# National Broadband Network
# Future Policy Outlook

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# Coalition NBN election policy in ~~2013~~ 2016

What will it be?

# 2013 Coalition NBN Policy:

## FibreToTheNode

### PROS

- faster initial deployment
- lower initial cost

### CONS

- capped performance
- lower reliability

# FTTN Capital Expenditure

Pay *much* more money to Telstra over and above the existing 'deal'

Deploy up to 25,000-50,000 FTTN/VDSL Cabinets

Cut and re-patch millions of active copper lines

Deploy millions of VDSL Customer NTD's

# FTTN Operating Expenditure

Retained (and rising) higher copper maintenance costs

Increased “truck roll” cost of cabinet & copper maintenance

Regular replacement of cabinet batteries

About 2 x power consumption

# Telstra's FTTN Proposal:
# Our node design is informed by years of real-world experience of the Australian environment

External Air Exhaust

Three Internal Circuit Fans

Dual Rectifiers & Controller

CCF on end

Transformer

7302 ISAM XD
with cover off

GPO
limited to 2 Amps

Trouble Lamp

Three External Circuit Fans

External Air Inlet

Batteries

Emergency Power Connection

Emergency Power Cord Access

Telstra

*"Essentially to go down the FTTN road would (...) become an obstacle to the final solution… fibre-to-the-premise.*

*Fibre-to-the-node was not a stepping stone to fibre-to-the-premise.*

*In fact, if anything it would put it backwards."*

- Reg Coutts (2009 expert panel member, rejecting FTTN bid process)

# Coalition Policy is cheaper & quicker *only* until we upgrade, finally, to FTTH

# So - will we ever need to do that?

"I think there is a world market for maybe five computers."
-- *Thomas Watson, chairman of IBM, 1943*

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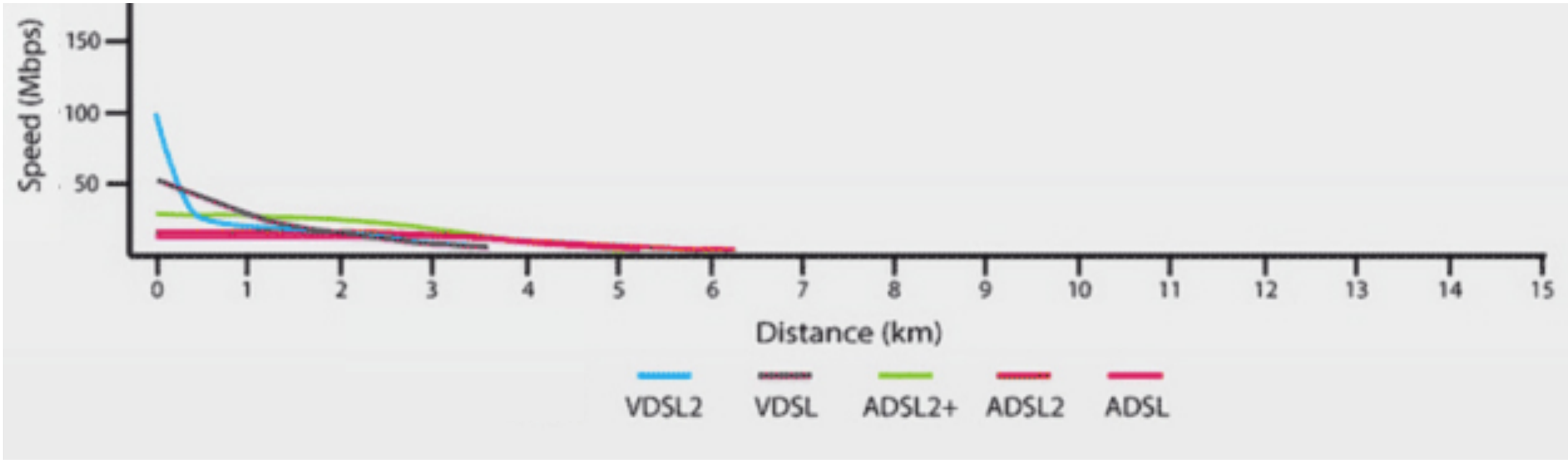
- Demand magically plateaus (permanently) at **2-3x** current level

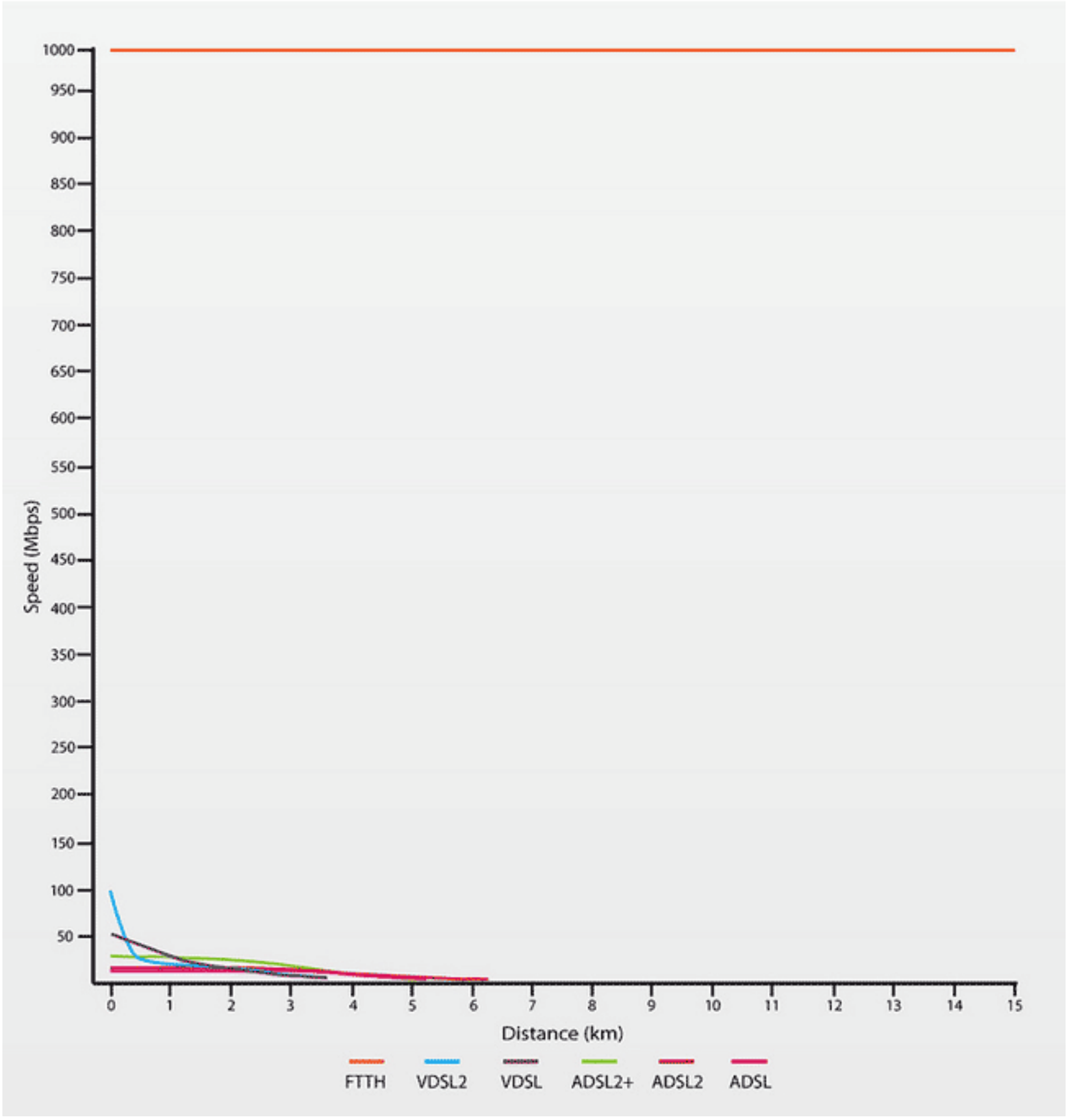
- A *variable* ("up to") access speed is considered to be equitable

- The copper network doesn't fall apart in the meantime

# xDSL: speed vs distance



# After xDSL: Fibre is the only upgrade path



# What if we deploy FTTN anyway?

# Lots of things to do (over) ...

- Parliamentary Enquiry
- New tender for the national FTTN deployment
  or: Hand to Telstra on a plate
- ACCC deliberations/determinations/new SAU
- Negotiate with equipment suppliers
- Restructure NBNCo to accommodate FTTN
- Deployment planning
- Council permissions for cabinets
- Power feeds for cabinets

# And one more thing...

Telstra
Telstra

"We have a contract with the government and **we know what value we need to participate**. And that's really the end of the story.

"Speaking on behalf of the shareholders, if there is a different way to make up that value, **we *are* happy to talk about it**.

**But at the end of the day we are making available, for a price, this infrastructure, to allow the government to implement *this* [FTTH] policy."**

*New Policy means: New Deal required*

**(Extracts) David Thodey at Mobile World Congress. Source: The Australian 4th March 2013**

**If Telstra doesn't agree to change their deal**

then

**we <u>will</u> keep deploying FTTH**

and

**we <u>will not</u> deploy FTTN**

# Meanwhile...

Greenfields electorates: bipartisan position

**100-1000 Megabits per second**
**GPON FTTH**
**Passive, upgradeable infrastructure**

Brownfields electorates: coalition position

**“Up To” 40-70(ish) Megabit DSL (FTTN)**
**Thrown away to upgrade to fibre later**

# Summary

Coalition NBN policy, at face value, presents a reasonable and clearly stated policy goal into the 2013 election:

1) lower cost
2) faster deployment
3) done by deploying *FTTN* in brownfields

*#1 & #2 are great!*
*# 3... not so much.*

# 2016?

# COMMSDAY

## TURNBULL: NBN TO REMAIN FTTH

*Prime Minister Malcom Turnbull commits the coalition to a fully fibre NBN after all. Commits to deliver cost and time savings by radically restructuring NBNCo.*

With the 2016 federal election looming, the government has announced that it will accept the key policy recommendations of the recently concluded "Optimising The Deployment of the National Broadband Network" enquiry.

The National Broadband Network will be completed using Fibre-To-The-Premises (FTTP/FTTH) technology after all, with ongoing efforts to deploy FTTN technology set to be abandoned.

The enquiry, held in the aftermath of the stalled negotiations with Telstra on re-formulating their NBN agreement to include FTTN, has also documented a widening inequality between the digital 'haves' and the 'have nots', with 'brownfields' suburbs now crying out for the recently announced Gigabit residential services from NBNCo RSPs.

*Editorial*:

In the lead-up to the 2013 federal election, the Coalition's NBN policy was based on deploying substantial proportions of the NBN using FTTN

The Coalition NBN enquiry concluded, however, that following the global rise of virtual reality applications, our economic competitiveness is being further damaged by our continuing reliance upon speed-capped and faltering copper based broadband services in brownfields suburbs around Australia.

Bloody Hackett was right after all.

*- Grahame Lynch*