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## Telecommunications & the Digital Economy

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### The NBN Blame Game



*Submitted by Rod Tucker on Wed, 26/07/2017 - 09:34*

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NBN Co is rapidly coming to the realization that it has a PR issue on its hands. Many NBN retail customers are complaining about the quality of their service, and what is particularly frustrating for many customers is that it is not clear who to blame. Do they blame their retail service provider (RSP) for not buying enough assess bandwidth via the CVC charge, or is it the fault of the limited speed of the fibre-to-the-node (FttN) network?

The irony of this situation is that if the Rudd Government's original fibre-to-the-premises (FttP) network had been rolled out as planned, the blame game we are now seeing between the RSPs and NBN Co would not be happening.

NBN Co has attempted to side-step the problem by arguing that retail customers should question their RSPs about details of the service they can expect to receive. But how can the average retail customer be expected to know what questions to ask. And even if the RSP has technically-proficient people on their help desks, who can expect the general public understand this level of technical detail?

In an apparent attempt to ease the situation NBN Co has announced a review of their wholesale pricing model and has signalled the possibly enforcing minimum service standards on RSPs for various services provided to retail customers. <http://www.afr.com/business/telecommunications/nbn-to-review-pricing-as-part-of-image-problem-fix-20170724-gxhk0q> [3]

It is not clear how tweaking the wholesale pricing model will resolve the issue of who is to blame, although a further reduction in the CVC charge might encourage RSPs to buy more access bandwidth. And while very few details have been released by NBN Co, great caution needs to be exercised about such a move. It could cause more problems than it solves.

NBN Co would not be facing these problems if it was rolling out a predominantly FttP network. Because an FttP provides all of the bandwidth that it promises, any shortfall in bandwidth seen by the customer is immediately identifiable as the RSP's fault. This concept was built into the planning of Labor's original FttP network, where it was correctly assumed that a competitive retail marketplace would resolve bandwidth shortfall issues, and customers would churn to those RSPs with good reputations for delivering the bandwidth they promise.

But with a fibre-to-the-node (FttN) network in place, it is not clear whether poor service is due to the RSP or the FttN connection. The performance of FttN depends on a number of factors, including the distance between the node and the customer and the quality of the copper. The problem is exacerbated by the fact that NBN Co is not publically releasing information about the bandwidth individual customers can expect to obtain on their FttN connection.

The net result is that the competitive retail market place is not working properly because retail customers do not have the information they need. In the meantime, RSP's can hide behind supposedly poor performance of the FttN network, whether or not it is an issue in individual cases.

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