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27 June 2008

Broadband Investment Fund Submission
ICT Regulatory Team
Ministry of Economic Development
PO Box 1473
Wellington



State Sector Demand Aggregation Broadband Investment Fund Submission

In terms of the Key Consultation Questions (Annex One, page 12) The demand aggregation group has focused its comments around question 2 relating to the draft criteria, while this question relates to the urban criteria, the contribution of demand aggregation is equally true for Rural;

2. Are any amendments needed to the draft criteria to improve the outcome of the Urban Fund?

At the EoI stage the criteria intersecting with Demand Aggregation (p.g 15) is;

"(c) the likely number of Key Public Users..."

and then for the Application, under the Assessment Criteria, "Section 6.0 Demonstration of the Project's Benefits", specifically

"6.1 (a) provision of significant community benefits; & (b) satisfaction of a community demand that has not been met by existing commercial providers and, 6.2 (a) the extent of the networks coverage, including the number of Key Public Users that are provided with Passive Infrastructure connections; & (c) the nature of unmet community demand that is likely to be satisfied by the Project. "

For the Broadband Investment Fund to maximise the intended stimulation of investment certainty of demand will be a key factor and it is important that Government does what it can to support that. Demand Aggregation has an important role to provide the "encouragement" of public sector agencies to organise their demand as a means of stimulating well targeted investments supported by BIF.

The value the Joint Procurement Group can bring to the Criteria Evaluation stage, is;

1. Comment on the level of subsidised access as a means obtaining 'contractually committed demand' for 2-3 years (which we recommend should be included in the BIF business case)

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2. Endorsement that the proposal is in line with Education and Health architecture and policy (and also provide a view on Common Framework alignment)

To that end the demand aggregation Joint Procurement Group would like to be consulted with at the BIF application evaluation stages.

In addition we would also like to reiterate comments that the Ministry of Education will highlight around the overall process timing, specifically;

- (a) Given that a number of municipalities and regions have already undertaken significant assessment and planning as a result of their own independent broadband strategies, or as part of their applications for the MED's earlier Broadband Challenge Fund, it is highly likely that a number of parties would be able to work against a much more aggressive timetable in the first BIF round than the full year (initial application in July 2008 with final decisions advised in June 2009).
- (b) We recommend that a fast-track process be developed for BIF round 1 to accelerate the roll-out of this critical initiative.

Yours sincerely

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