

Fibre fixed line access service deregulation review

We generally agree with what has been outlined and proposed by this review document with exception to 4.5.

We also provide some additional considerations for Evidence for reasonable grounds.

Geographic areas

The framework for defining Geographic areas in which service is supplied is important.

To be able to provide meaningful representation it must be detailed enough to look at each property, we believe it will need to be able to identify if a property has access to only one or multiple FFLAS providers.

Comparable address by address data would be needed to see if there is competition between FFLAS providers.

Based on our current experience we do not agree with the statement in 4.5 that the FFLAS market is dynamic.

We believe there is almost no overlap/overbuild between FFLAS providers resulting in no competition between FFLAS providers.

We believe Chorus having fibre in another LFC area in itself does not make the market dynamic. Much of this is legacy fibre and predates the UFB rollout or is for a subdivision however the subdivision itself is likely to only have a single FFLAS provider.

The Geographic data would need to show if overbuild is occurring for this to be dynamic.

It is not uncommon for a FFLAS provider to build fibre into a new subdivision in a town or city that a different FFLAS provider won the original UFB contract. This is not just a case of Chorus building into other LFC areas, there are examples of other LFCs building into Chorus areas as well.

Additionally, for there to be competition between FFLAS providers there would need to be a reasonable size of overlap.

The most common overbuild we see is from non-LFC fibre providers such as Vector, One NZ, Citylink and other lines companies. Generally these offerings are not aimed at consumers or small business and these providers are outside the scope of this review and regulation.

Evidence for reasonable grounds

We believe one of the challenges that can occur when trying to compare FFLAS to other 'close economic substitutes' is the large number of plans and speeds FFLAS offers. What maybe a close economic substitute for one user or property maybe entirely unsuitable for the next.

Some other considerations when looking at Evidence for reasonable grounds for close economic substitutes

- Accuracy of Fixed wireless/4G/5G coverage information, what the coverage map or data shows vs what you can get in the real world are not always the same.

- Fixed wireless /4G/5G sites come and go from stop sell, the dynamic nature of this makes it hard to measure and needs to be considered. What maybe available today may not be available a week later. This can make valid assessment challenging.
- Some Fixed wireless/4G/5G sites maybe on restricted stop sell meaning you can't get unlimited plans but can get capped ones (e.g. 200Gb), these are also changeable week by week.
- With FFLAS progressing into more rural areas, the fixed wireless /4G/5G may have both urban and rural pricing.
- Peak load assessment: Some towers are more prone to congestion at certain times of the year, such as when an event or concert is on near by or in a holiday period (e.g. on the eastern Coromandel locals often complain about there fixed wireless speeds dropping during the Christmas holiday period). Depending on how data is collected and analysed this may not be picked up, as the service may only be impacted for a few weeks a year.
Does the 'close economic substitutes' need to cater for the average over the year or during the peak load periods.
- Satellite also can have stop sell, however it maybe hard to get this information out of international Satellite providers.

Our final thoughts when deciding if a close economic substitute is truly comparable to FFLAS would be if the FFLAS was withdrawn from an entire area would the 'close economic substitutes' be able to provide the same level of service (speed, data cap, latency, price) to all users that FFLAS had.