

18 January 2006

The Secretary
Department of Communications, Information Technology and the Arts,
38 Sydney Avenue
FORREST ACT 2601

Attention: The Manager
Regional Broadband Policy and Technical Support

**BROADBAND CONNECT AND CLEVER NETWORKS:
SUPPORTING INVESTMENT IN SUSTAINABLE BROADBAND INFRASTRUCTURE**

Commander Australia Limited welcomes the opportunity to provide this response to the discussion paper on the above matter issued by the Department in November 2005.

As a relative newcomer to the provision of infrastructure based services, Commander has not sought to comment individually on all specific matters raised by the Department. Commander has focussed on those matters which have a direct impact on its capability to provide telecommunications services in regional, rural or remote areas of Australia, as appropriate.

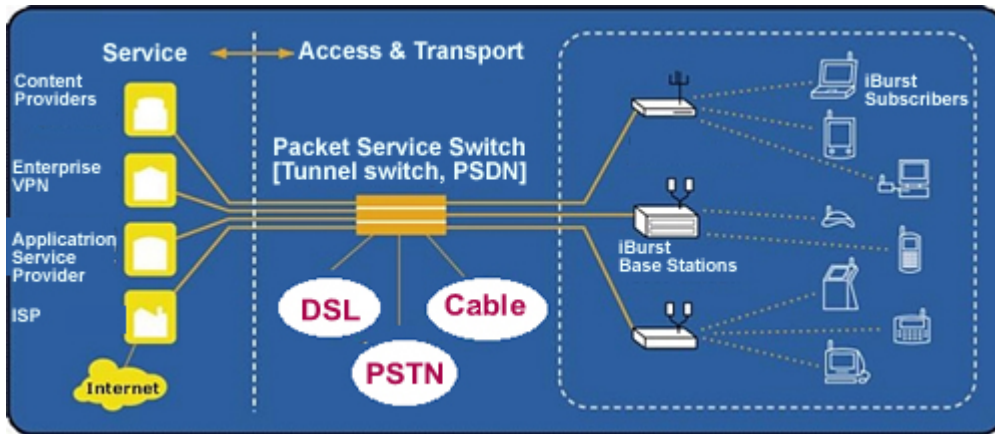
A key focus of the discussion paper is how innovation can be supported to achieve sustainable broadband solutions that will continue to meet emerging needs.

Commander considers that it has a wide area wireless technology that offers a real, cost effective and viable alternative to ADSL. Wireless broadband is extremely attractive to the end user as it has the potential to provide a mobile broadband connection at comparative bandwidths, wherever they live or work, whenever they want. In order to provide this service, Commander needs the access to transmission capacity on a widespread basis to regional, rural and remote communities, and as it is not an infrastructure provider in its own right, has to rely on other infrastructure providers to provide this capacity, whether by optic fibre, wireless or satellite.

In June 2005, Commander bought an 80% holding of Personal Broadband Australia (PBA), operating as "iBurst". PBA is a licensed carrier that operates a wireless broadband access network providing anywhere, anytime, broadband connectivity with spectrum in all Australian capital cities at present. Employing an advanced technology that was developed by American engineering company ArrayComm, PBA's system leapfrogs all existing wireless systems by providing the fastest wide area mobile broadband service in existence today. A subscriber on PBA's network can receive a 1 Mbps connection anywhere while either mobile or fixed, within PBA's coverage area.

Commander's goal for iBurst is to become Australia's primary quality wireless broadband service provider focussing on the emerging mobile and portable broadband markets. To that end, Commander will offer Australia a carrier grade, wide area, wireless broadband solution for the mobile market both for a retail and a wholesale segment. iBurst competes in the fixed broadband market by providing a complementary and portable alternative to ADSL and Cable broadband services. iBurst also provides a genuine alternate to the traditional 'last mile', with the added ability to carry voice, data and multimedia applications.

The iBurst system employs the same core network and service network architectures as other broadband IP systems, wired and wireless, allowing users transparent access to a full range of applications, services, and content.



As can be seen from the above diagram, there is still the need to concentrate traffic back to switches located in major metropolitan centres, and consequently, the major impediment to rollout of such services to regional, rural and remote areas is the availability of economically priced backhaul transmission capacity to those areas. Under currently available pricing, transmission is distance based, and this imposes a prohibitive cost penalty on operators such as iBurst, which impacts on the ability to roll-out of such services on a commercial basis.

Thus, from our perspective, the Government needs to ensure that telecommunications carriers deploying these types of technologies are provided with sufficient incentives under Broadband Connect and Clever Networks to maximise the opportunities for the extension of these capabilities to regional, rural or remote areas of Australia through access to transmission capacity on a reasonable commercial basis, which means they will need to be similar to metropolitan transmission pricing. This pricing should only be available to approved “last mile” wholesale and/or retail operators who deploy new infrastructure in regional, rural and remote areas and offer prices on terms, conditions and quality of service levels similar to those sold in metro areas.

From Commander’s perspective, Broadband Connect could address this issue by

- Mitigating the risks associated with new capital investment in broadband infrastructure by supporting capital investment in a common user broadband platform, whether this is delivered by fixed, wireless or satellite in regional, rural and remote areas. This platform would be available to approved “last mile” retail operators who offer retail prices on terms, conditions and quality of service levels similar to those sold in metro areas
- Supporting approved “last mile” wholesale or retail operators who offer retail prices on terms, conditions and quality of service levels similar to those sold in metro areas by means of a method of “equalisation” of transmission pricing in regional, rural and remote areas; and/or
- Under the current access regulation provisions, undertaking a comprehensive review of transmission availability and pricing in regional, rural and remote areas with a view to defining; whether there is scope for rationalising existing transmission pricing for services to regional, rural and remote areas and; the scope and extent to which either of the above models would be most appropriate to encourage “last mile” retail operators to deploy new services.

Commander stands ready to participate with in the Government’s objective of ensuring all Australians can access equitable broadband services. We look forward to further discussions with the Department on any of the above matters, in order to participate in the implementation of the Broadband Connect and Clever Networks programs.

Yours sincerely

Gary Spratt
General Manager
Regulatory and Carrier Relations
Commander Australia Limited
Phone: 02 9030 1555
Mobile: 0407 000 444
Email: Gary_Spratt@Commander.com