

## **iBurst cops a blast**

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OzEmail and other resellers are offering Personal Broadband's iBurst service at prices comparable to those of ADSL and rival Unwired's service, but one potential reseller was not impressed by PBA's wholesale offering, claiming it would have to be run at very high contention ratios to be viable.

Zac Swindells is CEO of ISPOne, a wholesale ISP that provides a range of services to smaller ISPs enabling them to focus on sales, marketing and customer service rather than the technical aspects of being an Internet access provider.

He described the wholesale pricing of iBurst as "ridiculous" saying. "The information given to me was that I would have to run it at contention ratios of 200 or 300 to one to make money. At those ratios you would get a very poor grade of service. At those ratios you would get a very poor grade of service. There is no way I would do that."

ISPOne does not presently offer any wireless access service, but Swindells said "We have been in negotiations with a wireless provider for some time, but if we can get our hands on some spectrum we would consider doing it [providing wireless access] ourselves."

When iBurst first came on the market it was offered as a portable service accessed via a PCMCIA card modem and at prices well above those offered by rival wireless provider, Unwired and well above residential ADSL prices. However recent announcements by resellers of service packages with a desktop modem have been much cheaper.

OzEmail launched a retail iBurst service with a desktop modem last month at 256/64kbps for \$49.95 per month with no download volume restrictions. Another reseller, Veritel, announced Veritel Wireless, an offering which makes no distinction between provision on the Unwired or iBurst networks. A 256k/64k service with a monthly data allowance of 3Gbytes costs \$39.95 per month, a 512k/128k with 10Gbytes \$59.95 per month and a 1024k/256k with 15Gbytes \$99.95 per month. Bandwidth is throttled back to 64kbps once the download limit has been exceeded.

Veritel CEO, Ivan Hurvitz, told Exchange that Swindells' claim of contention ratios in the 200:1 range were "not inaccurate", and said. "I'd put it this way: it may lead to performance that is not as good as DSL in the next six months."

He said that, although Veritel is offering Unwired and iBurst services at identical retail prices, wholesale pricing models for the two services were quite different. "PBA charge on the basis of the size of the pipe we get from them, Unwired have no capacity charge."

Veritel's introduction of the service follows an initial limited time offer on the Whirlpool broadband web site of a low price iBurst service. Hurvitz said: "We picked up a 1000 customers from that. So we came up with Veritel Wireless which could be based on either network. But if a customer wants to specify one or other we will honour that."

John Filmer, marketing director of PBA said it was entirely up to the reseller how the iBurst service was dimensioned. “The reality is they have the flexibility to price and package the service to meet market demand and make a decent margin. And we believe they can make money.”

He added that he believed the services being offered would provide a satisfactory experience, and PBA would take care to ensure that unsatisfactory service provided by resellers did not give iBurst a bad name. “It behoves the user to address any concerns to the channel. And we will do our best to make sure that they are happy.”

PBA is due to turn on its first base station in Brisbane this week, at the Airport, and will expand its networks in Brisbane, the Gold Coast and Melbourne early next year. Filmer said the company was still in discussions and hopeful of signing up a major carrier as a reseller of its service.

### **Hard data hard to get**

Getting hard data on the contention ratios of broadband offering is difficult; few service providers give any indication. Data service research company, Telsyte, has just completed a survey of pricing for wireless access service in Australia, and concluded that there is a huge discrepancy between prices. However, the survey did not examine underlying contention ratios.

Telsyte managing director, Shara Evans, said it was quite likely that residential ADSL services would run at very high contention ratios. “I have heard anecdotal evidence for some services being as high as 200 to one, but that may be only in certain exchanges.”