

## **Introduction**

This response is from the Glen Murray Protection Society, representing the residents of the Glen Murray area. Compiled by Brian Kirkman, Secretary of the society assisted by Roy Ward and Colin Hannah.

Glen Murray is situated south of the towns of Pukekohe and Tuakau and North West of the town of Huntly. Pukekohe our major shopping and business centre is approximately 50 kilometers away.

Glen Murray is predominantly a farming region with an ever increasing sprinkling of lifestyle blocks among the commercial farms. Sheep and beef farming predominate with a few dairy farms scattered in the area. The topography is predominantly hilly and many residents are living in valleys surrounded by hills. Cell phone coverage of the area is poor.

The telecommunication network is ageing and a number of residents who use dedicated dial up line to access the Internet find it highly variable and sometimes impossible to gather information. Many have expressed exasperation with line failures between four or five times a night and sometimes more than this. It is particularly bad during poor weather conditions. Power outages are also reasonably common with an average four a week. The infrastructure would appear to have been allowed to run down, with virtually no investment in the telecommunication infrastructure in the last ten years.

The local exchange has approximately 90 subscribers. Locals have recently not been able to dial out for up to a week and feel strongly about the current monthly charges under the KOS agreement. These, although reasonable for the services & facilities offered in an urban area, are over priced for what we can expect and certainly does not meet those standards set out in the agreement.

Technicians have indicated that we cannot expect broadband delivery from the current infrastructure. As a result, a number of residents have broadband delivered by wireless or satellite, however many cannot receive wireless because of the location of their houses and it would be a fair assumption that approximately 50% would be in a shadow from any wireless tower at this point in time.

In reference to section 2.4 (Reader Guide) stating that this document has been written for Industry stakeholders, we believe, as dependant rural users of the system, that we are stakeholders. We will not comment on areas that we are not familiar with. We are Concerned Rural Residents living in an area where the document indicates that we are Commercially Non Viable Customers (and probably very unprofitable at that).

Because of distance from urban and business centres, as well as the distance between neighbours, we will argue that as the telephone was important to us in 1991 for safety, security, socially, for the ordering of supplies etc, today so too is the Internet. The Internet has replaced some of the functions of the telephone in the ability to be online and visually look at what is available and place an order to be delivered by our rural delivery provider. It has become a necessity for many households in the rural areas. In an environmentally conscious world it is important that we conserve energy and reduce our journeys to town.

We would suggest that we have no problem with whom the TSO is but we would require that the availability and affordability of basic telecommunications continue.

## **Response to Questions**

### **The TSO Framework**

3a. *How important is the KSO/TSO framework as a component of the overall regulatory regime of New Zealand telecommunication services?*

It is very important to the rural community to ensure that they have the same services and affordability as their urban counterparts. Particularly where households are in Commercially Non

Viable Customer areas, the telecommunication provider may well (and possibly is) revert to that experienced in third world countries.

*3b. How effective has the TSO framework been in achieving the government's telecommunication objective of ensuring delivery of cost efficient, timely and innovative telecommunication services on an ongoing, fair and equitable basis to all existing and potential users?*

From an Urban perspective it has been reasonably effective.

From a rural perspective in a Commercially Non Viable customer area we have not seen the investment or the innovation that may have turned the region in to a lesser CNV. The pricing is fair and equitable if the total service is available, but the service delivery standards are abysmal. Because of the poor delivery we see the pricing as unfair when compared with our urban counterparts.

*3d. What are the strengths and weaknesses of the TSO framework?*

Strengths.

Cross subsidization enabling availability and affordability.

Sets the service standards and enables the supply of telecommunication services that would not otherwise be commercially available.

Weaknesses.

The average of the service standards over large areas does not show up poor areas and investigate how these can be addressed.

Investment in rural areas has not kept pace with the investment in urban areas and this would not be evident.

#### **Purpose and Market of the Local Service TSO**

*4a. How does the Local Service TSO contribute to advancing the interests of telecommunication users?*

The Local Service TSO does not contribute to the advancing interest of the telecommunication users in our area, due to lack of investment and infrastructure issues. Other providers of broadband and telecommunication are not interested in using the current run down infrastructure. With the advance in technology, the potential is there through use of emerging technologies to turn the rural non-viable commercial customer into a viable commercial customer. It will require a mix of technologies and some investment.

*4b. Would the universal availability and affordability of local residential telephone service for households be better achieved another way?*

Currently the huge maintenance requirement of the local communication network to maintain operation would indicate that the use of new technology, be it wireless or some other technology, would not only provide a better service to the residents but also reduce the huge maintenance costs in the area.

*4c. What should the focus of the Local Service TSO going forward?*

Investigate ways the Non viable commercial customers can be provided a telecommunications service incorporating a broadband ability and at the same time reduce the huge ongoing maintenance requirement. This would also allow other providers or competition into the rural areas.

#### **Availability of Service**

*5a. Does the Local Service TSO effectively address gaps in the commercial market*

*for the availability of telephone service?*

In the case of the urban users in the larger towns it would appear to address the gaps. In most rural areas it provides a level of service, but that level of service is not the same level as the national norm.

5b. *Should the Local Service TSO requirements for service availability be retained?*

For rural telecommunication users most definitely.

### **Service Performance**

5d. *Should the existing service performance measures be expanded, including down to geographic regional level, to better ensure reliability of telephone service? If so, what measures are recommended and why?*

The existing service performance measures should be expanded. They should come down to geographic regional level or even to some sub regional levels to avoid averaging of service performance. If not, service levels for Non-viable commercial customers associated within the Auckland region would most probably be buried. It would highlight where investment is required to address the issues of service levels. There are other technologies that could deliver high levels of service with reduced on going maintenance costs.

5f. *Should penalty performance rebates apply for non-compliance by Local Service TSO provider?*

A double edged sword. Yes, if this would focus the TSO provider to keep the required investment levels to maintain a good level of service. On the other hand it could reduce the competition in rural areas.

5g. *Should there be reporting on the quality and capacity of network capabilities for supplying TSO local service?*

This would bring more accountability and highlight where maybe more investment is required and at the same time direct where government assistance would achieve a higher level of national service in rural areas.

### **Service Reporting**

5h. *Should information about TSO local telephone service supplied in commercially non-viable areas be made publicly available by the TSO provider as part of its TSO requirements? If so, why?*

Yes. This may indicate that investment is required. It may also indicate that the TSO provider is not providing the users a service that is commensurate with the national level.

### **Convergence and Transitioning of NGN**

5i. *Should the gateway devices installed in customer's homes to support the supply of telephone service be required to have battery Back-up? If so, why, and should there be a requirement that battery back-up last for a specified period?*

Yes. Prior to the current technology, batteries were required in the home to maintain the service. This is an issue in rural areas where power supply is not as consistent as it is in urban areas. Power supply delivery issues in our local area are on average about 4 or 5 outages per week, however in general it is not for too long on each occasion.

5j. *Should a requirement for battery back up only apply for residential customers living outside mobile cellular phone coverage?*

No. Consistency is important across a service. In the event of a disaster mobile cellular coverage may be out.

5k. *Should battery back-up requirements be equally applicable across all providers (TSO and non-TSO) of telephone access services, and if so, should any requirements be prescribed by regulation?*

Yes

5l. *Should dial-up internet access be discontinued for TSO local service if a bit stream equivalent (i.e. NGN version) is supplied as a replacement?*

Yes, provided that the availability and affordability are maintained.

5m. *Do you have any concerns about aspects of Telecom's planned NGN local service?*

In concept the NGN local service is OK, but we do not have enough information on how that is going to impact rural telecommunication users.

### **Compensation for the Local Service TSO Provider**

In general we do not have enough information or experience to comment in detail on this section.

We do however believe that compensation for the Local TSO Provider for meeting requirements is required.

### **Eligibility and Charging for TSO Local Service**

#### **Eligibility for Service**

We have a mix of purely residential and business use in this area. The residential component is growing with the advent of more lifestyle blocks closer to town. It must be pointed out that rural use of telephones for business is not the same as commercial operation located in town. Most farmers would use the telephone for limited periods of time, either early morning or evening for business. The cost of separating this out would most likely outweigh the benefits.

#### **Price Cap**

In general we believe a price Cap should remain over all areas though the Local Service TSO deed. With competition, the price should remain below the Cap level. It is important that the commercially non-viable customers have some level of cross subsidization on a social responsibility level.

#### **Free Local Calling**

7l. *Does the option of free calling for residential customers present difficulties for development and growth of broadband market?*

Our experience to date with dial-up would indicate that the free calling market would not impact on the development or growth of broadband.

### **TSO Local Service and Emergency Call Service**

It is important that there is one "gate keeper" role for emergency services and the white pages. These are essential social services.

### **TSO Provider Gatekeeper Role**

8a. Should the gatekeeper role be performed by a government or non government organization and why?

The gatekeeper role is essential. It is not imperative that the role is provided by government, with the rider that the necessary checks and balances are in place.

8b. *Should the gate keeper role continue to be performed under the Local Service TSO or by a new TSO instrument?*

The gatekeeper role needs to be provided under a Local Service TSO.

### **Emergency Call Information**

No comment

### **Availability of Emergency Call Service**

No comment

## **Lifeline Access**

8j. *Should access lines be kept in an active state after service is relinquished to enable lifeline calls to be made?*

Due to the remote locations of some rural subscribers, Lifeline availability is a requirement

8k. *Should the supply of such lifeline connection be compulsory for all operators of public fixed telephone networks, irrespective of whether telephone access is by an analogue line or a VoIP bitstream on a digital line?*

Yes

8l. *Should this requirement be applicable to only cable (wire or fibre) fixed lines that reticulate dwellings and premises?*

Yes. It is unrealistic to expect the infrastructure to supply facility to various broadband connections.

## **Availability and Adoption of Rural Broadband**

9a. *Taking into account likely broadband user requirements of 3-5 years time, what do you consider will be the key broadband applications (e.g. email, web browsing etc) for businesses and households?*

Broadband user requirements in 3 –5 years time will be different to those today. In order to address the environmental impact the Internet will be providing a lot more services to rural users than is the case presently. There will be fewer journeys to town to source necessities, banking requirements will be vastly improved on those currently available. Education will be delivered into rural New Zealand enabling students to stay at home rather than boarding school. The increase in Home schooling currently will continue. With closure of many rural schools because of role numbers and distance, the availability of broadband will be a necessity because of the impact on children.

9b. *To what extent do you consider that the market will meet the broadband needs of rural users (including availability and affordability) in the next five years?*

The market at the present time is not being satisfied by the current providers. However the capability is expanding all the time, technology is doubling every six months, and hopefully this trend will reduce the areas of non-viable commercial users.

9c. *Do you consider there is a case for subsidy mechanisms to fund upgrading of rural broadband infrastructure, and if so, what mechanisms should or should not be considered, and why?*

The current cross over of subsidy from urban to rural should remain to assist other service providers ensure that the current situation of lack of investment in rural areas does not continue. It would be useful for the same supplier providing voice communication to provide the broadband availability. This would reduce the overall maintenance cost. (One of the observations that have been made is the number of technician visits to our rural area because of the lack of investment in infrastructure.)

## **TSO Role in Improving Broadband Connectively**

9d. *What role do you think the TSO framework should have in accelerating the uptake of broadband access for NZ homes?*

It would be more cost effective to all if the TSO framework were able to provide telecommunication as well as broadband. The uptake of Internet services in our rural areas would be reasonably high if available, and the expectation is that this would not be too dissimilar for other rural communities. The problem that we experience is, reliability, very poor upload and downloads speeds. We can expect that most software that we might download to fail two or three times before it be loaded on the computer.

The uptake of broadband in rural areas would accelerate if it were available and affordable.

## **Extension, Expiry and Review of TSO Instruments**

10h. *Should a standard practice apply for extending the duration of TSO instruments?*  
Yes.

10i. *Should TSO instruments automatically expire after a specific period?*

No. Because of the nature of the world we live in this process needs to be reviewed every ten years or so.

10j. *How frequently should TSO instruments be reviewed?*

At least once every ten years or so.

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