

**Speech by ACIF CEO Anne Hurley
for Future Fibre Forum, 18 July 2006**



Welcome to *Future Fibre*, the first of our series of Future Forums.

I am especially gratified to see the tremendous response to this event because it shows how seriously our industry is taking its responsibility to plan for the future.

It may be something of an oxymoron, but for Next Generation Networks, the future is now.

Planning communications networks is no longer a unilateral or even bilateral exercise where individual companies sit down and design the layout of their infrastructure in a vacuum.

In today's world of complex multi-layered, multi-media, multi-player networks, individual strategies reverberate across the industry.

With next generation networks, that level of complexity and interactivity will ratchet up much further than it has ever been before.

So it is imperative that we not only develop our future network infrastructure cooperatively but that we start the planning well in advance of the time when deployment begins in earnest.

The rationale behind ACIF Future Forums is that we believe there is a real need for the industry to begin focusing now on the strategies we need to employ in the NGN transition.

As a starting point, we feel we can make a worthwhile contribution by looking at the various NGN access technologies and achieving some degree of consensus about the main issues that will need to be tackled in the NGN transition.

Those issues will encompass operational, technical, regulatory, commercial and potentially other areas as well.

However these forums will not be talk fests. We are determined to keep them rigorously focused on achieving solid outcomes.

We want to facilitate thorough analysis of the issues and then capture the output in a series of reports that contain practical recommendations.

Those recommendations will suggest how to develop the strategic framework for the NGN transition and the substance of what the industry considers should go into the planning process.

We are not looking for answers at this stage. That would be putting the cart before the horse.

However we certainly need to get clarity about the topics which industry collaboration must and can take forward.

While identifying those issues, we need to develop a parallel list of policy and regulatory issues that other stakeholders – such as DCITA, the ACCC and ACMA – can work on with us.

I want to stress that we will not be diverted into discussion of the individual dialogues that are currently being played out in other forums such as the ACCC or access disputes between specific players.

We will be looking beyond those matters to the issues that flow from the assumption that Australia's NGN infrastructure will be made up of a variety of backbone networks and access technologies.

Among those access technologies will undoubtedly be optical fibre.

This series of Future Forums will deal with the other technologies sequentially but Future Fibre seemed like a good subject to get the ball rolling.

Some of the issues that come out here today may be similar to what comes out of the other forums.

Nevertheless there may be vast differences in the types of services that are possible with alternative access technologies, their interoperability, their interconnection and the challenges they pose.

Today's agenda is broken up into two sessions.

The first is on the topic of Interoperability and Interconnection.

The speakers are:

- Paul Brooks, founder of Layer 10 , who also chairs the ACIF IP Interconnection and QoS Working Group
- Michael Cosgrave, general manager of telecommunications at the ACCC;
- Chris Ford, chief technical officer for Australia and New Zealand for Lucent Technologies;
- Paul Fletcher, director of corporate and regulatory affairs at Optus; and
- David Yuile, a director of Powertel.

Each of the speakers will have ten minutes to put forward his views on the subject and to nominate his priority issues.

There will then be a panel discussion moderated by David Crowe from the Australian Financial Review.

As you undoubtedly know, David has covered our industry for a number of years, both here and overseas.

He has had two lengthy stints as editor of the Information section of the AFR but has recently concentrated on the telecommunications industry and regulatory issues.

So he is well credentialed to play an informed and objective role in moderating our panel discussions today.

I want to stress that there is also a role for everyone else here to put forward ideas and join in the debate.

You are free to disagree with the speakers or to throw up your own issues for discussion.

That's the purpose of this event – to bring as many viewpoints together as possible and test them against one another so that we can tease out the issues that we need to resolve in the NGN transition process.

It's the genesis of our belief that the industry itself is best qualified to lead the debate on its future direction.

After all, who has greater understanding of the complexities of operating networks, developing new technologies and offering services than the people who do it day in and day out?

Of course, many of you are competitors and that means you have commercial interests to protect.

However you also have a lot of common interests, including a need to ensure Australia's telecommunications infrastructure is as efficient and customer-friendly as it can possibly be.

At ACIF I have a ringside seat to the discussions that take place every day between rival companies who sit around the table and reach consensus on difficult issues.

I know that many external observers probably think our industry is a hotbed of conflict, but they fail to see that the entire business of communications relies on cooperation.

As we move into this next era, the intensity of competition at the sales and marketing level will inevitably increase because the benefits of incumbency will be diluted as new technologies gain traction.

At the same time, it's fair to say that the degree of cooperation required in delivering these new services will also reach new heights.

Never before has there been greater need for all sections of the industry to work together on building the framework for our future.

Never before has there been greater opportunity to do so.

The government, through initiatives like Broadband Connect and the Future Fund, has created huge financial incentives for new networks to flourish around the country.

Meanwhile Minister Coonan has offered us the opportunity to take responsibility for as much of our self-determination in the NGN transition as we can justify.

It's now up to us to show that justification.

Today can be a milestone for this industry if we make full use of the opportunity.

If we can peg out sufficient of the key issues and accept responsibility for resolving them, we will demonstrate that industry collaboration and self-governance should be the default option for the NGN transition.

It will be seen as the mechanism of first resort, not the last.

The timing of this window of opportunity could not be more apt.

We are now on the threshold of the tenth anniversary of the introduction of the Telecommunications Act of 1997 which introduced the concept of industry self-regulation.

It also led to the creation of ACIF as the organization responsible for developing the codes, guidelines and standards that underpin the regulatory regime.

Ten years on and ACIF's role has evolved in tune with the changing needs of the industry.

We no longer see the development of codes and standards as our priority.

Instead we see a greater need to enhance our position as the neutral forum in which the industry can come together to resolve its differences, to plan its future direction and to offer a unified voice on the important issues of the day.

Our ability to fulfill that role is poised to take a major step forward in the next few weeks when our members vote on the proposal that ACIF and SPAN come together as a new peak industry body – the Communications Alliance.

Earlier in the year AVOIPA – the Australian VoIP Providers Association – merged into ACIF.

So, if all goes according to plan, we will soon have the most representative and broadly based organization our industry has ever had to speak on behalf of its members.

It was encouraging to see how the Communications Alliance announcement was greeted by the industry, the government and the media.

In fact David Crowe's colleague at the Financial Review, Tony Boyd, wrote a story that was published under a heading that read : "Once were warriors, telcos say".

It went on to say that the formation of the new body could herald a new era of greater collaboration for the industry.

That is a sentiment which has been echoed in the feedback I have been getting on a daily basis.

If you can get representatives of every industry segment – from the biggest telcos to the smallest ISPs -- sitting around a table with one vote each, you certainly have a potent mechanism for achieving progress.

Today's event and our Future Forums in general operate on the same philosophy.

When you look at the number of access disputes that are in front of the ACCC at any one time, you can see the importance of heading off further difficulties as fibre access solutions move towards fullscale rollout.

Fibre access technologies are fraught with potential areas of conflict.

Our task today is to highlight where they might be and to consider how they might sit in the hierarchy of issues that will need to be resolved in the NGN transition.

ACIF, of course, has already done a fair bit of research on the subject and has a list of potential issues grouped under various headings.

For instance, there are issues to do with the cabinets that will house the fibre nodes:

- Point of interconnect issues.
- Can we avoid multiple cabinets?
- Local government and planning issues
- Environment hazards and protection

Network planning issues include:

- Stranded assets
- Network design
- Decommissioning equipment, exchanges and other buildings
- Remediation planning

Under the heading of Transition Planning we have a list of issues that includes:

- Migration planning for access seekers
- Cost for access seekers during or after migration
- Accessing existing network infrastructure
- Legal interception
- Terms and conditions for utilizing common infrastructure
- Mid point injection issues

There are Legal and Regulatory issues such as:

- Practical and economic access to new or upgraded networks
- Regulatory approval mechanisms
- Porting issues

Standards issues include:

- Customer equipment
- Dealing with international standards
- Mid point injection issues (Again)

It's worth noting at this point that quite a few of these issues don't fit easily into one category or another but rather impinge on multiple areas.

For instance, Legal Interception crops up under Network Planning and again under Legal and Regulatory.

Standards fit under their own heading but also under Legal and Regulatory.

The final two categories we've identified are Funding and Services.

Funding issues include:

- Who funds outside the five metropolitan areas?
- Who funds network expansion?
- Who bears the risks?
- Funding the additional costs to provide third party access
- Return on investment

Services issues include:

- Access to content services
- Network performance
- How will existing services be transitioned
- Co-existence of current and new services

Those last two points raise one of the trickiest subjects we will need to grapple with in the NGN transition.

Unlike in some other countries – mainly the developing world – we are not dealing with a greenfields project when we roll out new NGN services.

We have existing customers who are often highly dependent on reliable, always-on telecommunications services.

So not only will our transition planning need to ensure the cutover to NGN is as transparent as possible, it will need to acknowledge that for some period of time the old and new networks may have to operate in parallel.

Or do we design the timetable in such a way that it allows the old infrastructure to gradually "morph" into something completely fresh and new?

Can we afford the transition to take that long? If not, what is the ideal timetable?

I don't know the definitive answer to any of those questions myself, although I have some opinions.

Hopefully the brains trust we have mustered here in this room can guide us all towards some enlightenment on those issues, at least with regard to fibre access technologies..

I remind you again that we are not here to solve the issues today, just to identify and prioritise them.