

## Submission to MBIE

### Renewal of Management Rights in the 1800 MHz and 2100 MHz bands

I would like to thank MBIE for the opportunity to take part in this consultation process.

New Zealand Technology Group (Hawkes Bay) runs a fixed-wireless network in greater Hawkes Bay bringing internet access to subscribers in the primary sector. This includes farms, orchards, vineyards and other rural industries where telecommunications facilities are limited by the locations that these industries operate.

As the primary sector is our highest contributor to GDP and “Brand New Zealand”, it is our recommendation that these users should be of the highest concern when deciding how spectrum is to be allocated.

It is now fact that the highest bid auction process is flawed when it comes to these users – large companies will bid for spectrum but only deploy to 90% of the population or in primarily urban areas. The highest contributors to our GDP are often left out. Auctioning spectrum may create a short term cash supply to the government bank accounts, while the long term benefits to New Zealanders goes unrealised.

We therefore recommend that spectrum needs to be allocated on a regional basis in in a framework similar to the Managed Spectrum Park.

This allows larger companies to operate in urban areas with mobile technologies, while smaller fixed-wireless operators can use the spectrum in isolated rural areas where the spectrum would otherwise go unused.

We understand that large companies have made significant investment in plant that uses the 1800mhz and 2100mhz bands and although they knew the spectrum was expiring, we think its probably a good idea to allow reallocation to them under a managed spectrum park framework, provided there are maximum caps on total radio spectrum holdings. This makes it viable for new entrants to make use of radio spectrum if an incumbent decides to surrender spectrum pushing them over a holding cap.

***Which renewal option is most suitable for the 1800 MHz and 2100 MHz bands? Is the most suitable option different for each of the two bands? Why?***

**Q1** We see our position as closest to Option 3 in the supplied choices.

We would like to remind MBIE that new entrants to the mobile and wireless market have already emerged, such as the plethora of fixed wireless internet providers and NZ Technology Group has already expressed an interest in gaining more access to the limited radio spectrum resource.

***Is your organisation interested in acquiring 1800 MHz and/or 2100 MHz spectrum? If so, what radiocommunication service would you use it for and how much spectrum would your organisation require?***

**Q2** We are very interested in acquiring spectrum in the 1800 and 2100mhz bands. We would see it being used for LTE (with distance / location based allowances for TDD as an option for future technology development and flexibility in addition to the existing FDD)

***Are the 1800 MHz and/or 2100 MHz bands the most appropriate band(s) for your organisation's use? Why? What alternative bands are suitable for the intended service you expect to provide?***

**Q3** As we are primarily a rural provider, we prefer the use of lower band frequencies for increased tree and foliage penetration. As such, the 1800mhz and 2100mhz bands are ideally suited for our use.

***Is a competitive allocation process appropriate to assign some (or all) the 1800 MHz and/ or 2100 MHz bands? If not, what other allocation process (excepting direct offer to incumbents) would be more appropriate? Why?***

**Q4** An allocation process similar to the Managed Spectrum Park is the best way to allocate this spectrum.

***Would your organisation participate in a competitive allocation process (e.g. a spectrum auction) for management rights in the 1800 MHz and 2100 MHz bands? If not, why not?***

**Q5** We would be highly discouraged by an auction process due to the cost of participating when up against incumbents with bank accounts that encourage a continued oligopoly. An auction based process would be a worse-case outcome for any small operator in the market and discourage consumer competition.

***What should the term of the new management rights be? Should they be the same for both bands? Why?***

**Q6** We recommend a 10 to 15 year term for licenses. This strikes a balance between certainty for plant investment while also allowing a review and reallocation in a reasonable timeframe, allowing for radio spectrum to be kept in line with market conditions. A bad example of a long term is the old 3.5ghz band which is expiring soon where the radio spectrum was not kept in line with market conditions and was unusable for the majority of the country due to a lack of plant equipment that could make good use of the spectrum.

***Do you have a different preference for the management right term for each of renewal options outlined in Section 4? If so, what term should apply to each renewal option? Why?***

**Q7** The same for both

***Should pre-2001 incumbent spectrum licences be extended beyond 2021? If so, why?***

**Q8** It is important to maintain efficient use of the spectrum and so we do not believe pre-2001 licenses should be grandfathered in.

With Kind Regards,



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