

Foreword

Facilitating faster and cheaper broadband is a high priority for the Government and is one of the key policies within the Digital Strategy. It is the goal of the Telecommunications Stocktake package of policies announced in May 2006 that have led to the 2006 amendments of the Telecommunications Act and the unbundling of the local telephone loop.

The Digital Strategy is about creating a digital future for all New Zealanders, using the power of information and communications technology (ICT) to enhance all aspects of our lives. It is an action plan for ensuring New Zealand is a world leader in using information and technology to realise our economic, environmental, social and cultural goals. The Digital Strategy isn't just about technology ... it's about people and their ability to connect to the things that matter to them.

Both wired and radio technologies have a role to play in connecting users to broadband services. Radio based solutions have a distinct role to play in assisting with competition and flexible implementation in urban areas, and to lower the barriers of distance in rural areas. There are many radio technologies already available and more are emerging all the time, one of the latest being WiMAX. The spectrum in the 2.3 GHz and 2.5 GHz frequency bands is well suited to the emerging WiMAX technology, but Government also recognises that it would be unwise to lock in a sole technology solution, as flexibility and innovation will be necessary to find the right solution at any given time over the 20 year tenure of the rights to be auctioned.

The Government recently decided to auction broadband wireless spectrum in the 2.3 and 2.5 GHz bands simultaneously, in order to ensure the availability of sufficient spectrum to facilitate competitive rollout of new services. For this same reason, Cabinet has indicated a preference for strict acquisition limits and use-it-or-lose-it provisions, in order to prevent spectrum hoarding and to facilitate the development over time of strong competitive conditions.

A range of matters of auction design have yet to be defined. Accordingly, this discussion paper is about engaging with industry, in an open manner, to seek your assistance in framing the auction parameters and associated sale conditions, so that Government can provide you with the best opportunity to provide new broadband services for New Zealanders.

I commend the submission process to you and encourage you to make your contribution.

Hon David Cunliffe
Minister of Communications
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