

Commerce Commission  
ATTN: Matthew Clark  
44 The Terrace  
PO Box 2351  
Wellington 6140

30<sup>th</sup> November 2017

Dear Matthew,

**RE: Mobile Market Study – InternetNZ’s feedback on study scope**

1. Thank you for the opportunity to provide our feedback on the scope of the Mobile Market Study.
2. From the original letter from Dr. Stephen Gale, we understand that the Commission’s outline of expectations for this study are as follows:

*3.1 identify consumer preferences and how they appear to be evolving;*

*3.2 identify how mobile providers are responding to:*

*3.2.1 that evolution in consumer preferences; and*

*3.2.2 technological shifts in how mobile services can be delivered;*

*3.3 consider the impact of these trends on the performance and development of mobile services, including any obstacles to market development and any current or emerging competition effects; and*

*3.4 consider, to the extent we might identify any relevant issues, how our regulatory tools could be applied for the long term benefit of end-users.*

3. We broadly agree with that outline. The purpose of this letter is to provide further feedback on what InternetNZ sees as necessary in order to deliver to these expectations, and how this study may be most useful in informing future policy.

**The Commission must take a comprehensive approach to this study.**

4. Our primary feedback to the Commission is that this Mobile Market Study will be most useful, and best deliver to the legislative wording of s 9 of the Telecommunications Act, if it is as comprehensive as

possible. We list below the factors that we see as the minimum scope of this study in order for it to be comprehensive.

5. Any party that seeks to enter and compete in the mobile market in New Zealand needs to consider the following factors:
  - A. The ability for parties to build their own mobile infrastructure to participate and compete in the New Zealand mobile market, including an assessment of the following factors:
    - i. The availability and terms for **land access** for locating necessary transmission infrastructure;
    - ii. The availability and terms for **co-location** with transmission infrastructure of current mobile operators;
    - iii. The availability and terms for **Radio Access Network (RAN)** sharing and any other form of active or passive infrastructure sharing;
    - iv. Access to, and the terms for, **power and backhaul** in the context of the above;
    - v. **Spectrum management and availability.** InternetNZ notes that this is managed in accordance with the regime in the Radiocommunications Act 1989, as opposed to the Telecommunications Act itself. However, spectrum availability is such a critical component of mobile service provision and of the mobile market in general that it need be assessed as part of this study.
  - B. Wholesale arrangements as a means of entering the market, and an alternative to building new infrastructure, including an assessment of the following factors:
    - i. The availability and terms of **Mobile Virtual Network Operator (MVNO)** arrangements. InternetNZ notes that the New Zealand market is unusual compared to many other OECD markets in that MVNOs are nearly completely absent from the New Zealand market; less than 1% of mobile connections are served through MVNO arrangements. We believe that understanding why New Zealand is so anomalous compared to other evolved mobile markets is a question which the Commission should seek to answer in this study;
    - ii. The availability and terms of **National Roaming** arrangements.
  - C. The overall health and sustainability of the mobile market in New Zealand, with a reflection on both the state of the mobile market as it currently stands and as it may evolve in the future. This requires and assessment of the following factors:

- i. **5G** technology characteristics, and band planning considerations;
  - ii. The current state and ongoing development of the New Zealand mobile market in the context of widely available **fibre infrastructure**, as delivered by the UltraFast Broadband programme;
  - iii. The current state and ongoing development of the New Zealand mobile market in the context of **other wireless technologies** as deployed by Wireless Internet Service Providers in New Zealand;
  - iv. Capital availability and sustainability of **investment** in the New Zealand mobile market.
  - v. Alternative market structures, such as a **division between mobile service provision and infrastructure ownership** interests.
  - vi. The development of new utilisations of mobile network infrastructure, such as through the **Internet of things**.
6. To be clear; InternetNZ accepts that doing this Mobile Market Study in a manner that is this comprehensive is a large piece of work.
  7. However, we believe that such a comprehensive scope is absolutely essential in order to correctly determine the current and future state of the New Zealand mobile market, and to correctly inform future policy making that may follow this study.
  8. InternetNZ is largely ambivalent as to whether the Commission may in practice divide such a scope into smaller pieces of work; either in accordance with the broad areas of focus we outline above or between current and future states of the market.

**InternetNZ is and will remain available and interested in collaborating with the Commission in undertaking this scope.**

9. InternetNZ wishes to see this job done comprehensively, and is available to assist the Commission in doing so.
10. As we do not participate in the mobile market, we offer our participation, submission and opinion without any commercial interest.
11. Further, the vision of InternetNZ is *a better world through a better Internet*. Our mission is *to promote the benefits and uses of the internet and protect its potential*. These line up well with the Commission's objective to deliver to the long-term benefit of end-users of telecommunications services within New Zealand.

Kind regards,



Andrew Cushen  
**Deputy Chief Executive**