



Media Release

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Optus launches NBN bid backed by TERRiA

Optus and TERRiA today announced that a National Broadband Network bid by Optus Networks Investments (ONI), and backed by TERRiA, had been lodged with the Commonwealth Government.

Mr Paul O'Sullivan, Optus Chief Executive said, "The Government's process to build a high speed broadband network serving 98 per cent of premises is enormously important to Australia's social and economic future.

"It is a bold and innovative policy framework - which uses the power of competition to extract the best possible proposal from the private sector that will deliver the best outcomes for customers. While that is evidently deeply disturbing to the incumbent monopolist, Optus and the TERRiA consortium are delighted to rise to the challenge."

"As others have blustered and complained, we have been working together quietly for many months to develop a bid which delivers on the Government's policy objectives. Our bid gives full effect to the principles which have been consistently articulated by TERRiA. We are proposing a structurally separated, open access network with prices regulated by the ACCC and offering full equivalence to all access seekers," Mr O'Sullivan said.

Mr Michael Egan, TERRiA Chairman said, "The TERRiA board resolved that Optus (ONI) would lodge the NBN bid since that is in the best interests of TERRiA and the achievement of the TERRiA principles developed by all members over the past 12 months.

"TERRiA has agreed to ONI submitting the NBN bid - while maintaining the TERRiA principles - with genuine open and equitable access to all access seekers, a strong ACCC mandate and structural separation of the National Broadband Network," Mr Egan said.

Mr Simon Hackett, MD Internode said, "The ONI bid delivers on the commitment and vision of TERRiA to a fair, sustainable and open industry that delivers an NBN in the national interest."

Mr Michael Malone, CEO iiNet said, "All Australians deserve equal access to reliable, affordable, high-speed broadband services, regardless of where they live and work."

Mr Ravi Bhatia, CEO Primus Telecom Australia said, “I am confident that the bid will be well received by the Government, especially our ‘outside in’ approach meaning we will address areas without broadband first – rural and regional Australia and metro black spots.”

TERRiA PRINCIPLES

1. Structural Separation

The NBN Network will be subject to compliance with the concept of structural separation, which means that it will not be a vertically integrated provider of wholesale and retail services and will be subject to strict ring-fencing rules to ensure there can be no discrimination in favour of a related entity.

2. Open Access Principles

The NBN will provide to all Access Seekers access to the Network on a transparent and equivalence of inputs (**EOI**) basis in respect of the following:

- (a) the technical, functional and operational features and quality of access (including upgrades and updates);
- (b) the process and timing of provision of access;
- (c) the provision and timing of support (including fault identification and rectification) of access to the Network;
- (d) the pricing of access; and
- (e) the administration and management of the Network and access to it.

3. Cost Based Pricing

The NBN Operator will take all reasonable steps to price access to the Network as between Access Seekers on a transparent and EOI basis.

Prices for services will be set at prices which are sufficient to recover only the efficiently incurred capital and operating costs incurred by ONI in providing access to and operating the Network, plus a reasonable rate of return.

4. ACCC oversight role

In support of structural separation, pricing and open access principles the Australian Competition and Consumer Commission (**ACCC**) will be given clear and defined oversight powers to regulate access to the NBN on an ongoing basis.

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