



Telecommunications Rural Connectivity Study

Terms of Reference



Rural Connectivity Study

1. We are undertaking a study into rural connectivity in New Zealand under section 9A of the Telecommunications Act 2001 (Act). The study will establish a baseline view of telecommunications services in areas where fibre is not available (for convenience, we call these 'rural areas').¹ These terms of reference outline the proposed purpose, context, and scope of the study.
2. We welcome feedback on the scope of this study and the data needed to conduct it. Details on how to provide feedback can be found below.

Context and Purpose

3. In December 2022, the Ultra-Fast Broadband (UFB) roll-out was completed. As a result of the completion of this programme, 87% of New Zealanders now have access to UFB fibre.
4. The UFB programme has been successful in delivering high-speed connectivity to urban areas, but there are consumers living in rural and remote areas who still have relatively poor connectivity as fibre is unlikely to be built out to those locations.
5. There are government funded initiatives addressing connectivity in rural areas such as the RBI and Remote Users Scheme with additional funding announced in June 2022 under the Rural Capacity Upgrade Programme. This study on the other hand will build a comprehensive picture of the connectivity options for rural end-users of telecommunications services.
6. Our Measuring Broadband NZ programme (MBNZ) gives us a good indication of the performance of different technologies New Zealand. We are now able to split results by urban and rural areas to help us understand the disparities in performance and quality experienced by rural users.
7. Improved and more detailed monitoring of and reporting on the alternatives to copper in rural areas such as fixed wireless access (FWA), low earth orbiting (LEO) satellite services and wireless services delivered over mobile networks will, following the establishment of the baseline view, be incorporated into our routine market monitoring function.
8. In the first instance this improved picture will enhance the quality and granularity of our reporting on rural connectivity and end user experience in our Annual Monitoring Report.
- 9.

¹ We define rural areas as those parts of the country where UFB fibre is not available ie, areas that have not been designated as Specified Fibre Areas (SFAs). See https://comcom.govt.nz/__data/assets/pdf_file/0025/185254/Determining-specified-fibre-areas-Framework-and-initial-approach-31-October-2019.PDF

10. Therefore, the purpose of the study is to strengthen our routine monitoring of the availability and quality of telecommunications network infrastructure in rural areas, and of end-user experience of voice and broadband services delivered over those networks. It will enable us, over time, to report on rural connectivity and end-user experience with better granularity.
11. The study will inform:
 - 11.1 our routine monitoring, which will, on a regular basis, build on the baseline view of connectivity in rural areas established by the findings of this study;
 - 11.2 the rural component of the Annual Monitoring Report from 2024 onwards;
 - 11.3 forthcoming policy discussions, providing feedback on existing regulatory settings and support decision-making regarding rural areas; and
 - 11.4 the review of regulated copper services, which we need to complete by 31 December 2025;³

Scope of this study

12. The study will consider:
 - 12.1 the current structure and extent of competition in the supply of telecommunications services in rural areas;
 - 12.2 the availability of different technologies in rural areas represented geospatially in a manner analogous to specified fibre areas;⁴
 - 12.3 the
 - 12.4 the capital investment in rural services by providers, including the geographic distribution of that investment by technology;
 - 12.5 key events and initiatives that have occurred in relation to the supply and use of telecommunications services in rural areas up to the present day (including the Rural Broadband Initiatives (RBI1 and RBI2), the Rural Connectivity Group, the Mobile Blackspot Fund, and the conditions relating to rural coverage that were attached to the recent spectrum allocations);
 - 12.6 the associated consumer outcomes (eg, availability, service quality, affordability, and pricing performance) in rural areas; and
 - 12.7 the presence of any competition issues.

³ See S 69 AH of the Telecommunications Act.

⁴ <https://comcom.govt.nz/regulated-industries/telecommunications/regulated-services/consumer-protections-for-copper-withdrawal/map-of-specified-fibre-areas>

13. The study will not consider:
 - 13.1 specific effects of previous regulatory decisions;
 - 13.2 areas where fibre is available (for convenience, we call these 'urban areas');
 - 13.3 compliance with regulatory tools;
 - 13.4 a future looking view – where connectivity is heading;
 - 13.5 policy development; and
 - 13.6 recommendations for regulatory changes.

Legal framework for this study

14. We are conducting this study under section 9A of the Act. Section 9A sets out that we:
 - 14.1 must monitor competition in telecommunications markets and the performance and development of telecommunications markets;
 - 14.2 may conduct studies into any matter relating to the telecommunications industry or the long-term benefit of end-users of telecommunications services in New Zealand; and
 - 14.3 must make available reports, summaries and information about the things referred to in paragraphs 14.1 and 14.2 above.
15. This study, as noted above, will inform our routine monitoring of telecommunications service options, performance, and quality in rural areas.

Process for the completion of this study

16. This study is focussed on telecommunications services in rural areas. As noted above, UFB fibre is now available to 87% of the population. This study will enable us to better understand the various services available to rural end-users, the technology platforms used to deliver those services and the performance characteristics of those alternative services.
17. The deliverables of this study will include a comprehensive picture of rural connectivity represented in geospatial form with an accompanying narrative demonstrating providers' range and quality of service offerings and end-user quality of service and quality of experience.
18. To that end, we propose to issue information requests to providers of telecommunications services in rural areas. In addition to information on services offerings, we will also likely require pricing information from providers.

19. Information from rural end-users may be gathered from conducting consumer research and/or consumer surveys. We are looking to engage where possible with consumer advocacy groups as part of our engagement strategy.
20. We propose to publish a final report on the current state of rural connectivity in New Zealand.

Gathering and managing information during this study

Targeted consultation and information requests

21. During our study, we will seek to engage directly with, and gather information from, a range of stakeholders whom we identify as having information that is relevant to the study. In addition to network operators and service providers in rural areas, this group will include rural end-users of telecommunications services, consumer advocacy groups, government departments, and other agencies.
22. Additional details about information gathering and how we deal with information can be found on the Commission's website.⁵
23. An indicative timeframe for our process is set out below.

Description	Indicative timeframe
Terms of reference for study published	17 May 2023
Submissions received	31 May 2023
Information requests issued	June/July 2023
Findings report published	Q1 2024
Next steps for continued routine monitoring	Q2 2024

24. We will consider all submissions on these terms of reference as part of our analysis and when generating the information requests. We will not be publishing a final term of reference following the submission process.
25. We will publish a report detailing our findings and proposed next steps in relation to our on-going monitoring requirements in Q1 2024, which will conclude this study.

We are interested in your views

26. We are interested in stakeholder views on the terms of reference for this study, in particular the scope of the study and what information may already exist that would

⁵ <https://comcom.govt.nz/about-us/our-policies-and-guidelines/transparency-statement>

be useful for us to collect. We welcome written submissions. We also welcome any questions you may have about this document. Please address your questions to the email address below. This is unlikely to be the only opportunity to contribute to this study so please let us know if you wish to be engaged as part of the process.

27. We invite submissions and feedback on any issues or opportunities for the rural connectivity study that you consider relevant that may not be addressed in this paper.
28. We are seeking submissions on this paper by **5pm on 31 May 2023**.

How to provide your submissions

29. Your submission should be provided as an electronic copy in an accessible form. Please email your submission to market.regulation@comcom.govt.nz with the subject line "Submission: Rural Connectivity Study."
30. If you wish to provide commercially sensitive information in your submission, we request that you provide, as necessary, confidential, and public versions of your submission.
31. When including commercially sensitive or confidential information in your submission, we offer the following guidance:
 - 31.1 please provide a clearly labelled confidential version and public version. We intend to publish all public versions on our website;
 - 31.2 please provide reasons alongside any information in the confidential version as to why it is commercially sensitive or confidential information; and
 - 31.3 the responsibility for ensuring confidential information is not included in a public version of a submission rests entirely with the party making the submission.

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