

Ms Theresa Gattung  
Telecom New Zealand Ltd  
P.O. Box 570  
Wellington

cc: Mr Rod Deane, Chairman of the Board  
Hon. David Cunliffe, Minister of Communications, Minister of Technology  
Hon. Trevor Mallard, Minister of Industry and Regional Development  
John Key, M.P. Helensville  
Steve Denize, Rodney District Council Economic Development Advocacy Manager

**4 April 2006**

Dear Ms Gattung,

## **Summary**

We are a community situated close to Auckland and have no broadband service. Telecom currently refuses to offer broad-band services nor will Telecom offer a timetable for such services, citing a variety of reasons, some contradictory.

The home business and business customers in the community face real cost and time impacts and inconveniences on their businesses as well as impacts on the quality of service to their own customers.

We feel the lack of competition means there is little pressure for Telecom to mitigate the situation.

We understand that offering such a service is commercially viable for Telecom and could offer Telecom some much needed mana. It has not escaped our attention that Telecom currently appears to be set upon from a number of directions.

We want Telecom to escalate action to our requests for service to this calendar year. We are looking for dynamic "can-do" people in your organisation, those telecommunications enthusiasts that we hear about from the Telecom Public Relations team who are actually able to achieve something of substance.

## **Why write to you?**

We are writing to you, Ms Gattung, due to ongoing dissatisfaction with services provided by Telecom to our community, in particular the lack of broadband services and response by Telecom's broadband services divisions and complaints department. For a number of the customers, such responses are similar to many historical unsatisfactory dealings with Telecom, for example, unsuccessfully trying to get additional phone lines or sometimes getting the first phone line.

Public comments by you, Ms Gattung, to the effect "all New Zealand customers can get broadband services, if they want it", are frustrating and appear to be either misinformed, ignorant or disingenuous. We are further dismayed as broadband services are being rolled out around us, for sometimes much smaller groups of customers.

It is our belief that you are able to escalate our requests and actually achieve something.

We are copying this letter to a number of parties who we think will also have an interest in our case, as representations to Telecom in the past have varied from sympathetic ears that can offer nothing to just plain stone-walling.

## **Who we are**

We are a community based in Waimauku along Ararimu Valley Road and Zanders Road just thirty minutes drive from the centre of Auckland.

Recent survey of 64 residents in the valley, many of whom have co-signed below want broadband services. Most of these Telecom customers have requested broadband service either by telephone or on the Jetstream web site.

33 of these customers (51%) have either home-based businesses or local businesses whose operations are, at least in part, restricted by the lack of such a service. We also asked about 40 of these customers for the sum total of their monthly Telecom spend, which was in excess of \$14,000 per month.

Since the survey date, additional customers have been identified. We have not yet contacted the remaining 28 customers in the valley.

It appears that the majority of these customers connect to the Telecom network via the same connection point which is capable of being upgraded or has already been upgraded to offer broadband services. Such an upgrade appears to be commercially viable (that is, Telecom would recover any costs within a short time).

A variety of responses have been received from Telecom, ranging from "there are no broadband options for your area" to "upgrades will be made available by August 2006". Currently, the most recent advice has reverted to no plans for our area at all.

Imagine our dismay in February when we were told by Telecom that there appears to be no demand for broadband services and there is no timetable for provisioning such.

## **What we want**

The local connection point to be upgraded and broadband services provided at normal customer rates. Or if the upgrade has, in fact, been installed as some have hinted, good quality broadband services made available at normal customer rates.

## **Is it feasible?**

Apparently. The connection point in question (cabinet "M" from the Waimauku exchange) is connected via fibre optic cable to the exchange. The majority of the customers live within about 4 kilometres of this point.

The cabinet is new, having been installed about three years ago when fibre optic cable was installed in the valley, notionally to provide extra telephone connections for some of the customers in the region who had no telephone services at all as well as provide "new and exciting services" (a quote from a Telecom customer services representative). This was well after the introduction of broadband generally throughout New Zealand. Because the connection is fibre optic, different equipment must be used to provide ADSL or DSL services (i.e. Jetstream) compared to traditional copper connections. We are advised that the device required is called a "conklin" and that these are readily available telecommunications devices at reasonable rates. With a spend of \$13,500 per month, plus the additional income provided from Jetstream subscriptions (at least an additional \$1500 or so if everyone chose the entry level plans, it is not hard to imagine that this is a financially viable proposition).

This information has been supplied from within Telecom to a variety of the customers as well as from contract technicians provisioning services to Telecom. Having said that, one Telecom representative, [Incident: 051115-001036] advised that the entire cabinet needs to be replaced. One can only take such advice lightly, as it contradicts other (telephone) communications from Telecom and comes from the same team that told the author [telephone 16 March 2006] that the fibre optic cable was laid well before the general introduction of broadband in New Zealand - despite the fact of many of the customers witnessed the installation only recently and put up with the disruptions to service during the change-over.

## **Other broadband options we have investigated**

There are a number of broadband options generally available in New Zealand, including Telecom Wireless, Telecom 3G; Vodafone; Wired Country; Whoosh and Satellite; Frame Relay, ISDN. These are either not available in our community or are not a practical option:

<b>Telecom Wireless (via BCL)</b>	<b>Frame Relay and ISDN</b>
This service is not available in our part of North-West Auckland	These services are not available at our exchange and seem not to be practical nor economical options any more.
<b>Telecom 3G</b>	<b>Satellite</b>
This involves connection, via Telecom's mobile network using "AirCards". Unfortunately, much of the community has "patchy" mobile coverage. Recent discussions with Telecom's Business Solutions division reveal that network speeds where coverage is poor is approximately equivalent to dial-up networking, which is the experience of those who have tested it. Combined with the data caps, it makes this a high cost and possibly pointless exercise anyway.	In lieu of any action by Telecom, satellite networking appears to be the last option for the community. However, there are significant drawbacks with the scheme. Normal satellite options offer connections speeds only about three to eight times that of dial-up networking, significantly less than ADSL speeds. For residential customers, the initial cost of about \$3000 is clearly not practical. This can be mitigated somewhat by signing up to long term contracts, which lock the customer to an inferior service - even more so now that Telecom Jetstream has increased in speed by 50% and will be more so again when Telecom start rolling out ADSL II (up to 24 megabits) mid-way through this year (your words on national television). For the home business customers, particularly those that need to connect to other networks, satellite connections suffer from high latency and insufficient speed. Furthermore, lack of support for networking features such as "port forwarding" means this service also is not an option for the business customers who use this to connect remotely.
<b>Vodafone</b>	
Coverage of Vodafone is less effective than Telecom's mobile network.	
<b>Wired Country</b>	
Have no plans to offer any service in the region within the next three years.	
<b>Whoosh</b>	
Have no plans to offer any service in the region	
<b>Telstra 802.11n</b>	
Telstra have commenced trials in Northland of new wireless services. These, however, are in the early stages and there is no schedule of the introduction of the services more widely.	
<b>Our own 802.11g network (wimax?)</b>	
Consideration has also been given to building our own wireless network, connecting back to some point near the community that does have broadband. This has a significant set up cost, relies on finding and maintaining a suitable connection to the internet nearby, as well as the felling of trees to ensure line of sight throughout the valley. Were this simple, we are sure that other internet service providers would be offering to assist communities in this manner.	

Thank you for your time. We look forward to a prompt, positive outcome.

Rob Russell

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Waimauku, 411 5432