

ACCC to move fast on broadband

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The competition regulator has signalled it will move quickly to decide on Telstra's \$4 billion proposed broadband network, raising the chances that a draft regulatory decision could be issued before investors commit to a Telstra share offer in October or November.

The Australian Competition and Consumer Commission yesterday indicated it would keep public consultation on Telstra's formal proposal to about one month, half the time some expected.

But ACCC chairman Graeme Samuel warned the planned network could leave Telstra's rivals "stranded" because they had made heavy investments in networks based on existing copper lines.

Mr Samuel said his talks with

Telstra on the fibre proposal had canvassed ways to satisfy some of the concerns of rival telcos but refused to comment on the detail of the discussions.

Companies including Optus, iiNet and Primus fear that the fibre to the node network would supersede digital subscriber line (DSL)

services running from Telstra exchanges to millions of homes.

Telstra's competitors are installing their own equipment in Telstra

exchanges in order to sell DSL services over copper lines, known as the unconditioned local loop (ULL).

Although the ACCC has vigorously opposed Telstra's ULL prices, Mr Samuel suggested that dispute would be less important once the fibre network was underway.

Mr Samuel said fibre cables would ultimately have the potential to substitute for the copper loop.

In comments welcomed by Telstra, Mr Samuel said it was not up to the ACCC to determine whether a fibre network was a better long-term option than broadband networks based on existing copper lines. "It's not for us to pick winners and determine that fibre is or isn't the most appropriate course to follow - that's really a matter for those in the industry," he told the National Press Club in Canberra yesterday.

The statement confirms the regulator's neutral stance following a comment by ACCC commissioner

Ed Willett on June 1 that appeared to question the merits of Telstra's fibre proposal, saying it was "far from clear" whether fibre was appropriate "across the broad range" of the market.

Telstra is expected to lodge an outline of its fibre network plans in the next two weeks, allowing time for reaction before it lodges a formal regulatory document with the ACCC.

Mr Samuel said he did not want to set a fixed time on the process but said the normal course would be a discussion of "a couple of months" about Telstra's plans for a network.

After the company lodged a formal proposal with the ACCC there would be "approximately one month" of public consultation, he said.

KEY POINTS

- ACCC chairman Graeme Samuel discussed with Telstra ways to satisfy competitors' concerns.
- He said the regulator should not decide which network was better.