

Statement of Preliminary Issues

Proposed radio access network joint venture – 2degrees/One NZ

1 October 2026

Introduction

1. On 25 September 2026, the Commerce Commission registered an application relating to a proposed joint venture that would own and operate the Radio Access Network (RAN) assets currently owned by Two Degrees Mobile Limited and Two Degrees Networks Limited (together, 2degrees) and One New Zealand Group Limited (One NZ) (the Application).¹ The proposed joint venture (Proposed RANCo JV) would be jointly owned by 2degrees and One NZ (together, the Parties).²
2. As required by the Commerce Act 1986 (the Act), we assess mergers and acquisitions using the substantial lessening of competition test, which we describe further below.
3. The Commission will only give clearance if it is satisfied that the Proposed RANCo JV will not have, or would not be likely to have, the effect of substantially lessening competition in a market in New Zealand.
4. This Statement of Preliminary Issues (SoPI) sets out the competition issues that we have identified to date and will consider during our assessment, and that we currently consider to be important in deciding whether to grant clearance.³ Our assessment of the Proposed RANCo JV is at an early stage and this SoPI is based primarily on the material provided by the parties in connection with the Application. Other issues may become apparent as we progress our assessment.
5. Through publishing this SoPI, we aim to:⁴
 - 5.1 increase the transparency of our process;
 - 5.2 provide interested parties with an opportunity to identify any further competition issues which they consider we should assess and also to consider and submit on the matters identified; and

¹ A public version of the Application is available on the [case register](#) on our website.

² Specifically, the Application is for an incorporated joint venture company, referred to in the Application as RANCo (or an interconnected body corporate of RANCo) to acquire 100% of the shares in TwoDegrees Limited (2degrees Asset HoldCo) and 100% of the shares in Dense Air New Zealand Limited (One NZ Asset HoldCo). Under the intended transaction structure, RANCo would acquire the combined RAN assets of 2degrees Asset HoldCo and One NZ Asset HoldCo, and at completion be (directly or indirectly) owned approximately 50% by 2degrees and 50% by One NZ. The Application at [1], [2], [26], [29], [32] and [71].

³ The issues set out in this statement are based on the information available when it was published and may change as our assessment progresses. The issues in this statement are not binding on us.

⁴ Commerce Commission, *Mergers and Acquisitions Guidelines* (May 2022) at [6.105]. Available on our website at www.comcom.govt.nz.

- 5.3 gather further information which might assist our assessment.
6. We invite interested parties to provide comments on the likely competitive effects of the Proposed RANCo JV. We request that parties who wish to make a submission do so by **15 October 2026**.
 7. If you would like to make a submission but face difficulties in doing so within the timeframe, please ensure that you register your interest with the Commission at registrar@comcom.govt.nz so that we can work with you to accommodate your needs where possible.

The parties

8. The Parties both operate mobile networks across New Zealand, and these networks enable each of them to provide mobile and broadband services to retail and wholesale customers.⁵ The infrastructure that the Parties use to operate their respective mobile networks, requires RAN assets.⁶
9. At present, the Parties separately own and operate their own RAN assets. However, under the Proposed RANCo JV, these assets would be jointly owned by both the Parties through RANCo.
10. The Application only relates to RAN assets and the Parties do not consider that these assets play an important role in how they operate their respective mobile networks to compete with one another. To this extent, assets that form part of each of the Parties' core networks such as their respective spectrum management rights, ownership of network points of presence (PoPs) on Rural Connectivity Group (RCG) sites, satellite-related assets, fibre assets, microwave assets, backhaul assets, cell-site routers and network intelligence assets do not form part of the Application and are not being acquired by the Proposed RANCo JV.⁷

Our framework

11. Our approach to analysing the competition effects of the Proposed RANCo JV is based on the principles set out in our Mergers and Acquisitions Guidelines.⁸ As required by the Act, we assess mergers and acquisitions using the substantial lessening of competition test.
12. We determine whether a merger is likely to substantially lessen competition in a market by comparing the likely state of competition if the merger proceeds (the scenario with the merger, often referred to as the factual), with the likely state of competition if the merger does not proceed (the scenario without the merger, often

⁵ The Application at [46], [60]-[75] and [100]-[101]. The other operator of a mobile network is Spark New Zealand Limited.

⁶ The key RAN assets include antennae, cables, remote radio equipment, power equipment and base station equipment. See the Application at [122(c)], [138]-[139] and Appendix 3.

⁷ The Application at [12(a)(i)], [34]-[35], [138] and [189(b)(i)].

⁸ Mergers and Acquisitions Guidelines, above n4.

referred to as the counterfactual).⁹ This allows us to assess the degree by which the Proposed RANCo JV might lessen competition.

13. If the lessening of competition as a result of the Proposed RANCo JV is likely to be substantial, we will not give clearance. When making that assessment, we consider, among other matters:
 - 13.1 constraint from existing competitors – the extent to which current competitors compete and the degree to which they would expand their sales if prices increased;
 - 13.2 constraint from potential new entry – the extent to which new competitors would enter the market and compete if prices increased; and
 - 13.3 the countervailing market power of buyers – the potential constraint on a business from the purchaser’s ability to exert substantial influence on negotiations.

Market definition

14. We define markets in the way that we consider best isolates the key competition issues that arise from the Proposed RANCo JV. In many cases this may not require us to precisely define the boundaries of a market. A relevant market is ultimately determined, in the words of the Act, as a matter of fact and commercial common sense.¹⁰
15. The Parties submit that, consistent with how the Commission has previously considered markets in this industry and how such markets have been defined by regulators in other jurisdictions, the Proposed RANCo JV is best assessed within national markets for the:¹¹
 - 15.1 supply of mobile services to retail customers (such as residential/household and enterprise/business customers, being end-use telecommunication customers). This market would include wireless broadband services that are supplied over the same active mobile infrastructure;¹²
 - 15.2 supply of wholesale mobile services to wholesale customers. This market would comprise the supply of wholesale services over a mobile network to mobile virtual network operators (MVNOs) and resellers who on-supply mobile services in the retail market, as well as wholesale wireless broadband services to other wholesale customers;¹³ and

⁹ *Commerce Commission v Woolworths Limited* (2008) 12 TCLR 194 (CA) at [63].

¹⁰ Section 3(1A). See also *Brambles v Commerce Commission* (2003) 10 TCLR 868 at [81].

¹¹ The Application at [11], [152] and [188]. The Parties refer to decisions by each of the Commission and the Australian Competition & Consumer Commission (ACCC), and Guidelines released by the European Commission. It considers that the ACCC’s approach to market definition in *Telstra/TPG* and *Optus/TPG* are appropriate and informed by the *Connexa* and *One NZ/Dense Air* decisions of the Commission. See the Application at [177].

¹² The Application at [11(a)], [103], [152(a)], [180]-[181], [188(a)] and [190].

¹³ The Application at [11(b)], [101], [112]-[113], [152(b)], [182] and [188(b)].

- 15.3 acquisition of various active mobile infrastructure assets and services from suppliers/providers. These markets would comprise RAN assets, the associated supporting and installation maintenance services for RAN assets and passive infrastructure hosting services provided by TowerCos on which RAN assets are located.¹⁴
16. For each of these markets, the Parties consider the relevant geographic dimensions can be assessed at a national level given that both Parties operate nationwide networks.¹⁵
17. We will consider whether the markets submitted by the Parties are the appropriate markets for assessing the competition effects of the Proposed RANCo JV or whether it might be appropriate to define narrower or broader market(s) on the basis of product, geography, and/or customer type. We will also consider if any other markets are relevant to our assessment of the Proposed RANCo JV. We set out in Attachment A what we are particularly interested in the views of the Parties, and other interested parties, on to assist us in our assessment of market definition.

Without the Proposed RANCo JV

18. The Parties submit that, without the Proposed RANCo JV, they would continue to own and operate their respective RAN assets independently.¹⁶
19. We will consider what the Parties would do if the Proposed RANCo JV did not go ahead. We will consider whether the without-the-merger scenario is best characterised by the status quo, or whether the Parties would seek alternative options.

Preliminary issues

20. We will assess whether the Proposed RANCo JV would be likely to substantially lessen competition in the relevant market(s) by assessing whether horizontal (unilateral), coordinated or vertical/conglomerate effects might result from the Proposed RANCo JV. The questions that we will be focusing on are:
- 20.1 unilateral effects: would the loss of competition between the Parties enable RANCo to profitably raise prices or reduce quality, service levels or innovation by itself where it is a supplier, or to lower prices paid to suppliers for goods?¹⁷
- 20.2 coordinated effects: would the Proposed RANCo JV change the conditions in the relevant market(s) so that coordination is more likely, more complete or more sustainable?

¹⁴ The Application at [11(c)], [123]-[124], [147]-148], [152(c)], [185] and [188(c)].

¹⁵ The Application at [62], [66] and [179].

¹⁶ The Application at [8] and [55].

¹⁷ For ease of reference, we only refer to the ability of RANCo to “raise prices” from this point on. This should be taken to include the possibility that RANCo could reduce quality or innovation, or worsen an element of service or any other element of competition, ie, it could increase quality-adjusted prices.

- 20.3 vertical or conglomerate effects: would the Proposed RANCo JV increase RANCo's ability and/or incentive to foreclose rivals?

Unilateral effects: would RANCo be able to profitably raise prices by itself?

21. The Parties submit that there are two main areas where the Proposed RANCo JV has the potential to raise unilateral effects, namely:¹⁸

21.1 in upstream markets for the acquisition of RAN assets and related services; and

21.2 in downstream markets for the supply of mobile services that use RAN assets.

The acquisition of RAN assets and related services

22. In the buying of goods (in this case RAN assets and related services), unilateral effects may arise where a merged entity can profitably lower prices paid to suppliers.¹⁹ In turn, this may reduce the ability and incentives for sellers to invest in capacity or innovation, or lead to exit of suppliers, thereby reducing overall choice and quality for consumers.

23. The Parties submit that, in any market for the acquisition of RAN assets and for any related contracting and/or maintenance service, the Proposed RANCo JV would not be likely to substantially lessen competition due to unilateral effects primarily because:²⁰

23.1 for the acquisition of RAN assets:

23.1.1 although the Proposed RANCo JV would result in the aggregation of two acquirers of RAN assets (and the associated infrastructure and support/installation/maintenance services), it would not result in a post-merger monopsony;

23.1.2 Spark New Zealand Limited (Spark), the largest mobile network operator (MNO) in New Zealand would remain an alternative route to market for suppliers (among other routes);

23.1.3 suppliers are typically large and commercially astute and so the degree of bargaining power between the joint venture and its suppliers post-merger is likely to be relatively balanced, if not skewed in favour of the suppliers, noting suppliers would continue to have, and be able to exercise, significant bargaining power; and

23.1.4 the reduction in channels to market in New Zealand from three to two is unlikely to have a material impact on these suppliers' incentives to innovate and invest, noting much larger overseas markets are more

¹⁸ The Application at [12], [152] and [189].

¹⁹ Aside from lower prices, suppliers could be also be adversely affected by receiving other worsened terms.

²⁰ The Application at [252]-[277].

influential to their revenue streams (and therefore investment incentives);

- 23.2 for the acquisition of installation and maintenance services, in addition to the above, providers could divert supply of RAN-focused services to other general telecommunications infrastructure services in the event of an attempt by the Proposed RANCo JV to depress prices, noting RAN-focused services are likely to only make up a relatively small component of these suppliers' revenue streams across their wider provision of services; and
- 23.3 for the acquisition of passive hosting services, the Parties have entered into long term supply agreements with each of Connexa Limited and Fortysouth Limited which already govern the terms of access to these TowerCos.

Supply of mobile services

- 24. In the supply of goods (in this case, mobile services), unilateral effects may arise where a merged entity can profitably increase its retail or wholesale price above the level that would prevail without the merger without the profitability of that increase being thwarted by customer or end-consumers defecting, for example due to rival firms' competitive responses.²¹
- 25. The Parties submit that the Proposed RANCo JV would not be likely to substantially lessen competition due to unilateral effects primarily because:
 - 25.1 in the retail supply of mobile services:²²
 - 25.1.1 RAN assets are essentially homogenous and not a meaningful aspect of competition, noting the key elements of competition would remain outside of the Proposed RANCo JV (ie, price, product/plan design and service);
 - 25.1.2 the Proposed RANCo JV would lead to efficiencies and would support the roll out of new technologies like 5G (and in the future 6G);
 - 25.1.3 the Parties already active share on a significant proportion of PoPs without any lessening of competition between them;
 - 25.1.4 geographic network coverage is a less significant differentiator of MNOs, the Parties would not have perfect overlap of coverage and in any event, satellite-related assets and RCG PoPs would remain independent;
 - 25.1.5 the Parties would be constrained by Spark, alongside an increasing number of MVNOs, as well as each other; and

²¹ Mergers and Acquisitions Guidelines above n4 at [3.62]. In addition to price rises, unilateral effects could also arise where a merged entity can profitably reduce volumes, quality or innovation or worsen an element of service or any other element of competition below the level that would prevail without the merger – such changes leading to an increase in quality-adjusted prices.

²² The Application at [190]-[241].

25.2 in the wholesale supply of mobile services:²³

25.2.1 each of them would retain all of the assets and capability needed to compete for MVNO business;

25.2.2 there has been material new MVNO entry in New Zealand in recent years, noting the combined share rising from 2.5% to 3.2% over 2025; and

25.2.3 the Proposed RANCo JV would not impede MVNOs' access to the services required to compete in any way.

Assessing the potential for unilateral effects

26. In any relevant upstream markets relating to the acquisition of RAN assets (and/or any related services) and in any relevant downstream markets for the supply of mobile services that use RAN assets, we will consider:

26.1 closeness of competition: the degree of constraint that 2degrees and One NZ would impose upon one another if the Proposed RANCo JV does not go ahead. To the extent that any constraint is material, we will assess whether the lost competition (or potential competition) between the Parties could be replaced by rival competitors;

26.2 remaining competitive constraints: the degree of constraint that existing competitors would impose on the Proposed RANCo JV;

26.3 entry and expansion: how easily rivals could enter and/or expand;

26.4 countervailing power: whether suppliers and/or customers have special characteristics that would enable the supplier to resist a price decrease, or in the case of a customer to resist a price increase, by the Proposed RANCo JV and, if so, whether this is true for all relevant suppliers and/or customers, or only a subset.

27. We set out in Attachment A what we are particularly interested in the views of the Parties, and other interested parties, on to assist us in our assessment of unilateral effects.

Coordinated effects: would the proposed joint venture make coordination more likely?

28. A merger can substantially lessen competition if it increases the potential for a merged entity and all or some of its remaining competitors to coordinate their behaviour and collectively exercise market power or divide up the market such that output reduces and/or prices increase. Unlike a substantial lessening of competition which can arise from a merged entity acting on its own, coordinated effects require some or all of the firms in the market to be acting in a coordinated way.²⁴

²³ The Application at [242]-[251].

²⁴ Mergers and Acquisitions Guidelines above n4 at [3.84].

29. The Parties submit that the Proposed RANCo JV would not be likely to substantially lessen competition in any relevant market(s) due to coordinated effects because:
- 29.1 with respect to upstream acquisition markets, these market(s) do not possess the characteristics that are typically seen in markets prone to coordination, with the remaining firms post-merger (eg, Spark, other utility companies, etc) having markedly different needs, structures and other differentiators such as customer service;²⁵ and
 - 29.2 with respect to downstream mobile markets, these market(s) are not vulnerable to coordination due to market conditions, namely that:²⁶
 - 29.2.1 RAN assets are homogenous inputs to the overall provision of telecommunications services and have little bearing on the process of competition between MNOs;
 - 29.2.2 the Proposed RANCo JV would not increase the visibility into costs in any relevant way since costs of RAN assets do not relate to customer, pricing or product data and approximate relative scale is already public – prices are not set based on prices charged by competitors for RAN assets;
 - 29.2.3 key drivers of competitive differentiation will remain separate with each, ensuring asymmetric capabilities and strategies as well as persisting asymmetries between all three MNOs in terms of retail offerings, brand strategies, enterprise solutions, spectrum portfolios and core network architectures; and
 - 29.2.4 Spark as a third competitor, and firms with different business models (ie, MVNOs) provide a powerful destabilising force to any attempted coordination.
30. We will assess whether any of the relevant market(s) are vulnerable to coordination, and whether the Proposed RANCo JV would change the conditions in these markets (or adjacent/related markets) so that coordination is more likely, more complete or more sustainable. We invite submissions on why the Proposed RANCo JV may, or may not, increase the risk of coordinated effects.

Vertical or conglomerate effects: would the proposed joint venture result in an increase in the ability and/or incentive for RANCo to foreclose rivals?

31. A merger between suppliers (or buyers) who are not competitors but who operate in related markets can result in a substantial lessening of competition due to vertical or conglomerate effects. This can occur where a merger gives a merged entity a greater ability or incentive to engage in conduct that prevents or hinders rivals from competing effectively.²⁷

²⁵ The Application at [18] and [284].

²⁶ The Application at [17] and [279]-[283].

²⁷ Mergers and Acquisitions Guidelines above n4 at [5.11]-[5.15].

32. The Parties submit that the Proposed RANCo JV would not be likely to substantially lessen competition in any relevant market(s) due to vertical or conglomerate effects because:²⁸
- 32.1 the Proposed RANCo JV would not have the ability or incentive to foreclose Spark (or any other prospective MNO) since they either operate their own extensive network of RAN assets or could deploy more of their own, noting the Parties would retain the ability to acquire RAN services outside of Proposed RANCo JV as well as deploy and operate RAN assets independently; and
 - 32.2 the Parties' products/services are not bundled/tied together and each party would continue to provide separate retail and wholesale services.
33. We will assess whether the Proposed RANCo JV could substantially lessen competition due to vertical or conglomerate effects, including the extent of vertical integration in the telecommunications industry and whether RANCo would have any market power in upstream or downstream markets. We invite submissions on whether the Proposed RANCo JV has the potential to raise vertical or conglomerate effects.

Next steps in our assessment

34. The Commission is currently scheduled to make a decision on whether to give clearance to the Proposed RANCo JV by **23 November 2026**. However, this date may be extended with the agreement of the applicant if the material before the Commission at that time does not allow it to be satisfied that the proposed joint venture will not have, or would not be likely to have, the effect of substantially lessening competition in a market in New Zealand.²⁹ In particular, if we need to test and consider the issues identified above further, the decision date is likely to extend.
35. As part of our assessment, we will be identifying and contacting parties that we consider will be able to help us assess the preliminary issues identified above.

Making a submission

36. If you wish to make a submission, please send it to us at registrar@comcom.govt.nz with the reference 'Proposed RANCo JV – 2degrees/One NZ' in the subject line of your email, or by mail to The Registrar, PO Box 2351, Wellington 6140. Please do so by close of business on **15 October 2026**.
37. If you would like to make a submission but face difficulties in doing so within the timeframe, please ensure that you register your interest with the Commission at registrar@comcom.govt.nz so that we can work with you to accommodate your needs where possible.

²⁸ The Application at [19]-[20] and [285]-[288].

²⁹ The Commission maintains a [case register](#) on our website where we update any changes to our deadlines and provide relevant documents.

38. Please clearly identify any confidential information contained in your submission and provide both a confidential and a public version. We will be publishing the public versions of all submissions on the Commission's website. If you make a submission and we do not acknowledge receipt of that submission within two working days, you should resubmit your submission.
39. All information we receive is subject to the Official Information Act 1982 (OIA), under which there is a principle of availability. We recognise, however, that there may be good reason to withhold certain information contained in a submission under the OIA, for example in circumstances where disclosure would unreasonably prejudice the supplier or subject of the information.

Attachment A: Matters which we are interested in receiving information on

- A1. We set out below the information which we are particularly interested in receiving feedback on. However, this is not an exhaustive list, and we are interested in receiving any information which interested parties consider is likely to be relevant to our assessment.

RAN asset suppliers and RAN service providers

- A2. From RAN assets suppliers (such as those that manufacture and supply RAN equipment and/or infrastructure) and RAN service providers (such as those involved in the installation and/or maintenance of RAN assets), we are particularly interested in hearing about:
- 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;
 - A2.2 the extent to which the purchasing of RAN assets are bundled/tied to the installation or maintenance of these assets;
 - A2.3 the extent to which overseas based suppliers are readily able to start supplying RAN assets in New Zealand;
 - 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;
 - A2.5 the extent of existing competition between the Parties for the purchase of RAN assets and/or related services, including:
 - A2.5.1 the tendering and contracting/purchasing arrangements including those for the roll out of new RAN technologies;
 - A2.5.2 the extent to which you have observed them competitively reacting to each other;
 - A2.5.3 how negotiations work to determine the price and quality of the RAN product/service; and
 - 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;
 - 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:
 - A2.6.1 the type of RAN equipment or service being provided; and

A2.6.2 the location within New Zealand where the RAN assets are being installed or serviced.

Mobile service providers

- A3. From any existing or potential acquirers of RAN assets and/or related RAN services, we are particularly interested in hearing about:
- A3.1 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;
 - A3.2 the extent to which the location of a PoP and the nature of RAN equipment at a PoP influences mobile technology coverage for the provision of mobile services and/or the ability to supply mobile services nationally;
 - A3.3 how you view the competition between the Parties for the procurement of RAN assets and related services, including the extent to which you have observed them competitively reacting to each other. Please explain separately for each service or category of services;
 - A3.4 the extent to which you see yourself competing closely with the Parties in the procurement of any RAN asset or service, and if so, why/how. Please explain separately for each piece of equipment (or service) or category of equipment (or services);
 - A3.5 who the major competitors are to the Parties in the procurement of RAN equipment/infrastructure or related services, how this competition occurs (including how these products/services compare in terms of factors such as price, quality and the ability to meet different customers' needs); and
 - A3.6 the extent to which RAN assets are relevant to competition in wholesale and retail mobile markets in terms of price, quality or service characteristics including how mobile operators differentiate their services.
- A4. From MVNOs, we are interested in understanding the extent to which you consider RAN assets when selecting a wholesale provider of mobile services. We are also interested in hearing whether any MNOs use RAN assets (or any related RAN service) to differentiate themselves from the other MNOs when offering their services to wholesale customers and, if so, how they do this.