Brian Davis

Radio Communications is My Business

8 Lorimer Lane Richmond, Nelson 7020 New Zealand

*tel/fax* 00-64-3-544 4865 *mobile* 0274-364 431

Responses to 174-184 Land Mobile Radio Technical Consultation.

Thank you for the opportunity to respond to the recent "White Paper" and invitation for submissions. This response will concentrate at high level asserting that the consultation paper does not deliver the required outcomes.

#### Background.

I work extensively as an approved ARE in the engineering, assigning and certification of a range of land mobile services covered by PIB 23, PIB 58 current RSM policy and PIB 38 Engineering Rules.

This involves working closely with a great number of Radio Dealers that service a broad range of industries and sector groups. These dealers are spread throughout New Zealand and cover a wide geographical azimuth. This is on the back of 42 years of experience and the last 15 working in the private sector as an ARE.

In this roll I have quietly\_observed the relationships and tension between industry and the regulator. New technologies, increased demand for spectrum and a continued mindset of the regulator to promote the neoliberalism ideology of the 1980's NERA report.

#### Overview:

The recent consultation paper is a clear extension of this mindset. Many of the 50 questions guide and direct respondents to engage in the process without considering the status quo of the "Radio Licence" regime.

I respectfully suggest that this paper does not provide a balanced view, but on the contrary, offers a mix of two preferred outcomes, these being Private Management Rights and Crown Management Rights.

It is my also my view that the property based model of Private and Crown Management Rights has its place in the context of <u>wide blocks of spectrum</u> capable of supporting a <u>large number of customers on a national basis</u> for a range of services such as cellular, broadcasting and delivery of internet access. Due to the economies of scale, it allows for larger organisations to commit to the capital investment and associated risks of technology being outdated and replaced.

Arguably this has provided the Crown with a measurable financial return on spectrum using a mechanism to extract the maximum value. Other outcomes such easy access to spectrum for smaller organisations to promote local development are questionable.

Additionally not all auctions have provided the required outcomes with some organisations acquiring spectrum to deny competition, others have been technology dead ends.

Using the proposed mechanism for the allocation of a narrow-band land-mobile channel of 6.25 kHz I believe <u>is too fine scale</u> to be placed under the management rights variants.

# Current Policy

I wish to refer you the NZ Gazzette Notice No 54 dated 16<sup>th</sup> of June 2016.

Section (a) The opening "General Policy Statement" clearly placed emphasis on competition in the provision of all communications services.

Enabling greater and more timely access to land mobile frequencies will encourage more providers to participate in the delivery of end user solutions thus creating a truly competitive market. This model will allow the final consumer to truly enjoy a competitive product and or service.

The Management right model provides theoretical competition at a higher wholesale level but will preclude many aspirants access due to the potential capital investment, complexity and the lack of agility in meeting their needs.

The same Gazzette Notice further directs RSM to:

(b) in the granting of radio licences, consideration should be given to <u>permitting</u> <u>a range of uses and users.</u>

The Radio Licence option will provide for a range of uses and users to a broader range of licensees.

Commensurate with this, it is also my view also that this consultation paper does not meet the tenants of the NZ First & Labour MMP coalition accord surrounding promoting Regional Development through timely and affordable access to land mobile radio frequency spectrum.

### Summary:

You will agree that existing land mobile services have a historical re-use factor through the length and breadth of New Zealand. I believe that this satisfies the efficient re-use factor of the public utility. This is also contrasted against a 30 year kaleidoscope of history using inefficient analogue emission techniques.

Future digital technologies will provide a yield of 100% further satisfying the efficient use of the resource.

It is my strong view that the Radio Licence option with the Crown as the Band Manager has <u>not been reasonably considered</u> by the discussion paper.

Some of the concerns that RSM policy have highlighted such as:

- 1. Congestion
- 2. Spectrum denial
- 3. Inability for the Crown to extract a "Resource Fee"

A critical analysis of these concerns will identify that a range of drivers that have created this perceived landscape.

These being:

- 1. Inability to amend the Radio Communications Act over multiple terms of Government.
- 2. Lowering the Radio Licence fee to a generic arbitrary value which does recognise, geographical coverage, demographic foot-print, differentiate high value wide-band services.
- 3. The single low fee has devalued the spectrum resource and encouraged poor market behaviour.
- 4. Weak radio licence conditions and engineering rules surrounding timely deployment of services.
- 5. Mandating the use of efficient digital technologies
- 6. Limit un-wanted coverage.

# Conclusion:

Land mobile services in New Zealand permeate through the very fabric of our economy supporting economic growth, productivity and providing a platform for our emergency services and first responders.

The proposed options treat the resource a Monopoly game where the utility properties are sold to the highest bidder.

I assert that this niche of the spectrum should be treated as a resource similar to a National Park providing unencumbered access to all New Zealanders.

I therefore support the use of the "Radio Licence" option with the Crown and the Band Manager for the proposed Digital Dividend Land Mobile Spectrum

Yours Faithfully

Brian Davis

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Jacinda Ardern said happiness was a measure of success MARTY MELVILLE/ AFP/ GETTY IMAGES

Free markets are a "blatant failure" and future economic performance should not be measured by the traditional yardsticks of GDP growth and unemployment, New Zealand's incoming prime minister has said.