



Monday, 30 June 2008

Scorch Communications Ltd
P.O. Box 8708
Christchurch
0800 SCORCH

Broadband investment Fund
ICT Regulatory
Ministry of Economic Development
P.O.Box 1473
Wellington

Dear Sir/Madam

With respect to the upcoming funding applications we would like to introduce ourselves and show how we are already in the industry and show where we feel funding can improve the rural and under served communities.

Brief history

Scorch Communications has evolved out of a joint venture between the radio telephone industry and the IT industry. With the knowledge gained from many decades in both industries and the access to a large numbers of repeater sites in the rural area we have built a network that boasts coverage from Golden bay at the top of the South island to Queenstown and most places in between.

We believe we are in a prime position to give advice on some of the obstacles we have struck and the best way to increase the coverage and quality of underserved communities in New Zealand.

Obstacles to increasing the coverage/quality

- 1) Customer premises equipment – Because of the distances needed to allow coverage in these communities the equipment at the customers premises is expensive to buy if these could be subsidised for each customer then the system would be far more accessible.
- 2) Installation at each customer premises is a very time consuming job and very expensive this coupled with the cost of the CPE makes the whole installation job expensive. A focus reducing this cost would very much help the network become more accessible which in turn allows us to expand the network.
- 3) Backhauls we have a large network of backhaul equipment to supply the data to our repeater sites these are expensive and limit the bandwidth that is available to the repeater sites. Part of the criteria should be to increase the investment in this area.
- 4) Spectrum this is an area that requires a huge financial commitment which we have started to make.

What prospective applicants should prove which is not subject to finance?

- 1) Accessibility to Repeater sites
- 2) Accessibility to local knowledge
- 3) Accessibility to local field technicians
- 4) Accessibility to local installers

And finally to prove a sound company structure because it is a major under taking.

If you have any further questions we are more than happy to help as we believe this is a very worthwhile venture and there is a definite advantage to the country in improving the communications to the rural sector.

Regards

Steve Spittlehouse
Managing Director

Scorch Communications Ltd