

Enterprise Franklin Development Trust

Consultation response to the

Broadband Investment Fund: Draft Criteria and proposed Process

Introduction

The Enterprise Franklin Development Trust is the Franklin Districts economic development agency. Currently Enterprise Franklin sits on the Auckland Regional Broadband Advisory committee (ARBA) collaborating on the delivery of high speed broadband to the whole Auckland Region.

Enterprise Franklin has also set up a local working group the Franklin Broadband initiative (FBI) to assess the Franklin Districts needs with regard to broadband. It will be our intention to submit expressions of interest to the Broadband Investment Fund and to seek funding to assist in the development of any final application.

We are supportive of the Governments Broadband Initiative and hope this fund will enable Franklin rural based businesses communities to enjoy the benefits of high speed broadband services in line with the Governments overall strategy.

We are keen to ensure that smaller regional players that are well connected with the council and community are able to succeed in applying for funding to assist broadband availability and affordability in Franklin.

Please find our specific responses below. If you require clarification please do not hesitate to contact us.

Urban Criteria response

1. The timeframe is suitable for the Expressions of interest stage, however we are concerned at the relatively short timeframe to prepare the business cases for full applications.
2. We have some concern over the open access being defined as Duct or dark fibre. In a true open access environment a consumer should be able to purchase a mix of services from various parties and have it delivered at the demarcation point. Under the proposed scenario this could mean multiple fibres having to be pulled/blown into a building to allow choice.

This will have some practical limitations, say in a multi-tenanted building, and may not allow consumers to have choice where the duct is full. We suggest an option to have open access above the physical layer, hence provided as active open access network. Then an access provider can terminate the fibre and distribute multiple service providers from a single demarcation point. This is defined/implied in 3.2 of section A: Eligibility criteria as 'access to bearer services'

3. Successful applicants should be able to offer application services over the underlying funded network, so long as the process is transparent and the cost for the underlying access is the same to all parties
4. Urban criteria review

- a. Overall the thrust of the criteria is satisfactory and covers a multitude of situations.
- b. The need to provide bearer services as well as fibre is covered however there could be conflict as mentioned in section 2 above if multiple fibres are used, or ducts are no longer available due to open access arrangement.
- c. Clause 3.5 / Appendix 1: Ability to aggregate local data traffic is only possible if services are provided at an active level, similarly peering.

5. Weighted Criteria

- a. Overall the criteria are reasonably balanced
- b. Clause 6.2 d). The degree to which the Network does not unnecessarily duplicate similar infrastructure should be clarified. The use of similar is ambiguous. e.g. a proposal to build over copper with fibre is valid as the fibre can offer a true broadband experience without limitations of distance , and hence is not similar. Both are broadband in the loosest sense, however an ADSL2+ will offer 24 Mbps close the exchange but a couple of km away. The fibre can say provide 100Mbps 5 km away (or significantly more)
- c. Clause 6.2 e) is excellent.
- d. Clause 6.2 f) this is where at the EOI stage the Med could potentially identify parties who could or should work together for a full application, this removes the 'secret squirrel' effect.

- 6. Level of funding – it is critical that funding and assistance is provided to smaller players who do not inherently have the resources in place, nor capability to divert resource. The smaller players, whether new comers or existing access or service providers, can provide significant return on local investment and improve the local economy. Examples include Inspire in Palmerston North, City Link in Wellington and Counties Power (Wired Country) in Pukekohe.
- 7. It is imperative that the ability to apply for funding at the EOI stage (or prior) is retained. Without this, the fund will be used by the tier one and larger organisations, and in our opinion local communities will not benefit as much as they could.
- 8. The overall timing is acceptable

Rural criteria response

- 1. The rural fund is a good initiative to expand the capability and availability of Broadband.
- 2. Voice should be a requirement. There is little money in internet services therefore most service providers will wish to offer voice services. The bandwidth requirements are minimal, and QoS can be provided over wireless access.

3. Rural service bandwidth expectation should be lower. Wireless and copper do not, and will never, compete head-on for high bandwidth services. It is unlikely that average users will ever require more than a few Mbps as that can carry, voice, internet, and video services. It is not feasible with today's technology to provide shared services beyond 5 Mbps over wireless.
4. Mobile and wireless can provide service that is greater than 1 Mbps and always on, hence are an acceptable solution in rural environments
5. Open access should be provided at the access or bearer level. In most wireless cases this would mean a layer 2 Ethernet solution. It is not possible to share the airways any other way efficiently. The sharing of existing poles and backhaul should be encouraged where economically and physically possible (collocation)
6. Flexibility should be retained by not specifying percentage weightings.
7. The maximum \$\$ amount should not be defined. The definition of community is not provided hence it is difficult to be specific; however it is likely that potential applicants at an EOI phase, if not already talking, could combine skills and resources prior to submitting an application. Hence limiting funds is potentially detrimental as the desired outcome may not be achieved with limited funds. Any development needs a critical mass to succeed, and a desire by service providers to utilise the services. So really small networks may not get used and this defeats the purpose. Hence stating that an open access interface is Layer 2 Ethernet, the type of services that should be provided include voice and data, enables service providers to prepare and have common interconnect interfaces for services whoever the access provider.
8. Level of funding – it is critical that funding and assistance is provided to smaller players who do not inherently have the resource in place, nor capability to divert resource. The smaller players, whether new comers, or existing access or service providers, can provide significant return on local investment and improve the local economy. Examples include Inspire in Palmerston North, City Link in Wellington and Counties Power (Wired Country) in Pukekohe.

It is imperative that the ability to apply for funding at the EOI stage (or prior) is retained. Without this, the fund will be used by the tier one and larger organisations, and in our opinion local communities will not benefit as much as they could.

9. The proposed timeline provides adequate time for the EOI stage
10. The proposed timeline for final applications may prove to be difficult for some of the smaller applicants.

This proposal is submitted by:

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