

**Submission to the Ministry of Economic Development**

**on the RBI Non-Discrimination Consultation Paper - March 2011**

A.) I am an independent consultant with a background in rural telecommunications and mobile co-location. In my former role as Managing Director of Araneo Limited, I co-located fixed wireless broadband access on rural towers from Kaitaia to Southland, providing wireless access to libraries, schools, farms, hospitals, power stations, and defence force installations. I have written a number of documents on rural towers and co-location based on my experiences which can be found on my blog: <http://nztelco.com/>.

B.) I would like to respond to "Question 3" of the "Response to RBI Non-Discrimination Discussion Document MARCH 2011.pdf".

***Q.3 Do you consider the proposed approach to co-location would be effective in providing fair access that will promote competition. If not, what do you consider to be the appropriate approach and why?***

C.) I do not believe the approach to co-location will provide fair access that will promote competition for several reasons.

***29.3. with at least one carousel headframe or other appropriate headframe, at any of the levels of the tower that are designed to accommodate mobile cellular operators, irrespective of whether there is a confirmed co-location customer at the time of tower design and resource consenting.***

***32. Once a tower has been constructed as per the above and an access seeker wishes additional infrastructure to be built, e.g. a second headframe or a mast extension, then the access seeker concerned will bear all responsibility and expenses associated with:***

***32.1. effecting and maintaining the co-location, including for the avoidance of doubt the cost of adding or retro-fitting headframes and/or mast extensions; and***

***32.2. obtaining and renewing any necessary resource consent and/or landowner authorisation.***

D.) Point 29.3 specifies a single headframe. Point 32 (and 1,2) provide for additional headframes to be added after the construction of the tower - subject to resource consents and costs.

E.) A review of existing rural infrastructure will prove that the majority of rural sites have more than two operators on them. Whether these are national cellular operators, local radio operators, utilities, or local government, there will be a requirement on every site to have at least two headframes.

F.) A review of the history of telecommunications in New Zealand will show that new players enter far more frequently than new rural towers are constructed. Given the design lifetime of the towers to be built, it is inevitable that more than two users will require headframe access.

G.) Rural areas are non-economic to serve. This was determined by New Zealand's government as early as the 1930s, and as rural populations have dropped, these areas have become even less economic to serve.

H.) The cost of obtaining a resource consent and landowner authorisation often exceeds the cost of erecting a small tower in a rural area. The cost of bringing a helicopter or crane on to a site to add a headframe to an existing mast also often exceeds the cost of erecting a small tower in a rural area. As a result, most rural towers are wooden utility poles, installed with utility vehicles or tractors, sufficient for the location of a single carrier, and of a size explicitly permitted by local city or district plans.

I.) Faced with the cost of a notified resource consent and a crane and/or helicopter required to add a new headframe, a new entrant to a rural market will either not enter the market, or will construct an inferior tower on the same hill providing less coverage and using poorer infrastructure than the existing "open" RBI tower.

J.) It would be not only lacking in foresight but also completely ignoring the realities of the market to believe that a single headframe on new RBI-funded towers will be effective in providing fair access or promoting competition.

K.) Thank you for this opportunity to help shape the RBI process. If the Ministry has any questions, representatives are welcome to contact me at any time.

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