled DSL also saw significant growth in the period, accounting for 33% of new broadband connections. In contrast, DSL services not on unbundled lines made up for a mere 9% of new connections. Driven mainly by ULLS as opposed to line sharing, unbundled services increased from 412,000 to 950,000 over the year to June 2008 – up to 1.04 million by September.

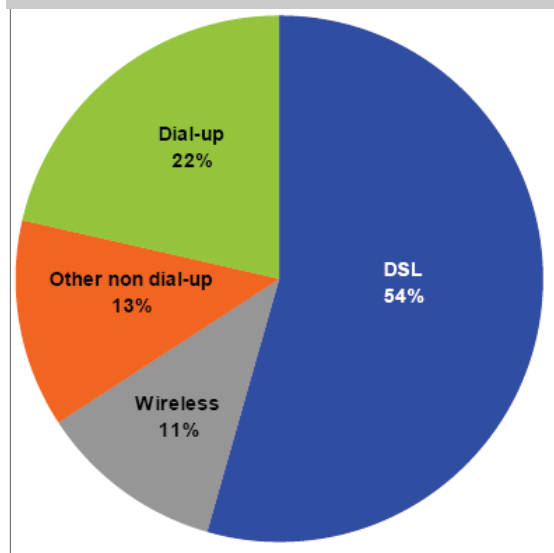
According to the report, the footprint of exchanges with access seekers' DSLAMs installed grew 5% per quarter, an annualised rate of 23%. All up, DSL remains the predominant broadband service taking up 70% of the market.

The number of users taking up higher-speed DSL services also grew during the period. Subscribers with 1.5Mbps or faster connections increased from 2.5m to 3.1m, now accounting for 43% of total broadband subscribers. The ACCC and ACMA said a shift from ADSL to ADSL2+ drove the change.

The humble fixed line still remains strong, with 11 million services in operation at June 2008.

But international submarine cables proved to be the most remarkable growth area in the 12 months to June 2008, racking up a 300% increase in capacity. During the course of the year cable owners AJC and Southern Cross undertook capacity upgrades, along with the completion of a new Telstra cable from Sydney to Hawaii. Southern Cross Cable Network now delivers some 860Gbps

How Australians accessed the Internet at June 30 2008



Conservative fights filters amid national protests

A self-proclaimed conservative Senator widely known as ‘the man who wants to ban swearing’ has taken a stand against the Government’s ISP filter policy in the lead up to national street protests against filtering at the weekend. South Australian Liberal Senator Cory Bernardi admitted that many would be surprised by the stance on his personal blog, but said he was hesitant to hand the government a “blank cheque” on which online material should be deemed appropriate.

“Let me confirm that a big part of me wants to support it. Surely anything we can do to prevent access to illegal material is a lawful and moral obligation,” Bernardi wrote. “However, the proposal that is being debated in the blogosphere is so devoid of detail that no-one can form a considered opinion of the policy or reasonably become an advocate for it.”

Bernardi wrote that filters used on Parliament House computers blocked a number of sites that “while not to my personal taste, are hardly grounds for censorship.”

“Imagine if such censorship was extended to every computer in the country through mandatory ISP filtering. Who would be the ultimate arbiter of what is permissible content?”

The Senator said that some advocates of filtering had expressed hopes for the definition of ‘illegal’ content to be extended to all nudity, or even adult literature. He said suggestions had been made for an internet ratings system similar to film classifications, but questioned how the scheme could work – and how much it would cost.

“Yes, illegal content should be banned from the web. It is illegal after all, but it is wrong to give the government a blank cheque to determine what is appropriate for us to view on the Internet. That is a job for families, working with government,” Bernardi wrote. “And until someone can fill in the detail that is so sadly lacking in Labor’s latest ‘shoot first, aim later’ policy proposal, I remain a mandatory ISP filtering sceptic.”

Meanwhile, capital cities across Australia played host to street rallies against the Government’s proposed ISP filtering policy over the weekend. Organised by a group known as the ‘Digital Liberty Coalition’, the group hoped to see the active involvement of some 15,000 supporters nationally as it ran protests in Brisbane Square, Sydney Town Hall, Melbourne State Library, Adelaide Parliament, Hobart Parliament Lawns, Perth’s Stirling Gardens and central Canberra.

Luke Coleman

Opposition calls for clarity on expert panel talks

The federal opposition has called on the government to publicise the outcome of talks between National Broadband Network proponents and the expert panel examining proposals. Taking place over

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the weekend and today, the six NBN bidders went behind closed doors with the expert panel to nut out the technical and regulatory intricacies of their proposals – with Optus and Telstra expected to roll out company heavyweights to pitch their bids.

“Following presentations to the National Broadband Network expert panel by proponents, which were scheduled this weekend, I call on Communications minister Stephen Conroy to update the Australian public on the outcome,” shadow communications minister Nick Minchin said.

Conroy has maintained in the Senate that it would go against confidentiality agreements to comment on the live and ongoing commercial process surrounding the request for proposals.

“The expert panel has been given until 21 January to make recommendations to the minister and I would expect that advice to also be made public, with the opportunity for comment,” said Minchin.

Conroy has previously expressed the desire to have a winner declared by March, but the opposition remains sceptical. “Considering the need to establish a regulatory framework, which will most likely require legislative change, I’d question just how realistic this latest deadline is,” the shadow minister said.

Luke Coleman

Cross-Government council sets broadband agenda

Federal, state and territory, and local governments have come together to hammer out a new framework to speed the development and uptake of Australian broadband. Ministers and other representatives from across the country met under the aegis of the Online and Communications Council, whose sixteenth annual meeting was chaired in Melbourne by Communications Minister Stephen Conroy.

The OCC, established as the peak cross-government forum for strategic approaches on national information and communications issues, crafted the framework to define the roles that different levels of government might take in the promotion and development of broadband. It laid out three priorities for collaborative action, with members agreeing to work together to ensure broadband availability for all Australians by extending the benefits promised by the National Broadband Network; boosting awareness and take-up of broadband; and encouraging the use of broadband to drive economic, social and environmental well-being.

“Broadband is a vital digital economy enabler and we need to be acting now to develop our capabilities to utilise our investments,” said Conroy. “This framework reinforces Australia’s development as a leading digital economy... [it] is a first for Australia as it outlines a national commitment to broadband collaboration and cooperation between all tiers of government.”

Moving forwards, the National Broadband Development Group (a working group established by the OCC last year) is to develop and implement an annual work plan to tackle the priorities defined in the to the new framework. It will then report back to the Council on the progress of the plan through the Standing Committee, with the plan itself subject to regular review and update in line with future developments in broadband services and the requirements of the digital economy.

Petroc Wilton

Vodafone Australia sponsors MTV Australia Awards '09

Vodafone Australia has locked in a deal with MTV Networks Australia to be the naming rights sponsor of the 2009 Vodafone MTV Australia Awards. Part of the agreement is a 60-second news segment entitled 'Fresh Clips'. The program will feature new music releases and will be broadcasted weekly on the MTV Australia channel and the Vodafone live! mobile platform. The partnership precedes the launch of Vodafone MusicStation.

MTV will also create a 'Top 6' loaded segment highlighting the six most played tracks on Vodafone MusicStation every week. Vodafone will provide its customers an access to live music events like the MTV Video Music Awards in the US, NZ's Snow Jam, and the Sydney-based series, The Lair.

“Vodafone is changing the way people experience music on the move. Vodafone customers can already use their mobile to access their entire music catalogue, share playlists with friends and catch all the latest music news,” Vodafone Australia's head of sponsorship, Pat Cunningham, said. ‘By coming together with MTV, Vodafone will now be able to offer an enhanced music experience

to its customers on their mobile, at live events and through MTV programming.'

The partnership between Vodafone Australia and MTV Networks Australia led to the launch of a new multi-platform program, Vodafone Soundbites.

Kei Contreras

More free downloads for Westnet members

Westnet has announced the addition of iTunes, Xbox LIVE and ABC iView sessions to its Freezone allowing members to download data for free.

Following iPrimus' step in offering ABC iView internet TV service, Westnet members can now stream and watch ABC contents online right after its broadcast. Xbox 360 will also provide them with a quota-free access to game demos, trailers, arcade games and console updates. iTunes, on the other hand, will grant members VIP access to iTunes Australia.

Westnet has also hosted contests along with the launch of the three recent additions. Prizes include 1,000 iTunes songs, an ABC prize pack, an Xbox 360 console plus games, and a number of game packs for runners-up.

Westnet's marketing manager Dan Scott said, "We are thrilled to bring iTunes, Xbox LIVE, and ABC iView content to Westnet members quota free. It's a great way to say thank you to our members and show them why it's great to be a Westnet member. There is something for every type of internet user here -catching repeats of quality ABC shows, hardcore games, and music lovers." He added, 'Our Freezone helps members to avoid stressing about their download quotas when consuming content and media. Now they can consume away, and rest assured it won't run down their monthly download quota.'

Kei Contreras

ComCom releases September quarterly telecom reports

The NZ Commerce Commission has reported in its September quarterly monitoring report the key statistics about telecommunications markets in New Zealand.

According to the report, 12,000 unbundled lines have been purchased from Chorus, Telecom's network operator by access seekers from May to September in providing contending retail broadband and voice services to customers.

Telecom's share of the DSL market decreased from 76% in June 2006 to 66% in September 2008. Commerce Commission said, "The recent downturn has been the largest experienced by Telecom, with its increase in retail DSL customers equal to only 6% of the growth in retail customers for the quarter. This could be due to the end of its \$16.95 'broadband at dial-up prices' promotion and the high charge for extra data usage imposed on customers of the Basic broadband plan pushed in this promotion."

In the mobile market, there has been little change. The report noted, "The main mobile plans benchmarked have not changed in price in \$NZ over the last 18 months ... for the most part these plans have continued to rank in the bottom quartile of the 30 OECD countries surveyed."

Meanwhile, Vodafone's three base fixed plans have been benchmarked separately with TelstraClear because these are not considered as mainstream plans. The Commission said that the Vodafone fixed line plan is the cheapest for the low user basket and the TelstraClear resale plan is the cheapest for the medium and high user baskets.

Kei Contreras

TC COMMUNICATIONS SELLS THURAYA IN AUSTRALIA

TC Communications has signed a three-year wholesale agreement with Optus to sell Optus Thuraya handsets in its Sydney and West Australian offices. TC Communications spokesperson Diana Minglis said that the service would provide customers with Australian phone number for their satellite phones. Thuraya handsets built-in GPS will also enable customers to send their exact location via SMS.

The top 15 telecom people of 2008

Who were the biggest newsmakers and influencers in Australian telecoms this year? We take a look at the people who made a difference to the ongoing industry conversation...

One: Stephen Conroy, Communications minister

Love him or loathe him, one has to acknowledge Conroy's stoic and resolute adherence to his two core themes for 2008—the need for the NBN process to take its course *sans* his commentary; and his desire to extend the existing Restricted Classification regime to the web. His observance of a gag inspired a whole sub-industry of Kremlinesque second-guessing and speculation about his inner thinking. But while 2008 may have been a time of policy process and development, 2009 will be a year of delivery. His key challenge? How can he make the technical and economic realities of fibre deployment reconcile with an extensive wish list of political, social and competition policy demands. Not too far off in importance is how he negotiates a contentious Internet filtering policy—one where he clearly believes he has the backing of a silent majority but faces the spirited opposition of the well-organised. How he delivers will make or break his ministerial career and determine whether he can live up to his billing as Minister for the Future.



Two: Greg Winn, Telstra COO

Telstra's chief operating officer finally stepped out into the limelight this year after two years of taking the back seat to Messrs. Trujillo, McGauchie, Burgess and Stanhope. The self-described plumber is in the middle of a transformation that may well set up Telstra for a decade or more of prosperity. His recent condemnations of vogue telecom philosophies such as structural separation also carried more influence than from others, simply because foes can respect him. As much as Trujillo, Winn can claim credit for steering Telstra into an international position where it is now considered a leading Telco 2.0 case study, on a par with the re-inventions of BT and PCCW.



Three: Art Price, Axia chairman and CEO

The international poster boy of the open access movement. That's former oil executive Art Price who from the relative obscurity of Alberta, Canada, pulled out an amazing coup and landed his firm at the centre of one of the world's most ambitious and radical NBN projects—Singapore's 1Gbps FTTH rollout. Next stop Australia. Axia has captured the imagination of Australia's policy cognoscenti and it is difficult to see the round of current broadband projects—national and state NBN, fibre-to-the-schools, Brisbane FTTH, WA government net etc.—proceeding without Axia winning something somewhere.

Four: Michael Malone, MD iiNet

What a year for Mr Malone! Not so shabby on the business front with rising earnings and an emergence as possibly the leading "challenger telco" in the market. Then Malone felt empowered enough to lash out at the NBN process as "corrupt" and announced his intention to trial Internet filtering in order to debunk it! Then the copyright police descended and decided to make his company an intellectual property test case. How he defends his turf could have a profound influence on the future of Internet access across the globe.

Five: Mark Newton, activist

By day, a mild mannered tech at Internode. By night, an avenger who sought to coalesce opinion against the forces of Internet censorship darkness! Newton did more than any other individual in Australia this year to make the case against the government's proposed Internet filtering scheme. He makes a reluctant figure head by all accounts but his efforts certainly achieved cut through. He certainly won't be getting a Xmas card from Senator Conroy this year!



Six: Phil Burgess, former policy head, Telstra

He had a farewell that lasted longer than Tina Turner's. How rare was it for a visiting expatriate executive to have such a profound influence on the national policy debate? Left a legacy at Telstra that will not disappear in a hurry and forced the regulator & government to lift the bar in justifying their interventionist instincts. Will not be missed by ACCC staff, access seekers or the business commentators at the Australian newspaper—or maybe so, the last bunch will need to find some new tunes for their ritual one-note editorial campaign against the incumbent!

Seven: Deirdre O'Donnell, TIO

Ever had that feeling where enough is enough and one is not putting up with it anymore? That's what our TIO experienced this year as customer service standards in the competitive telco sector reached new lows and she decided to wield her big stick. Next year might see some of the more notable miscreants being named and shamed. One suspects we will be hearing much more from Ms O'Donnell in '09.



Eight: Acacia bid frontman Doug Campbell

Gee, if you'd sought to define Quintessential Telstra Man a few years ago, Doug Campbell would have been it. He developed CountryWide in a manner that almost defined the DNA at the heart of Telstra's national champion credentials. Now he comes out of retirement with some reclusive millionaire backers and lodges a full-frontal assault on his former employer! A recent tongue lashing from Telstra's chairman showed us in no uncertain terms where he stands now. Gives Acacia loads of credibility.

Nine: Optus chief strategist Maha Krishnapillai

No disrespect to the fine folk at Macquarie Telecom, but there was always a sense that Maha was too larger-than-life for that niche corporate operator. Likewise, there was a sense that Paul Fletcher's activism as chief challenger at the chief competitor was constrained by his previous association with the government of the day. Put Maha into Paul's job, press go and watch the results. Maha set the tone early on when he bailed into a Sydney Institute dinner and proceeded to engage Phil Burgess in a no-holds barred argument in front of Gerard Henderson's startled guests! Ever since, he has actively courted hand-to-hand conflict with Telstra and definitely changed the Optus game in this area. Needs to watch out in 2009 as to how Optus positions its rhetoric, lest it appear the firm suffers from

In CommsDay International today

- Alcatel-Lucent announced its third global realignment in as many years on Friday, reformatting the venture around enterprise, service provider and key verticals while stepping up investment in its applications, broadband, optical and IP businesses.
- A survey of CEOs from Asia's fastest growing technology, media and telecoms companies reveals both optimism and concerns in the face of the current global economic downturn.
- Ciena blamed a carrier clampdown on gear spend for a surprise fiscal 4Q loss and warned it was unable to provide guidance beyond a lower-than-expected 1Q forecast.
- Intel expects to have WiMAX terminals on the Indian market by next summer, according to segment head Sriram Viswanathan.
- Pacnet blamed market conditions for shelving a \$US1 billion float, with CEO Bill Barney telling Bloomberg the carrier was unlikely to offer shares for at least a year.

an excessively thin skin for an \$8 billion concern with half of Australia as customers.

Ten: Soul TPG CEO David Teoh

This most reclusive CEO had a year to remember and forget. Engineers a reverse takeover of Soul by TPG and then faces a most vicious whispering campaign about its prospects from former employees and channels, one that clearly betrayed the fact that what he bought was not what he thought he was buying. Such was the whispering that Teoh was even compelled to—shock horror—give media interviews! Interested observers await its next earnings report with baited breath! Will Teoh be vindicated?

Eleven: Telstra Wholesale GMD Kate McKenzie

The most thankless job in telecoms or what? Talk about being between a rock and a hard place: dealing with customers who are competitors, regulatory intervention in almost every aspect of your pricing and product terms, and reporting to an overall company that has inevitable misgivings about the whole enterprise in the first place! Kate McKenzie managed to handle this with considerable dignity and aplomb, while even maintaining a secondary side-act this year as one of Telstra's leading NBN spokespeople.

Twelve: Telstra chairman Donald McGauchie

Phil leaves, Don arrives. The battle-hardened NFF veteran decided 2009 was the year to give his adversaries a good head-kicking, in the process demonstrating that the board and management of Telstra were of like mind. Sol and Don made Ziggy and Bob look like Punch and Judy! His profile raises an interesting question—why aren't other Australian board chairs so involved in fronting their companies and taking on enemies of the 'state'?

Thirteen: Greens Senator Scott Ludlum

Name a distinctive Democrats telecoms policy contribution of the last 30 years. Right. You see my point. In a few short months the young West Australian Greens Senator has made a notable impact to Senate telecoms debate and in so doing has made the Greens relevant outside of its core social and environmental policy concerns. One to watch, especially in the next parliament if the Greens assume the sole balance of power as seems probable. There may well be a lot of unfinished regulatory business by then. Ludlum might get final tick on it.



Fourteen: Buzz Broadband CEO Garth Freeman

One 10 minute speech in Bangkok about his bad experiences with WiMAX. A report in CommsDay ensues. Then picked up by the Wall Street Journal and the New York Times. Watch most of the global WiMAX community rise up to reject his arguments and defend their tech. In the process, WiMAX grew up a lot. No longer a tech of hype and promise, its advocates were now compelled to talk about real-world performance issues. Freeman did them a favour for no personal benefit.

Fifteen: Pipe MD Bevan Slattery

Like Michael Malone, what a year! Starts off with an announcement in Honolulu in January that promises a new US cable aiming to drive a wedge into the cosy duopoly of AJC and SCX. Long time business partner then jumps to Google. Ends up scrambling for funding as the Global Financial Crisis slows his progress. In the interim, was there a man and company in Australian telecoms that was the subject of more covert speculation and chatter in 2008? Suggests he was having quite an impact on a few competitors.

Ones to watch for 2009...

Keep an eye out for Unwired's David Spence (WiMAX launch), Kordia's Geoff Hunt (NZ cable), Telecom NZ's Paul Reynolds, Digicel CEO Vanessa Slowey (injecting competition into the South Pacific), ACCC chairman Graeme Samuel, Optus CEO Paul O'Sullivan, Liberal senator Nick Minchin and Telstra Countrywide's Geoff Booth next year. They will all be key industry figures.