

Len Starling
Manager, Policy & Planning, Radio Spectrum Management
Ministry of Business, Innovation & Employment
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PO Box 2847
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By email: Radio.Spectrum@mbie.govt.nz

Dear Len,

Radio Spectrum Fees Review 2015

Thank you for the opportunity to provide comment on the Ministry of Business, Innovation & Employment Discussion Document, '*Review of Licence Fees Framework: Consultation Document, Review of licence fees under the Radiocommunications Regulations 2001.*'

2degrees welcomes this review and supports the Ministry's key proposals.

1. Period of under-recovery of fees to reduce the accumulated surplus

2degrees strongly supports a period of under-recovery of fees to reduce the accumulated surplus in the memorandum account. As the consultation document identifies, RSM is entitled to collect fees on a cost recovery basis. The persistent positive balance of the memorandum account indicates that revenue collected over recent years has outweighed costs. 2degrees agrees that this surplus should be returned to spectrum licence fee payers.

2degrees accept that fees will need to increase once the account surplus has been run down, however note that it will be important to ensure any such increase in fees at the end of the period is set to a level that covers estimated costs, taking into account efficiency improvements that have been realised, and does not return fees to a level that is likely to over-recover costs.

2. Proposal to move to a single fee for all licence types

We agree that the proposal to move to a single fee for all licence types appears to better reflect a cost-recovery approach.

3. Additional proposed changes to improve administration and remove anomalies in the current fee structure

2degrees has not identified any concerns with these proposed changes.

Please let us know if you have any queries regarding this response.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Sara Lipanovic'.

Sara Lipanovic
Regulatory Policy Manager