

WISPA New Zealand

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Dr Stephen Gale Telecommunications Commissioner Commerce Commission WELLINGTON By email

Dear Commissioner Gale

At the Annual General Meeting of WISPA in New Plymouth last week I was directed by the 25 WISP businesses represented to write to you and express their alarm about the direction of the proposed 111 Contact Code. It would be fair to say this is seen as a major risk on the horizon for WISPs. It could greatly slow the advancement in Internet coverage for rural communities, or even reverse this.

Our concern is heightened by a sense, gained from the Emerging Views paper and subsequent Workshop and discussions with Commission staff, that the Commission is determined to proceed down a fundamentally unworkable track without having an open mind to the objections.

WISPs are vulnerable to this Code disproportionately to other industry participants. Most parts of New Zealand that lie outside cellular coverage are WISPs' core territory. They generally have VoIP services. This means WISPs:

- will carry a very disproportionate share of the compliance burden
- will in many cases not have a "111-only" cellphone as a solution
- will therefore be left with UPS devices as the only workable alternative
- unlike the national RSPs do not have a large urban customer base across which to spread the cost

The UPS option will be very impracticable. There are no totally suitable UPS devices on the market. Those that do exist have short lifespans. Numerous WISP installations have several points where a USP device would be required. For example, where the WISP service terminates on a farm building and is radioed on to the house and the router is in a different room, the installation would require at

least 3 USB devices. That would cost around \$300 per device plus installation cost – about a year's revenue from a typical WISP customer.

We recognise there will be an opportunity to make further input once the draft Code emerges on 28 February. However, we are concerned that the issuing of the draft will create unrealistic public expectations that will be difficult for the Commission, or the Government, to backtrack from.

We are happy to meet with you or Commission staff again to explain our concerns if this is acceptable within the process. We also once again offer to take Commissioners or staff to visit a few WISP installations to see for yourselves the practical obstacles our members face. We think you have very seriously underestimated these.

Yours sincerely

Mike Smith

Chairman