

8th December 2015

Mr L Starling
Radio Spectrum Policy and Planning
Ministry of Business, Innovation and Employment,
P.O. Box 2847,
WELLINGTON 6140.

By Email: radio.spectrum@mbie.govt.nz

SUBMISSION
To
REVIEW of LICENCE FEES FRAMEWORK: CONSULTATION DOCUMENT

Thank you for the opportunity to submit to you regarding licence fees. We can congratulate the Ministry on the preparation of a succinct document that seems prepared to address a number of concerns that RFUANZ have in regard to the licence fees framework.

Referring to your proposal items in turn, we submit:

RSM Proposal 1:

Set fees based on the level projected to reduce the memorandum account balance to zero in six years, with a subsequent increase in fees balance and expenditure.

Submission:

We support the reduction in the memorandum account to a significantly lower figure however; we consider that, to maintain business-as-usual cash flows, any adjustment upwards from one year to the next, should be no more than 15%. That is to say, we do not want to see a sharp upwards increase once the memorandum account has been reduced to zero.

Comment:

We understand that Radio Spectrum Management have two projects that may require capital input; these being remote spectrum monitoring technology and the complete upgrade/rewrite of the Smart software. In a recent meeting with radio spectrum management officials, we put the idea that as these will inevitably result in increased radio spectrum license fees and that the memorandum account could be used to finance these projects.

This of course will require wider industry agreement and perhaps involvement in the specifications of those projects however in general we see no point in giving us money back from the memorandum account to only charge it again in the future.

We would welcome discussion with the Ministry on this subject.

RSM Proposal 2

Introduce a single licence fee for all licence classes.

Submission:

Based on the Ministries consultation document we support moving to a flat fee basis for many of the categories of licence fees. However, we recognise that in order to avoid unwanted consequences that the licence fee categories need to be refined so that bad frequency assignment practices do not occur. In this regard, the following principles should be adopted:

- One licence only for each transmit frequency at a single location. (No multiple transmitters on a single licence and abolish New Zealand wide category)
- GURL should be financed from the public fund as they are a public license and not be cross subsidised from other licence categories
- Simplex licences to be for a single territorial area (not nation-wide)

Comment:

Multiple frequencies on a single licence should be abolished.

This will curtail the wasteful practice that has occurred over the last 10 years whereby for a relatively small cost a licensee can cause significant denial of spectrum to others.

New Zealand wide Simplex licences should be abolished and a simplex licence should only be for a given territorial area. If a client wants a New Zealand wide channel then he needs to take licences for every territorial area.

RFUANZ put to the Ministry some 10 years or ago that a number of simplex channels in each band should be made available for use on radios that are licensed for two frequency channels- as a “conditional GURL”. Whilst we still advocate that view we would like to discuss with the Ministry the creation of a number – say 10- of GURL within each land mobile simplex band.

RSM Proposal 3:

Discontinue the licence categories for land mobile multiple repeaters on a common channel throughout New Zealand (LR1 and LR2) and multiple radio transmitters on a common frequency for paging (LP1)

Submission:

We support this proposal

Comment:

The current licence categories have supported wasteful and nuisance radio licence assignments because they simply have no cost consequence for doing so. We support any Radio Spectrum Management initiative that will curtail these bad assignment practices. It is recognised that by-and-large the cost of one radio licence is the same as any other so the only instrument by which these practices can be curtailed is by proper definition of what the licence contains.

Accordingly we confirm our support for one licence fee per two frequency channel licence assignment in the land mobile bands.

Proposal 4:

Remove discount for online payment and reflect the discount in the calculation of the base licence fee.

Submission:

We support this proposal

Furthermore, we advocate for the inclusion of electronic funds transfer as a payment method.

As an administrative issue, we strongly request that RSM include in its Licence Fee Notification a copy of an invoice stating what the licences for and the channel involved along with details of how to pay these fees.

Comment:

Our observation is that a common problem with payment is a licensee receiving notifications that are vague and hard for the licensee to identify. A clear invoice would help resolve these issues.

Invoices should be presented prior to payment is normal business practice. The way the payment process is structured now is that payment is required to be made before the Tax Invoice is received by the Licence Payer.

Proposal 5:

Introduce a manual processing fee of \$25 to recover the administrative costs of paper-based payments.

Submission:

We support this proposal

Comment:

Refer to other comments above.

Proposal 6:

Remove the licence Interference Investigation (LI1) rebate.

Submission:

We support this proposal

Comment:

We have found over the last 10 years that the ability for Radio Spectrum Management to resolve interference issues has diminished due to the reduction in staff and resource applied to this area of the ministries work. We understand the Ministry has a project for setting up remote monitoring to assist with interference resolution and we support this initiative. As referred to above we would in general be supportive of using some of the memorandum account to finance the deployment of this equipment.

RFUANZ would like the Ministry to continue to operate as an independent regulator as they are the only entity with the legal powers to enforce the regulations and also adjudicate in cases where technical arbitration may be required.

Conclusion

RFUANZ is generally supportive of all the proposed changes.

RFUANZ advocates defining licence categories so as to avoid wasteful assignments that cause Spectrum denial to others that otherwise have no cost consequences to the licensee.

RFUANZ advocates a new licence category for itinerant land mobile repeaters.

RFUANZ advocates for licence fees for GURL being funded from the public as opposed to being cross-subsidised by other licensees

RFUANZ advocates that that the memorandum account be used to fund projects that would otherwise result in an increase in licence fees as it is pointless returning the memorandum account to licensees and then retaking it through high licence fees later.

This submission is made for and behalf of:

Radio Frequency User Association New Zealand

A handwritten signature in black ink, appearing to read 'David Thomson', with a long horizontal flourish extending to the right.

David Thomson
Acting Chairman