

Submission on the proposed merger of RAN services

We wish to raise two concerns about the proposed merger of RAN services: its effect on MVNO competition and its potential implications for rural network resilience and coverage.

MVNO competition and access

Although MVNOs are described as a major part of the market, they account for only 3.2% and are price takers rather than market price setters. The proposal could benefit competition if it makes MVNOs easier to establish, but it is unclear whether any resulting savings would be passed on to customers. MVNOs also currently lack access to satellite services, which we understand some providers would like to offer.

Rural network resilience and coverage

In most cases, although not all, the three major mobile operators use the same physical land location but maintain their own site equipment, battery banks and backhaul. If RANCo proceeds and the shared on-site equipment fails, the resulting outage could affect more customers.

MOCN arrangements with the RCG are well suited to supplying all three mobile operators in areas with small customer bases, where the impact of an outage is limited. However, if One NZ and 2degrees reduce or decommission rural towers and equipment, network availability during a natural disaster, sustained power outage, network failure or cyberattack could have more of an impact. Coverage may also be affected where One NZ and 2degrees currently operate from slightly different locations.

The proposal does not guarantee further rural build-out; uneconomic areas are therefore likely to remain underserved, with little or no improvement in coverage.

If the proposal proceeds, we ask the Commerce Commission to ensure safeguards that protect network resilience, rural coverage and fair access for MVNOs.

Chris Roberts
Chair WISPA NZ