

Notification of Product withdrawal

26 August 2016

Interim Satellite Service

Description

NBN Co (**nbn**) intends to withdraw the Interim Satellite Service (**ISS**) as offered pursuant to the terms and conditions as set out in **nbn's** Satellite Wholesale Broadband Agreement Standard Form of Access Agreement (**S-WBA SFAA**).

Timing

The earliest date that **nbn** will withdraw the ISS is 28 February 2017 or such later date as advised by **nbn** (**ISS Withdrawal Date**).

In circumstances where **nbn** decides to amend the ISS Withdrawal Date, **nbn** will provide the ACCC, Access Seekers¹ and Consumer Advocacy Groups² with reasonable notice of the amended date.

Transitional arrangements

In respect of the ISS, **nbn** will establish transitional arrangements to facilitate the migration of Customers (**ISS Customers**) to an alternative product offered by **nbn**:

- The relevant alternative products include those offered to Access Seekers by **nbn** pursuant to the terms and conditions as set out in **nbn's** Wholesale Broadband Agreement Standard Form of Access Agreement (**WBA SFAA**) at the date of this notice (**Alternative Products**). The Alternative Products include the NBN Co Ethernet Bitstream Service (**NEBS**) supplied by means of the NBN Co Wireless Network (**Fixed Wireless**), and the NBN Co Satellite Network (**LTSS**) respectively.³

¹ As defined in **nbn's** Special Access Undertaking (SAU), as accepted by the ACCC on 13 December 2013.

² As defined in **nbn's** SAU.

³ The particular product offered by **nbn** is dependent on the Service Class (as defined in the WBA SFAA) for the relevant Premises (as defined in the WBA SFAA). Capitalised terms in the footnoted paragraph are as defined in the WBA SFAA.



- The proposed timeframe for migration of ISS Customers to an Alternative Product is from the date of this notice up until 5pm AEST on the ISS Withdrawal Date.
- **nbn** will regularly communicate with each ISS Customer to facilitate an orderly migration to Alternative Products.
 - **nbn** will provide a frequently asked questions information sheet to assist ISS Customers with any Eligible End User (**ISS End User**) enquiries.
 - **nbn** will regularly provide each ISS Customer with an updated list of its ISS End Users that are NBN Serviceable⁴ in respect of Fixed Wireless.
 - **nbn** will communicate with each ISS Customer regarding **nbn**'s marketing and information campaign to encourage coordination in efforts to raise the awareness of ISS End Users of the ISS Withdrawal Date.
- **nbn** will conduct a supplementary marketing and information campaign to raise the awareness of ISS End Users of the ISS Withdrawal Date. However, **nbn** expects that ISS Customers will be the main communication channel to inform ISS End Users of the ISS Withdrawal Date, and the need for some action in order to obtain continuity of service.
 - The campaign will leverage **nbn**'s website, **nbn**'s social media channels and other media as **nbn** considers appropriate.
 - **nbn** will make all reasonable attempts to notify any remaining ISS End Users of the withdrawal of the ISS at least 4 weeks before the ISS Withdrawal Date.

Assessment of relevant factors considered by nbn in deciding to withdraw the ISS

nbn has had regard to the factors set out in clause 11.5.2(b) of **nbn**'s SAU in making its decision to withdraw the ISS. **nbn**'s assessment of these factors is set out below.

- Existing demand for ISS – demand for ISS is declining post the commercial launch of LTSS on 22 April 2016. ISS services in operation declined from 34,481 as at 31 March 2016 to 31,163 as at 30 June 2016⁵.
- The avoidable cost to **nbn** of maintaining and continuing to supply ISS – given that ISS is provided using capacity purchased from Optus and IPStar, and that **nbn**'s LTSS is already available, there is a significant avoidable cost to **nbn** of maintaining and continuing to supply ISS beyond 28 February 2017.
- The functionality offered by Alternative Products compared to ISS – the broadband speeds offered by the Alternative Products are faster than the fastest speeds offered by the ISS. For instance, LTSS is designed to deliver wholesale speeds of up to 25 megabits

⁴ As defined in the WBA SFAA.

⁵ NBN Wholesale Market Indicators Reports, available on the ACCC website.



per second (**Mbps**) download and up to 5 Mbps upload – up to four times faster than the fastest speeds available on the ISS.⁶

- The technical feasibility and commercial viability of Alternative Products – **nbn** is confident in the ongoing technical feasibility and commercial viability of the Alternative Products, with the commercial launch of LTSS on 22 April 2016 and Fixed Wireless having been offered for approximately 4 years.⁷
- The price of Alternative Products – ISS Customers can currently purchase a 6/1 Mbps AVC TC-4 on ISS for \$24 per month. For the same price, a faster download 12/1 Mbps AVC TC-4 can be purchased via the Alternative Products. The Alternative Products also allow for higher speed tiers, including a 25/5 Mbps AVC TC-4 for \$27 per month. The initial standard installation for Alternative Products is provided at no charge.⁸

*Capitalised terms in this document have the same meaning as the corresponding defined term in the S-WBA SFAA, WBA SFAA and SAU as applicable, unless otherwise specified or defined in this document.

Note

This document provides the ACCC, Access Seekers and Consumer Advocacy Groups with notification that NBN Co intends to withdraw a Product in accordance with section 11.5 of its Special Access Undertaking.

Disclaimer

*The recipient must not use this document other than with the consent of NBN Co (**nbn**) and must make its own inquiries as to the currency, accuracy and completeness of this document and the information contained in it. Any requirements or views of **nbn** expressed in this document may change. Copyright © 2016 NBN Co Limited. All rights reserved.*

⁶ For further details on the offered functionality, see the WBA SFAA.

⁷ For further details on the technical capabilities, see the WBA SFAA.

⁸ For further details on the applicable prices, see the S-WBA SFAA and WBA SFAA.