# Connecta
## Your rural broadband

# Managed Spectrum Park Review and Regional/Non-National Allocation

# Discussion paper June 2021

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## 1 EXECUTIVE SUMMARY

Connecta relies very heavily on the use of the 2.6GHz band that is under Managed Spectrum Park rules.  This band allows us to deliver our high-quality 4G fixed wireless service to hundreds of our customers in the Auckland and Rotorua regions.   Our use of the spectrum dates back to 2015.  During this time we have utilized this spectrum as efficiently and universally as possible.  This band has a very important part in us continuing to provide services to the many customers who we are migrating from Wimax technology using FDD in the 3.5GHz band as this will no longer be able to be used at the end of October 2022 when the band changes to a new frequency allocation structure designed for TDD technologies.

Complying with MSP rules, managing licences and dealing with competing applications has been a complex and somewhat painful and costly process for us so we welcome the opportunity to give feedback on this with a view to smoother operation in the future.

As a respondent to the recent CIP Rural Connectivity Upgrade RFP we realise the importance of spectrum for the delivery of rural broadband services and this should be an important consideration for any government department when considsering spectrum issues.

## 2 INTRODUCTION

### 2.1 INTRODUCTION TO CONNECTA

Connecta is the wireless internet division of Compass Communications.  We are a separate business unit specialising in providing wireless Internet services to homes and businesses in New Zealand, especially those located in rural areas not often well served by other providers. We have been providing these services for over 15 years initially under the Wired Country and Radionet brands as one of the first of these in the country.  Being part of the Compass Group gives us access to a nationwide network and a full range of telecommunication services allowing us to compete with larger providers but still remaining small, flexible and responsive.

At Connecta we understand that the Internet and phone service is very important and that our customers demand a reliable and consistent service. We are one of the few providers utilising licensed frequencies in most areas despite their higher cost and limited availability to ensure a better service. The demands of providing our services in remote areas can be much greater than those faced by those of traditional fixed-line services, but we are constantly looking for new ways to reduce those and improve our services. We strive to understand the special needs of our customers and pride ourselves on our personal and responsive customer service.

**Question 1: Do you think that co-operation is feasible in the Managed Spectrum Park?**

Yes.  We have proven that ourselves in the way we have co-operated with our geographic neighbours.  However, the Park rules need to make this more feasible in regards to compatibility of technologies and bandwidth allocation.  As we use LTE technology with 10 or 20MHz channels there is no room for competing applications in the same regions to use part of the total 40MHz bandwidth available.   Allocating 20MHz to another provider in the same sub-region, for example, his gives us no room to expand our network performance and coverage by adding additional sectors or increasing channel bandwidth.

**Question 2: When considering MSP spectrum allocations, what allocation method(s) would be preferable to you?**

A regional single party with an administrative application would be our preferred choice.  As a key requirement is the enhancement of rural connectivity we believe that applications that fit with the government's future aspirations would be prioritized.

**Question 3: What are your thoughts on the level of technical requirements/rules in relation to MSP licenses?**

Basing geographical boundaries on TLAs is not the best method because RF does not understand these.  It would be better to look at regions that are more suitable such as where terrain creates a boundary between regions.  Technical requirements where a certain type of technology is specified, eg: LTE, would make things simpler but would not allow different technologies that could be used or developed in the future.  A balance needs to be struck that is very clear so that AREs can execute licences simply without a high cost to the user.

**Question 4: What are your thoughts on the best method(s) for future regional/non-national spectrum allocations?**

Our 2.5GHz MSP usage is for fixed wireless access in rural areas.  The current method of costing based on population causes us a problem where we have to pay more where the coverage includes dense urban areas that are well served by fibre and MNO's with much more spectrum available so are not likely to use the fixed wireless services.  As above with Q3, geographical boundaries should be realigned to more readily suit terrain and population areas.  Spectrum needs to be used so robust implementation rules need to be put in place to ensure that it is used within a reasonable time period.

**Question 5: Should priority be given to incumbents over new entrants?**

Yes, providing the incumbents have a proven track record of utilising the spectrum well in their region.

**Question 6: Is the market big enough to support sub-regional competition?**

Sub-regional competition is already happening independent of spectrum allocation.  There is no need to break the allocations down into sub-regions.  Operators within regions are currently managing this process, some using a wholesale model.

**Question 7: Should spectrum allocation rules be used to limit consolidation (mergers or take-overs) of regional players?**

There should be rules limiting the number of regions that one entity can have and this will address consolidation issues.  Current rules appear to be adequate in this regard.

**Question 8: What are your thoughts on how to protect regional rights for regional use?**

In order to protect regional rights effective rules need to be in place to ensure that national providers who already have other national spectrum rights should not be allocated regional rights.  Robust implementation rules and monitoring needs to be done.  The RSM should support existing rights holders that have complied with the rules and be the final arbiter when it comes to an impass between applicants/rights holders.