



Australian Broadband Announcement

1. Introduction

The Australian government made an announcement on April 9th, 2009 to build a national Fibre-to-the-Home (FTTH) network. This is one of a series of announcements that have been made since December 7th, 2007.

ViTel Consulting recommends that the Alberta Government and Municipalities review these announcements to get a better understanding of the technical and economic complexities of rural broadband. What follows is a brief synopsis of each of the announcements and comments how these can be used by the Alberta Government to build an open economically feasible rural broadband network in Alberta.

2. December 7th, 2007 Announcement

On December 7th 2007, Australia's Minister for Broadband, Communications and the Digital Economy, announced that the Government was committed to building a national high-speed broadband Fibre-to-the-Node (FTTN) network, and that it would run an open and transparent process to determine who would build the network. The Government created an independent Panel of Experts ("The Panel") to oversee the process.

Comments

Australia's government is demonstrating that they understand the importance of broadband in the information economy. A minister is dedicated to broadband, communications and the digital economy.

Alberta rural communities need to have a government contact whose only responsibility is to manage rural broadband deployments. This government contact should be outside existing government ministries and associations.

The Australian Government has formed a "Panel of Experts" to provide guidance to the government. Rural broadband is a complex issue and single position or person should not be expected to completely understand all the issues.

The Alberta Government should create an independent panel of experts to oversee the deployment of broadband in Alberta.

3. April 11th, 2008 Announcement

On April 11th, 2008, the Australia Government released an RFP seeking Proposals to roll-out and operate a National Broadband Network (NBN) in a single stage process. To facilitate the roll out, the Government indicated it would offer up to \$4.7b to the successful Proponent(s), and consider making necessary regulatory and legislative changes.

On 26 November 2008, the Government received Proposals from six pre-qualified Proponents:

- Acacia Australia Pty Ltd
- Axia Netmedia Corporation
- Optus Network Investments Pty Ltd
- Crown in the Right of Tasmania
- Telstra Corporation Ltd
- TransACT Capital Communications Pty Ltd

4. April 7th, 2009 Announcement

The Government terminated the Request for Proposals (RFP) process on April 7th, 2009 because the Panel advised that none of the proposals provided any value for the money based on the rapid deterioration of the global economy. The Panel stated that all the proposals were underdeveloped. No proposal provided a fully developed project plan. None of the proposals was sufficiently well developed to present a value-for-money outcome. Most of the proposals indicated that the most appropriate, cost effective and efficient way to provide high-speed broadband services to the most remote 10 per cent of Australian homes and businesses is likely to be a combination of next generation wireless technology.

The Panel's analysis of the Proposals has highlighted the importance of competition and not just technology to drive improvements in services; the need to improve competition in backhaul supply, particularly in regional areas; the desirability for a wholesale-only provider of any bottleneck infrastructure; and the desirability of improved regulation of the telecommunications industry to provide investor certainty and speed of outcomes.

Comments

I am assuming that most of the proposals focused on building a fiber backbone similar to Alberta's SuperNet. The Panel recognized that three separate network infrastructures are required to build an economically feasible rural broadband network:

- 1. Backbone (e.g. SuperNet)*
- 2. Middle Mile Backhaul between the backbone's POPs and each region*
- 3. Last Mile Access network in each region*

Each segment of the network provides a point of aggregation for all traffic allowing it to be economically feasible to build broadband networks in low density or high cost areas.

The Panel also stated the importance of competition in rural areas and the need for a wholesale provider in the middle mile.

The Alberta Government should concentrate on funding networks that support open access and are technology neutral. Alberta Government funded projects are needed to build out the Alberta SuperNet (middle mile) to all rural areas of Alberta.