

Backhaul Blackspots Initiative Stakeholder Consultation Paper

**Submission to Department of
Broadband, Communications and the
Digital Economy**
(12 May 2009)

OPEN ACCESS
Fibre-Connected Community Networks

OPENetworks and Fujitsu

“Publication Version”



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1. Purpose

The purpose of this submission is to respond to the Department of Broadband, Communications and Digital Economy (“the Department”), in relation to the Stakeholder Consultation Paper published in April 2009.

2. Introduction

As the first truly “open access”, wholesale telecommunications carrier operating in Australia, OPENetworks and its operational partner, Fujitsu Australia Limited are uniquely positioned to respond on the matters referred to in the Consultation Paper promulgated by the Department.

OPENetworks makes this submission in respect to the developments and on behalf of the leading community developer operating in Australia,

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3. About the Respondents

3.1 OPENetworks

OPENetworks is a corporation specifically created to hold and maintain a carriage service license under the *Telecommunications Act 1997 (Cth)* for the purpose of providing “open access”, wholesale telecommunication carriage services to communities in Australia.

OPENetworks carries on the business of providing wholesale high speed broadband telecommunications over “open access” networks servicing various Australian communities to telecommunications retail carriers, internet, content, application and other service providers so that they can provide their telecommunications services to those communities.

OPENetworks may jointly or severally own or manage the networks or operate and maintain the networks in such communities.

OPENetworks outsources all network services including the management, operation and maintenance of its networks to Fujitsu Australia Limited (“Fujitsu”), a network services provider/manager recognised in Australia by other retail telecommunications carriers and service providers as a leading network manager, operator and maintenance service provider for optical fibre cable, wireless and other telecommunications networks.

OPENetworks will partner with Fujitsu to market and promote the open access networks of OPENetworks including any backhaul links to communities and the above business model for the delivery of high speed broadband and telephony to residential, commercial and industrial communities in Australia.

3.2 Fujitsu

Fujitsu supply and install the community network infrastructure which is customized to suite the extent of the network services required. The community networks are designed to be implemented in stages in conjunction with the development of the community. Once the first stage is complete Fujitsu then provide the end to end network operations and maintenance.

Headquartered in Sydney, Fujitsu has an extensive sales and service presence with over 2300 employees working in 17 offices in across Australia, New Zealand and the South Pacific. Fujitsu’s support service, Fujitsu Customer Services maintains customers systems wherever they are - with

a geographic coverage that is virtually unrivalled with nearly 300 Fujitsu employed field engineers and over 100 accredited service agents.

Fujitsu is a diverse technology organisation and a world leader in the Information and Communications Technology/Services (ICT) and Microelectronics industries. Fujitsu has a global network of over 500 companies that spans 60 countries, employs more than 157,000 people and an annual turnover in excess of US\$45 billion.

Fujitsu Australia Limited has been providing IT and Telecommunications Solutions and services in Australia since 1972 and is owned 100% by Fujitsu Limited of Japan.

Fujitsu's heritage began as a producer of copper communications cable in the late 1800's. Since then it has gone on to become the third largest Information Technology and Telecommunications provider on earth. (Gartner) Fujitsu has decades of expertise in telecommunications equipment including Sub Marine Intercontinental Optic Fibre networks, PBX, WiMax, WDM Switching, carrier access network and is the largest supplier of Fibre to the Home in Japan and the third largest in the USA.

Fujitsu holds contracts in Australia with Optus, Telstra, AAPT/New Zealand Telecom, Verizon and in January 2007 was awarded a major contract by Papua New Guinea Telikom to upgrade it's entire country network and IT Infrastructure.

As one of Australia's leading providers of managed voice and communication services, Fujitsu currently manages almost 1500 network sites Australia wide, including Coles Myer, the Australian Wheat Board and Transport Accident Commission (TAC) – with over 150,000 handsets under management.

Fujitsu has supplied optical and access networks for more than 10 years producing extremely reliable and cost effective, optic fibre based telecommunications for major Australian carriers. As a result, Fujitsu's engineers understand carrier grade operating environment demands and the stringent availability targets.

3.3 XXXXX – Community Developer

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4. Issues for consultation

4.1 Locations

Stakeholders' views are sought on the following matters:

- (a) priority locations that are lacking an alternative backhaul supply and the reasons for their priority

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- (b) possible routes for the links to the priority locations, including any potential locations where backhaul capacity should be broken out, and

We would work with the developers and local municipalities to identify other developments or points of need for breakout services as well as the most suitable route.

We would also in the next stage provide a prioritisation of sites however priorities could also be influenced by the need to provide a breakout services to other development or facilities earlier and we would take this into account.

- (c) the contestable market in each location and the wholesale price points required to attract interest from access seekers.

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4.2 Design and operational parameters

Stakeholders' views are sought on the following matters:

- (a) The type and capacity of services and associated operational arrangements that the network operator should provide to access seekers, including the costs of delivering these services and the charges that should be levied.

- (i) Type and Capacity of Services

OPENetworks will provide dark fibre and IP transit services at 100mbps to 1gbps and potentially 10gbps.

- (ii) Operational Arrangements

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- (b) the locations at which points of interconnect should be sited to enable secure and ready access by access seekers

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- (c) the timeframes and costs associated with the planning, construction and commissioning of backhaul infrastructure in various terrains and locations

The timeframes and costs are dependent on the location and require specific funding in order to provide accurate information/

- (d) the extent to which fibre repeater/regenerator equipment would be required at locations other than population centres, and the approach in regard to the powering and housing of this equipment.

No Comment

- (e) the relative merits of deploying links that provide an alternate route to existing backhaul infrastructure,

No Comment.

- (f) the relative merits of completing ring architectures as opposed to constructing spurs.

No Comment

4.3 Operational and ownership arrangements

While the Australian Government has not made a final decision on the specific implementation and operational arrangements for this initiative, a potential model that aligns with the Australian Government's objectives and requirements for this initiative is outlined below.

- (a) Individual companies or consortia build new optical fibre regional transmission links to regional centres with the ownership retained by the Australian Government, and the proponent holding a long term indefeasible right of use over a number of optical fibres.

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- (b) The number of regional centres that can be assisted with this measure will increase if there are partnership arrangements. The projects that receive funding from the Australian Government would also attract contributions from other parties consistent with the value of the opportunity to those organisations.

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- (c) The involvement of an existing wholesale operator would enable competitive services to be offered to retail service providers immediately after the infrastructure has been put in place. For an agreed period the successful proponent could be responsible for maintaining and operating the infrastructure. The transmission services would be provided to all access seekers on equivalent terms and conditions and would include:

- (i) links between the communities on the new infrastructure to the point that the new link terminates with existing transmission infrastructure;

Agreed

- (ii) links between the communities on the new link to a cost effective point of interconnection in the respective state capital.

Agreed

- (d) At a specified time the Australian Government will transfer the ownership of the infrastructure to the national broadband network company, which will deliver backhaul services over the link or acquire the services from the successful proponent.

Agreed

4.4 Stakeholders' views are sought on the following matters:

- (a) the proposed model including the ownership arrangements and commercial viability

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- (b) the period of time for which indefeasible right of use should be available to the network operator

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- (c) alternative models that would meet the Australian Government's objectives.

No Comments