Submission on the proposed 2degrees / One New Zealand RANCo joint venture

Response to the Commerce Commission's Statement of Preliminary Issues dated 1 October 2026

Redacted version

Contents

1. Introduction 3
2. Executive summary 3
3. Response to Attachment A - Section A2 4
A2.1 Nature and differentiation of RAN assets 4
A2.2 Bundling of asset supply, installation and maintenance 4
A2.3 Ability of overseas suppliers to begin supplying in New Zealand 5
A2.4 Regional mobility of installation and maintenance providers 5
A2.5 Existing competition between the Parties for RAN assets and related services 6
A2.5.1 Tendering, contracting and rollout arrangements 6
A2.5.2 Competitive reactions 6
A2.5.3 Negotiation of price and quality 7
A2.5.4 Differences in commercial experience 7
A2.6 Major competitors and how competition varies 7
4. Conclusion 8

1. Introduction

[ ]welcomes the opportunity to comment on the Commerce Commission's Statement of Preliminary Issues concerning the proposed radio access network joint venture between 2degrees and One New Zealand.
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[ ]Our objective is to assist the Commission with factual industry context relevant to market definition, competitive constraints, entry and expansion, buyer power, innovation, service quality and supply resilience. The observations below are general [ ]

2. Executive summary

RAN assets are not wholly homogeneous. They comprise differentiated hardware, software, features and services selected and configured to meet particular spectrum, capacity, coverage, performance, resilience, energy-efficiency, security and lifecycle requirements.

Equipment supply, deployment, integration, optimisation and maintenance may be procured together or separately. The degree of bundling depends on technical accountability, interoperability, commercial strategy, programme risk and the customer's operating model.

International vendors can in principle supply New Zealand, but credible entry or expansion requires more than overseas product availability. Relevant factors include product certification, spectrum and regulatory alignment, cybersecurity and supply-chain assurance, interoperability, local capability, logistics, spares, support, financing and a viable long-term business case.

Installation and maintenance providers may expand between regions, although mobilisation is constrained by workforce availability, specialist competencies, health and safety systems, geographic conditions, travel, local subcontractor capacity and service-level obligations.

Competition occurs among global RAN vendors, technology specialists, systems integrators, field-service companies and infrastructure providers. The competitive set is not identical for every requirement or location, and the ability of firms to

substitute or expand should be assessed by relevant product, service and geography.

Any assessment should consider not only headline price, but also total cost of ownership, innovation, roadmap access, security, performance, resilience, sustainability, delivery certainty, service quality and the preservation of a capable supplier ecosystem.

3. Response to Attachment A - Section A2

A2.1 Nature and differentiation of RAN assets

Attachment A, A2.1: "whether RAN assets are homogenous, or whether different types of equipment/infrastructure serve different passive sites, through to supplying different capacities, coverage and/or technologies ie, 4G or 5G or future technologies;"

RAN assets should not be treated as a single homogeneous input. A mobile radio site is an engineered system comprising, depending on the deployment, antennas, active antenna systems, radios, baseband or distributed/centralised processing, software, power and environmental equipment, transmission interfaces, timing, security functions, management systems and associated services. These components differ materially in capability, compatibility, lifecycle and cost.

Requirements vary by site and network objective. Dense urban sites, suburban macro sites, rural coverage sites, transport corridors, indoor systems and high-capacity venues may require different equipment configurations. Relevant variables include spectrum bands, channel bandwidth, supported technologies, radio power, antenna configuration, MIMO capability, capacity, coverage, latency, resilience, physical loading, energy consumption and upgrade path. Legacy 3G or 4G equipment, current 5G equipment and future technology platforms are therefore not necessarily substitutable.

Interoperability is also relevant. Although industry standards support multi-vendor ecosystems, practical substitution may be affected by software integration, feature parity, network management, performance optimisation, cyber assurance, intellectual property, existing installed base and the cost and operational risk of migration. Vendor selection consequently involves both standard compliance and broader system-level considerations.

A2.2 Bundling of asset supply, installation and maintenance

Attachment A, A2.2: "the extent to which the purchasing of RAN assets are bundled/tied to the installation or maintenance of these assets;"

RAN equipment and associated services can be purchased through several models: equipment-only supply; equipment plus software and support; turnkey deployment; managed services; or a combination involving vendor and third-party delivery partners. Customers may procure civil works, site acquisition, installation, commissioning, integration, optimisation, field maintenance and spare-parts logistics under separate contracts.

Bundling is not inherently required, but may be commercially or operationally efficient where a customer seeks end-to-end accountability, accelerated rollout, consistent design, warranty alignment or reduced integration risk. Conversely, disaggregation may enable specialist competition and customer control. The practical ability to separate services depends on clear interfaces, access to technical information and tools, accreditation, warranty arrangements, cybersecurity requirements and the capability of alternative providers.

A2.3 Ability of overseas suppliers to begin supplying in New Zealand

Attachment A, A2.3: "the extent to which overseas based suppliers are readily able to start supplying RAN assets in New Zealand;"

New Zealand is accessible to established international suppliers, but entry is neither immediate nor costless. A supplier must be able to offer products suited to New Zealand spectrum holdings and network requirements, meet applicable regulatory, safety, security and environmental obligations, demonstrate interoperability, establish logistics and spares arrangements, and provide dependable local or regional engineering support.

Commercial viability is also important. RAN supply involves substantial and continuing investment in research and development, product certification, software maintenance, security updates, laboratory capability, training and lifecycle support. A prospective entrant would require sufficient addressable demand and confidence in a sustainable pipeline to justify those investments. Procurement frequency, contract duration, incumbent installed bases and transition costs may affect the speed and likelihood of entry.

Global supply capability does not remove the need for local delivery readiness. Time-zone coverage, New Zealand-based governance, field support, health and safety compliance, export controls, supply-chain assurance and response to major incidents are relevant to whether a supplier can exert an effective competitive constraint.

A2.4 Regional mobility of installation and maintenance providers

Attachment A, A2.4: "the extent to which providers of RAN installation and maintenance services in one region of New Zealand are able to start providing these services in another region;"

Providers operating in one New Zealand region may be able to expand into another, but the speed and cost of doing so vary. Key constraints include the availability of appropriately trained and accredited personnel, travel and accommodation costs, local knowledge, access to subcontractors, specialist equipment, weather and terrain, site-access requirements and the need to satisfy response-time commitments.

Planned project work may be contestable on a national or multi-region basis where mobilisation can be scheduled. Fault restoration and preventative maintenance can require a more local footprint, particularly for remote sites or stringent service levels. The Commission should therefore distinguish between project deployment, specialist engineering, routine maintenance and emergency response when assessing geographic substitutability.

A2.5 Existing competition between the Parties for RAN assets and related services

Attachment A, A2.5: "the extent of existing competition between the Parties for the purchase of RAN assets and/or related services, including:"

A2.5.1 Tendering, contracting and rollout arrangements

Attachment A, A2.5.1: "the tendering and contracting/purchasing arrangements including those for the roll out of new RAN technologies;"

The Parties currently represent separate procurement opportunities and may independently determine technology strategy, timing, scope, specifications, supplier mix and commercial model. Competitive processes may include requests for information, requests for proposal, direct negotiation, framework agreements, statements of work, rollout work packages and lifecycle support arrangements. New technology rollout decisions may be made through multi-year programmes or phased procurements rather than a single transaction.

A consolidation of procurement may result in larger procurement volumes, and changes to planning and deployment processes.

A2.5.2 Competitive reactions

Attachment A, A2.5.2: "the extent to which you have observed them competitively reacting to each other;"

Separate network owners may react to each other's investments by changing rollout timing, coverage priorities, capacity plans, feature requirements or supplier expectations. For a vendor, this can create additional opportunities to demonstrate differentiated technology, delivery performance and commercial value.

A2.5.3 Negotiation of price and quality

Attachment A, A2.5.3: "how negotiations work to determine the price and quality of the RAN product/service; and"

RAN negotiations are multi-dimensional. Customers commonly evaluate price alongside technical compliance, network performance, total cost of ownership, energy efficiency, security, roadmap commitments, implementation risk, delivery schedule, local support, service levels, warranty, spare-parts strategy, financing and contractual allocation of risk. Price may be negotiated at hardware, software, licence, service or programme level, with volume, duration, forecast certainty and scope affecting the overall commercial position.

Large buyers can exercise material negotiating leverage through competitive tendering, volume aggregation, benchmarking, multi-year commitments, phased awards, dual sourcing and the ability to defer or reshape demand. Suppliers may retain countervailing strengths where they offer differentiated technology, hold relevant installed-base knowledge, provide critical software or support, or face capacity constraints. Bargaining power is therefore transaction-specific rather than fixed.
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A2.5.4 Differences in commercial experience

Attachment A, A2.5.4: "any differences in your commercial experiences in dealing with each of them, including in relation to price, service, order requirements, or other factors that are important to you as a supplier/service provider;"

Commercial experience is different between customers because of variations in network architecture, installed base, investment cycle, forecasting maturity, preferred contracting model, governance, credit and security requirements, acceptance processes, service expectations and allocation of delivery risk.

A2.6 Major competitors and how competition varies

Attachment A, A2.6: "who the major competitors to the Parties are in the procurement of RAN assets and related services, how this competition occurs and whether this varies by:"

Spark is another major purchaser of RAN equipment and related services in New Zealand. Other network operators and infrastructure providers may also purchase particular equipment or services, although the extent to which their requirements overlap with those of the Parties varies.

From a supplier perspective, competition between purchasers can arise where procurement programmes draw on common equipment supply, specialist expertise or delivery resources. The significance of this depends on the scope, timing and technical requirements of each programme; the existence of other purchasers does not necessarily mean their demand is interchangeable with that of the Parties.

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Attachment A, A2.6.1: "the type of RAN equipment or service being provided; and"

For equipment and software, alternative procurement opportunities depend on network architecture, spectrum requirements, installed base and upgrade plans. For installation and maintenance services, a wider range of purchasers may draw on similar resources, although specialist integration and support require particular capabilities.

Attachment A, A2.6.2: "the location within New Zealand where the RAN assets are being installed or serviced."

Equipment procurement may be national, while installation and maintenance depend more on regional workforce availability, site access and response-time requirements. Competition for delivery resources may therefore vary by location and the timing of deployment programmes.

4. Conclusion

RAN assets and services form a differentiated and interdependent ecosystem. The proposed RANCo JV may create efficiencies for the Parties through scale, common planning and reduced duplication, while combining two significant sources of demand.

From a supplier and delivery perspective, common planning and more consistent technical specifications may improve demand visibility, equipment and spares planning, and the scheduling of deployment and support resources. The extent to which these benefits are realised will depend on the network architecture and implementation approach, including interoperability, migration sequencing, continuity of service and clear accountability for integration and ongoing support.

The technical assessment should therefore consider both potential delivery efficiencies and the requirements for maintaining network performance, resilience, lifecycle support and access to future technology upgrades.

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