

## Cross-Submission Response from Symbio to submissions made to the NZ Commerce Commission investigation of the Mobile Termination Access Service

### Introduction and Summary of Position

Symbio strongly rejects the submissions by One NZ and Spark New Zealand advocating for deregulation of MTAS. Their proposals are narrowly focused on retail-layer dynamics and ignore the fundamental role that MTAS plays in enabling wholesale, enterprise, business, and governmental communications, as well as the unintended impacts to network resilience and scam-prevention infrastructure, that New Zealand increasingly depends on. Deregulating prematurely would expose the market, businesses, and consumers to unacceptable cost, competition and security risks.

### Key Gaps in One NZ and Spark New Zealand Submissions

It is important to recognise that One NZ and Spark New Zealand are not neutral commentators on MTAS regulation: they, alongside 2degrees (who did not submit to this process), are the sole suppliers of mobile termination on their respective networks. Their support for removing MTAS from Schedule 1 facilitates a clear commercial outcome, it would allow each MNO to unilaterally set the mobile termination rate (MTR) for all traffic terminating on its network, free from cost-based constraints or regulatory oversight. Mobile termination is a structural monopoly: every operator, enterprise sender, bank, government agency, or wholesale provider must purchase termination from the MNO that controls the receiving number. If MTRs are set 'commercially', the MNOs have both the opportunity and incentive to increase wholesale prices, particularly for enterprise messaging and fixed-to-mobile voice, in segments where demand is inelastic, and where OTT is not a substitute. The impact would be immediate and material: higher wholesale costs cascading into higher prices for businesses and government communications, reduced viability for MVNOs and wholesale carriers, and weakened competitive pressure across the market. The Commission should treat the calls for deregulation from MNOs with caution; removing MTAS would transfer pricing power for an essential wholesale input from the regulator to the very firms that stand to benefit most from raising it.

#### Wholesale, enterprise and business segments ignored

- Neither One NZ nor Spark New Zealand provide meaningful analysis of how deregulation would affect wholesale-only carriers, transit providers, MVNOs, or aggregators, many of which rely on MTAS for delivering voice and SMS to end users, a product which they supply and charge for.
- There is no assessment of how enterprise messaging or A2P services - used for two-factor authentication (2FA), delivery notifications, regulatory alerts, or business-critical communications – would be affected. Yet once MTAS is deregulated, terminating MNOs regain full pricing power over these services.
- Their argument rests on consumer-level OTT substitution. That ignores the fact that OTT services do not deliver to standard telephone numbers and are not suitable for many enterprise or governmental functions that rely on universal reach.

#### Reliance on OTT as a substitute is fundamentally flawed

- OTT messaging simply cannot substitute for SMS or voice when it comes to 2FA codes, emergency alerts, banking notifications, or regulatory communications.

Removing MTAS regulation based on OTT substitution neglects the public-interest dimension of number-based communications.

- By ignoring this distinction, One NZ and Spark New Zealand fail to acknowledge the structural risk: once regulated termination pricing is removed, there is nothing to prevent MNOs from raising wholesale termination charges for business or enterprise traffic, a traffic type that does not benefit from the same elasticity or competitive constraints as consumer usage.

Absence of any analysis of scam risk or network resilience

- Neither submission acknowledges that MTAS underpins the backbone of cross-network SMS and voice, including critical emergency services, scam-reporting pathways, and network redundancy mechanisms.
- No modelling or risk assessment is presented for how deregulation may weaken (or strengthen, for that matter) scam prevention, reduce traceability, or impair the ability to deliver secure, verified communications.
- Deregulating MTAS would remove a critical regulatory anchor, the cost-based wholesale termination regime that enables traceability, inter-provider accountability, and the technical foundation for blocking or flagging fraudulent SMS/voice.
- This represents a substantial public-interest oversight that cannot be excused simply because retail traffic has declined.

#### Risk of scam and security exposure: why MTAS must be maintained

With an ever-increased political focus on scams, maintaining cost-regulated MTAS ensures that carriers can block and investigate suspicious traffic without creating commercial disputes over lost termination revenue, a stability that is essential for coordinated scam prevention. SMS was a primary channel for scams in 2024, the New Zealand government reported a 62 per cent reduction in reported scam texts after increased oversight but this success depends on telcos' ability to trace, identify and block scam traffic. [The Beehive - tackling scams in New Zealand](#)

- A practical example is the cross-carrier blocking of fraudulent SMS using spoofed sender IDs – a core initiative of the Anti-Scam Alliance. Today, because MTAS is regulated and termination prices are cost-based, carriers can refuse or block suspicious SMS at interconnection points without creating commercial disputes or incentives for MNOs to 'monetise' termination of high-risk traffic. If MTAS were deregulated, however, the terminating MNO would be free to set termination charges at any commercial level, including premium-priced 'high risk' or 'unverified' SMS categories. This creates a perverse incentive for scammers to route large volumes of fraudulent messages through termination pathways that are no longer cost-regulated. Without ex-ante controls, cross-carrier blocking becomes impossible because terminating networks are no longer aligned on a regulated, enforceable basis. The result is that scammers exploit the price-driven termination environment to push through more fake delivery notifications, bank scams, and 2FA interception attempts, severely weakening the very scam-prevention systems New Zealand is trying to strengthen.

As illustrated in overseas jurisdictions, deregulation of termination services often precedes increased scam susceptibility, fraud rates, and reduced consumer trust in

SMS/voice as communication channels. For example, regulators in Australia have responded to rising SMS-based scams by introducing mandatory Sender ID registers and industry-wide restrictions aimed at reestablishing trust in SMS messaging. [Albanese Government acts to disrupt illegal text message scams](#)

Recommending removal of MTAS regulation in NZ signals precisely the opposite, a weakening of structural safeguards at a time when scam activity is growing in sophistication and scale.

#### Termination pricing incentives are mischaracterised

Spark and One NZ assert that deregulation of MTAS would not result in higher termination rates, relying on assumptions about competitive discipline and reciprocal traffic flows. Symbio strongly disagrees. These arguments overlook the fundamental commercial reality that mobile termination is a per-network monopoly and that, once termination charges exceed incremental cost, the margin becomes pure profit. Removing ex-ante regulation therefore creates a clear and predictable incentive for MNOs to increase termination rates, particularly where higher wholesale prices do not materially affect their own retail offerings or on-net traffic.

New Zealand already provides a clear counter-example to the positions advanced by Spark and One NZ. Mobile-to-tollfree origination, which uses the same underlying network elements as mobile termination but is not regulated, is priced at two to three times the regulated MTAS rate, despite comparable costs. (c.i.c.). This outcome illustrates precisely what occurs when a termination-style monopoly input is left unregulated: prices rise, competition weakens, and wholesale and smaller providers are disadvantaged. If MTAS is removed from Schedule 1, the same economic incentives identified here will apply to mobile termination. In this context, the expectation that MNOs would voluntarily constrain or reduce termination rates is inconsistent with observed behaviour in New Zealand and comparable New Zealand markets therefore should be treated with caution.

#### Supporting precedents: Symbio's and peer submissions emphasising the need for regulated MTAS

- In our submission on the Draft Report, Symbio detailed the dependence of wholesale providers on regulated MTAS for predictable, cost-based interconnection, enterprise messaging, and transit-link services.

Symbio's New Zealand data shows that wholesale voice traffic remains resilient, with outgoing fixed-originated traffic increasing over time. This reflects continued demand from businesses, government agencies, contact centres, and service providers that rely on number-based voice services and cannot substitute these communications with OTT applications. Against this backdrop, claims by Spark and One NZ that voice and SMS termination is in decline, rely largely on retail consumer trends and do not reflect conditions in the wholesale and enterprise market. Retail decline does not equate to wholesale irrelevance, and MTAS continues to play a central role in enabling inter-network connectivity and supporting essential business and public-sector communications.

This remains core to our business and to the broader wholesale ecosystem. [Symbio Submission](#)



Table 1: Symbio outgoing mobile call minutes (NZ), volume provided commercial in confidence to NZComCom prior.

- Pivotal's submission reinforces that mobile termination remains an unavoidable bottleneck controlled solely by the three MNOs, and that removing regulation would expose MVNOs, wholesale providers, enterprise voice platforms, satellite operators and OTT service providers to unilateral and potentially substantial price increases. Pivotal highlights that OTT messaging is not a universal substitute, particularly for enterprise, government or mission-critical services, and stresses that predictable, cost-based termination inputs are essential for innovation, investment, and competitive entry, especially for 'Full MVNOs' and emerging providers. Pivotal also demonstrates that deregulation in comparable markets has consistently resulted in higher termination rates and weakened downstream competition, with regulators in the UK, EU and Australia either re-imposing or strengthening termination controls. [Pivotal Submission](#)
- Virtutel in their submission raise concerns on the effects to wholesale only transit providers and fixed-line operators reliant on FTM termination and the Commission's position of declining use of SMS and voice interpreted as a reason for reduced MTAS significance. [Virtutel Submission](#)

These positions directly support Symbio's assessment that omission of MTAS would entrench MNO market power, distort competition and diminish resilience, and highlight the public-service significance of reliable, secure, interoperable termination in New Zealand's communications ecosystem.

Symbio urges the Commission to recognise that:

- Maintaining a cost-based, regulated MTAS regime is a core element of national communications infrastructure resilience. Pricing uncertainty deters investment in interconnection, routing, and messaging infrastructure, counter to the investment incentives Section 18(2A) requires the Commission to consider.

- Termination is a structural monopoly: With no wholesale substitutes for MTAS, deregulation removes the only effective constraint on MNO pricing, mirroring the conditions that enabled UK and Australian MNOs to increase A2P/SMS charges.
- Regulated MTAS provides the stability and certainty essential for coordinated scam prevention, enabling service providers and enforcement agencies to reliably trace, block, and disrupt malicious traffic, a critical public good that protects New Zealanders every single day.
- The Commission must weigh not only efficiency or cost arguments, but the real human, social and economic harm of unintended consequences in prematurely deregulating MTAS, such as price increases, reduced competition, unavailable alternatives and degraded network resilience. Regulators elsewhere have learned this the hard way, the Commission should not seek to repeat their mistakes in New Zealand.

### Conclusion

Symbio requests the Commission recommend retaining MTAS in Schedule 1, that is the only way to safeguard competition, preserve network resilience, and protect the long-term interests of New Zealanders.

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