# Fibre deregulation review - Submissions on draft decision due

BTG agree with the position the Commission has formed.

We wish to provide additional detail in a few areas, however we do not believe this will have any material change on the decision.

## Market structure

In relation to 3.134

We wish to note there are several other point to point providers in the market, including

- One NZ - has an established footprint in many cities in New Zealand. These are mostly focused on the commercial and industrial suburbs.
- Vital – (formerly CityLink) has some fibre in the Auckland CBD.
- 2degrees (formerly Vocus / FX Networks) has a limited fibre network across several parts of New Zealand.
- There are likely other providers beyond the above

While some of these providers may have fibre down a road it maybe cost prohibitive for installation. Where a new connection is required that requires civil works, our experience is it can be an expensive undertaking.
Most of these providers do not offer a comparable product to Bitstream 2 (and in some cases Bitstream 3) pricing. They are not competing at the low end of the market.

All these providers still make up a very small number of addresses that can be connected, when compared to the coverage available from Chorus and the LFCs.

## Close substitutes

https://www.reseller.co.nz/article/3502898/chorus-fibre-companies-take-issue-with-comcom-over-fibre-deregulation.html

We do not agree with the comments published by Chorus and Tuatahi

We agree with the Commission that both Chorus and LFC's occupy a near monopoly position in the market currently.

We believe that download speeds, upload speeds, data caps, latency, consistency of the service (speeds remain the same during peak vs off peak) and drop outs are key factors in considering if a service is a close substitute.

Even if you were to remove all these factors from a close substitute

When reviewing data from one FWA provider, approximately 600 of the 1800 towers has a demand management restriction currently attached to the 4G service for the tower.

It is clear that 4G FWA networks are unable to cater for all or most users in any given urban area. We believe in the best case 4G FWA is capable of supporting around 20-30% of all users in an urban area. It is unable to support a large enough user base to be considered a close substitute to fibre.

We also question Chorus's and the other LFCs' understanding of FWA, given that they are not involved in the selling, operation, or support of these services.

At this point in time, we believe it is too early to understand the impact 5G may have on the market, 5G has yet to get significant customer and FWA uptake, only newest generation hardware supports 5G and 5G hardware is currently expensive. User demand on 5G for bandwidth may grow to a point where we see similar constraints that we see with 4G today.