

**Tuesday, November 11, 2014**

The Honourable Malcom Turnbull  
The Minister of Communications  
Parliament House  
Canberra, ACT 2600

**Reference:** Letter dated 14<sup>th</sup> October 2014; Proposed Draft Carrier Licence Conditions (Networks supplying Superfast Carriage Services to Residential Customers) Declaration 2014 (**Proposed Declaration**)

Dear Minister,

The Australian Federal Government has invited submissions on the Commencement of Consultation on Carrier Licence Conditions Declaration 2014.

An issues paper outlining the Governments' options has been circulated to Telecommunication Carriers as part of the consultation process.

BTelecom Pty Ltd has considered these options and offers the following in support of its position:

- BTelecom is a carrier focused only on the delivery of Broadband Services via wireless and Microwave technologies. It has been in the market place for over 6 years delivering such services to clients. Our position is one of support for the TPG ruling by the ACCC.
- It is with this in mind that BTelecom would support the proposed Option 5 but would still need some government undertaking on the "beyond 2 years period". While the paper correctly outlines the CLC process, it is unclear on what happens to the customer base and investment made during the 2 year period should the government decide on some other course of action beyond the review period.
- BTelecom believes that the marketplace should determine what product, service and price it wants to service its needs. NBNCO have made it clear in numerous press releases that it is well behind in its roll out programme. BTelecom has taken the position that those carriers prepared to:
  - review or prepare a business plan for competing with NBNCO
  - take a commercial risk
  - meet minimum government standards
- Be able to provide broadband services to commercial and residential customers in open competition with NBNCO and other carriers.

BTelecom recommends that minimum standards must be incorporated in any amendments to the carrier licence in the delivery, provision and operation of superfast broadband networks.

On the matter of structural separation BTelecom agrees with this requirement and has already taken steps to separate its carrier business (build, own & operate,) from the retail sector where a subsidiary company Broadband Through The Air PTY Ltd operates as an independent ISP.

Regardless of “size”, BTelecom is of the view, that cost of separation are manageable for most carriers but again these cost should be considered as part of any business case to determine if they will provide competitive network infrastructure.

Given the current and well documented role out problems associated with NBNCO, compounded by confusion within sectors of the industry on how to meet their customers’ demands for superfast broadband service. In our view, Option 5 will resolve this and allow both the industry and marketplace to move forward with a level playing field in the provision of superfast broadband service.

Option 4 is BTelecom’s next preferred option. While we acknowledge the problems with implementing this option again the cost of separation are one off cost and can be factored into any business case to recover cost over time (refer to cost that cannot be absorbed by the business).

We agree that this also provides a level playing field with options as carriers can choose to either:

- be a full service provider or
- Part service provider and allow any retail ISP access to their network.

In summary BTelecom supports the proposed Option 5 and looks forward to participating in future detailed discussions with the Government on the suggested interim amendments and final proposed changes to Carrier Licence Conditions.

Regards

A handwritten signature in black ink, appearing to read 'G. Fonti'.

Greg Fonti  
CEO BTelecom Pty Ltd.