

13 November 2024

Notification of Product Withdrawal Cell Site Access Service (CSAS)

Notice of Withdrawal

This is a written notice given by **nbn** under clause 2H.6 of **nbn**'s Special Access Undertaking (**SAU**), and clause 6.4 of the CSAS Interim Terms, of the intention to withdraw the Cell Site Access Service (**CSAS**) on 13 November 2026.

The effect of this withdrawal will be that CSAS is withdrawn from supply on 13 November 2026. Retail Service Providers (RSPs) will not be able submit orders for CSAS services from the date of withdrawal, and any active services will be disconnected from that date. **nbn** will continue to supply any existing CSAS services and activate new services until the withdrawal date.

In April 2023, **nbn** commenced a consultation process via the Product Development Forum (**PDF**) on the proposed withdrawal of CSAS. No submissions were received from PDF members as part of this process. Additionally, no feedback was received following the release of a Closure Paper in February 2024 confirming **nbn**'s intention to withdraw CSAS.

Background

The concept of leveraging **nbn**'s fibre assets to facilitate the supply of mobile backhaul services emerged during the initial years of the development of the National Broadband Network. In May 2010, around one year after the National Broadband Network was announced, the Commonwealth Government released the National Broadband Network Implementation Study, a study it commissioned to examine the coverage, commerciality and competition objectives (amongst other things), for the then nascent National Broadband Network. The Study included the suggestion, that:

NBN Co should enable development of the wireless broadband market by offering fit-for-purpose access and transit services to wireless base stations within the FTTP footprint on a commercial basis ...¹

At the time, it was recognised that **nbn** should prioritise connecting homes and businesses to the network, rather than non-premises sites, such as wireless base stations (otherwise referred to as cell or mobile towers). Nevertheless, interest in a mobile backhaul service supplied by **nbn** continued during the initial rollout of the network. Notably, the Commonwealth Joint Committee on the National Broadband Network expressed an

¹ [National broadband network implementation study](#), May 2010, p 451



interest in the provision of mobile backhaul services by NBN Co. In its Fourth Review report, the Committee recommended that NBN Co:

explore synergies between fixed and mobile telecommunications networks with a view to using the National Broadband Network to improve mobile telecommunications.²

This was followed up in the Committee's Fifth Review report which noted:

the importance of continued industry consultation in terms of the NBN Co developing products suitable for use as mobile backhaul, including consideration of the potential impact of these services on the existing market in this area.³

In August 2013, **nbn** issued its first Product Construct Paper to RSPs to consult the industry on the idea of a service to carry traffic from cell sites back to a provider's core network. This consultation process revealed enough RSP interest in the mobile backhaul concept to further refine, develop and trial the proposal. In 2016, the final Product proposition and pricing was confirmed through publication of a Final Product Construct Paper, with the CSAS Standard Form of Access Agreement published to the **nbn** website in September 2016 and the CSAS product formally being launched.

Despite the initial interest both at a policy and industry level, CSAS failed to generate enough interest to make the service commercially sustainable. Australia has only three Mobile Network Operators (MNOs) and seemingly sufficient backhaul available to mobile sites that RSPs have not sought to take advantage of **nbn**'s CSAS product offering.

Product Overview

CSAS is a Layer 2, wholesale-only, Ethernet Bitstream access product intended to carry cell site traffic. It offers a Committed Information Rate (CIR) with low latency delivered by the NBN Co Fibre Network to a high availability Network Termination Device (NTD). There are seven symmetrical speed tiers on offer, ranging from 50 Mbps to 900 Mbps.

CSAS uses a novel ordering approach, known as the "product concierge service". This service was intended to serve as the single point of contact for quoting, ordering, assurance, and billing, with the **nbn** "product concierge" guiding CSAS customers (i.e. RSPs) through the processes required for different actions, including service recovery during an outage. In addition to the product concierge service, CSAS also utilised the Technology Choice Portal to enable RSPs to assess potential fibre build costs to locations where there was no existing **nbn** fibre infrastructure in place. Importantly, these portals did not require any upfront investment by RSPs to access them, minimising both the capital costs associated with productising CSAS, and any IT cost impacts to RSPs as a result of withdrawing the service..

² JCNBN, Review of the Rollout of the National Broadband Network: Fourth Report, February 2013, p. 52.

³ JCNBN, Review of the Rollout of the National Broadband Network: Fifth Report, June 2013, p. 61.



More detailed information on the CSAS Product terms can be accessed by reviewing the Cell Site Access Service Interim Agreement terms on the **nbn** website <https://www.nbnco.com.au/rsp/supply-agreements/other-agreements>.

Withdrawal criteria and notification

Clause 2H.6.2(b) of the SAU sets out the factors to which must have regard when considering whether to withdraw a Product. Clause 2H.6.2(c) sets out some matters to be addressed in this notice. This section of the withdrawal notice aims to address these matters.

1. Existing demand for the product

Underpinning **nbn**'s decision to withdraw CSAS is the limited existing demand for the product. Since the product was launched in 2016, a total of four services have been ordered. The most recent new connect order for a CSAS service was placed in 2019, five years ago. Currently, **nbn** supplies three CSAS services, all of which are acquired by a single RSP.

nbn understands that CSAS is not a product that RSPs rely on to any material extent to carry backhaul traffic from cell sites as MNOs have either built their own backhaul networks or are utilising alternative services that better address their needs. This is supported by data showing the number of mobile sites operated by the three MNOs totalled 25,892 in 2023, with the number of mobile sites increasing each year from 2018 and by 16.7% over the period 2018 to 2023.⁴ This growth in mobile sites has occurred without any material change in the number of CSAS services supplied by **nbn**. In addition, no feedback was received from any RSPs during the PDF consultation process with respect to the proposed withdrawal of CSAS, likely indicating that no RSP sees CSAS as important to their current or future plans for carrying mobile network traffic.

2. The avoidable cost to NBN Co of maintaining and continuing to supply the existing Product

The avoidable costs associated with the provision of CSAS can predominantly be broken down into the below categories:

1. **Operating expenditure**, i.e. the cost of continuing to supply existing CSAS services. This includes such things as:
 - a. design, test, and maintenance costs – particularly as the nbn network evolves and needs to take into account specific products such as CSAS,
 - b. IT and billing system costs, which includes such things as the support and maintenance of CSAS related software and billing systems,
 - c. retention of the product concierge service, that is, individuals within nbn that have the capability to support RSPs in relation to ordering and assurance related queries,

⁴ ACCC Mobile Infrastructure Report 2023



- d. support and maintenance of engineering and technical field staff intellectual property and skills to enable inventory management, and ensure incidents relating to the CSAS product can be remediated.

Notably, CSAS requires manual configuration across network and IT systems to support activation, modification, assurance and billing components. While this was originally considered a notional “feature” of the service – enabling nbn and RSPs to productise sooner and at lower cost, over time and because of the low volume of associated services, it has become a limitation which has added to the operational cost and complexity of maintaining the service.

2. **Opportunity Costs**, such as consumption of limited network resources – both physical and software, which could be reused for other products, for example IP addresses, management VLANs, and network device ports.

For completeness, capital costs associated with CSAS would typically relate to the network build component, which would occur prior to supply of services. CSAS used the “technology choice” build construct which required customers, who in this case were RSPs, to pay the upfront cost of the fibre build before the build would commence. As a result, recovering existing capital costs, or avoiding incurring future capex, is not of material significance to nbn’s withdrawal proposal.

Nevertheless, given the small number of CSAS services supplied by **nbn**, ongoing operational costs are likely to exceed any actual revenue generated by the Product.

3. The functionality, technical feasibility, commercial viability and price offered by an alternative Product compared to the relevant Product to be withdrawn

nbn is not proposing to offer an alternative Product in place of CSAS. As the data above demonstrates, there are alternate non-**nbn** solutions that MNOs are using to carry backhaul traffic to and from mobile sites. The very low number of CSAS services indicates that these alternate solutions are the preferred choice of MNOs (each of whom is also an **nbn** RSP) and that their functionality, technical feasibility, commercial viability and price provide a better commercial proposition to MNOs than acquiring CSAS from **nbn**.

On this basis of there being effectively no demand for CSAS services, **nbn** considers that withdrawing CSAS would promote efficient investment in and use of the **nbn** because it would allow **nbn** to focus resources on developing and supplying services that access seekers are willing to pay a sufficient amount for and support efficient cost recovery by **nbn**.

nbn may in time explore alternative products that may meet similar RSP needs if circumstances change, those needs emerge and it is commercially viable to offer such a product.



4. The transitional arrangements that NBN Co may put in place to migrate Access Seekers from the relevant Product to an alternative Product

Given the small number of services on CSAS, and with no expectation that **nbn** will see an increase in CSAS services ordered during the withdrawal period, **nbn** intends to manage the migration off CSAS, to non-**nbn** alternative options, with affected RSPs at the working level. If any CSAS services remain active in the months leading up to the withdrawal, **nbn** will increase its engagement with the relevant RSPs to ensure minimal impact on end users.

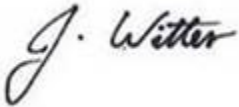
Feedback on this notice

Should RSPs or Consumer Advocacy Groups wish to discuss the contents of the above notice, they may contact the nbn Product Develop Forum, or contact their nbn Account Manager.

Further information

If you have any further queries, please contact your **nbn** Account Team or Customer.Contracting@nbnco.com.au.

Yours sincerely,



Jane Witter
General Manager
Risk, Privacy, Compliance and Customer Contracting

This communication constitutes a notice under clause H1.1 of the WBA Head Terms.

