



22 May 2024

Telecommunications Team
Commerce Commission
44 The Terrace
Wellington

By email only: telecommunications@comcom.govt.nz

To whom it may concern,

We welcome the opportunity to respond to the Commerce Commission's (**the Commission**) approach paper for the Copper Services Investigation. The Commission's investigation 'is limited to consideration of whether the relevant copper services in Schedule 1 should be altered in any of the ways set out in section 66 and 67 of the Act.' While the Commission states it 'will be mindful of the wider regulatory and competitive landscape including the TSOs [Telecommunications Service Obligations], STDs [Standard Terms Determination] and existing Codes', we understand decisions relating to these broader issues are out of scope of this investigation.

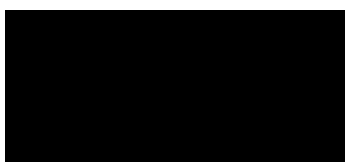
Copper services were first regulated in 2001, with further regulations relating to additional services and wholesale access to different parts of the copper network coming into place in 2006. Since then, the telecommunications market has evolved significantly, and we now have a range of competing broadband access technologies available to consumers that offer better service quality than copper on most measures, including fibre, fixed wireless (**FWA**) and satellite. Competition is more limited in rural parts of the country, where in certain areas FWA services may not be available to new customers (where required to manage capacity and performance), or an end user is not covered by terrestrial mobile networks and satellite is the only alternative option available. It is nevertheless the right time to assess whether the current copper services regulations remain fit for purpose. As steward of the overall regulatory scheme of telecommunications regulation, the Commission should give proper consideration to whether regulations continue to serve a purpose.

We are seeing an increasing number of end users moving away from copper: migration to alternative technologies is primarily driven by Chorus' copper shutdown in areas where fibre is available, but it's a growing trend in non-fibre areas too. Data collected from industry by the Commission shows that there are approximately 79,000 copper rural connections remaining and satellite services now hold 14% share of the rural broadband market. We expect this number to decline further and have announced plans to decommission in 2025 parts of our own network infrastructure used to provide

copper services¹. This decline reflects the availability of alternative access types in most areas, noting that even in rural areas where copper connections remain more common consumer satisfaction with them is lowest on almost all measures compared with other access technologies where they are available, including speed and stability, coverage and availability, and pricing.²

The Commission has proposed to apply the economic framework consisting of four key steps during this investigation: defining the service, identifying alternatives, assessing competition and understanding change. One NZ broadly supports the economic framework as outlined by the Commission, but will be interested in the decisions and judgements made by the Commission in applying this framework. We will engage with the Commission on this investigation further at the next stages in the process.

Yours sincerely,



Kamile Stankute
Senior Public Policy Advisor
One NZ

¹ [https://www.rnz.co.nz/news/business/515424/time-running-out-for-nz-s-copper-phone-network#:~:text=One%20NZ%20\(formerly%20Vodafone\)%20chief,the%20process%20of%20decommissioning%20the m.%22](https://www.rnz.co.nz/news/business/515424/time-running-out-for-nz-s-copper-phone-network#:~:text=One%20NZ%20(formerly%20Vodafone)%20chief,the%20process%20of%20decommissioning%20the m.%22)

² Speech by Tristan Gilbertson, TUANZ Rural Connectivity Symposium, 7 May 2024