

Tuatahi First Fibre Limited Cross Submission on Commerce Commission Draft recommendation report for the Deregulation of Voice FFLAS

17 December 2025

Introduction

1. Thank you for the opportunity to cross-submit on submissions filed in response to the draft Fibre voice services deregulation review and the draft legal and economic framework that the Commission proposes to apply in these reviews.

Framework Paper

2. The Commission's draft framework for fibre deregulation reviews proposes to adopt an approach consistent with that applied to its reasonable grounds assessment of describing the service, identifying alternatives, considering the effectiveness of competition including the ability to exercise substantial market power, and then applying the legal framework.
3. One NZ and Spark have each submitted that the Commission applying a *service-by-service* approach to fibre deregulation is inappropriate.
4. One NZ submits that *"it is essential that deregulation assessments do not view each fibre fixed line access service (FFLAS) in isolation"*¹ and that *"any assessment of competitive constraint and any consideration of deregulation must consider the broader set of FFLAS services rather than focusing on a single service in isolation."*²
5. Spark submits that *"a focus on a single variant (fibre service) facing competitive constraints can leave underlying market power and the sector's reliance on market power untouched"*³ and a better approach is to *"consider the nature of competition across several regulated services and the totality of the effects in the market of deregulating a subset of services in considering whether deregulation is warranted"*.⁴
6. These submissions are inconsistent with the deregulation process in Part 6, which contemplates a review of one or more fibre services. The Commission's Draft Framework Paper already recognises that, in certain instances, the Commission may identify dependencies between services and situations where deregulation of one service is impractical without the deregulation of others – and that this is a relevant factor which the Commission will take into account where it identifies such dependencies.⁵ This allowance is, however, the exception and not the rule, and has no relevant application to the applicable process the Commission must follow when evaluating the deregulation of Voice FFLAS.

¹ One NZ *submission on draft framework for fibre deregulation reviews and draft recommendation on fibre Voice services* 27 November 2025 at [4]

² One NZ at [7]

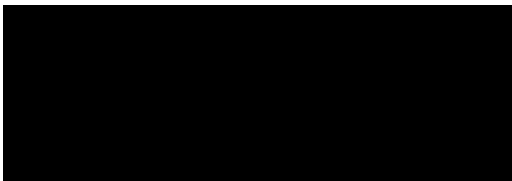
³ Spark at [5]

⁴ Spark at [7a]

⁵ NZCC *Draft framework for fibre deregulation reviews* 30 October 2025 paper at [2.14]

Voice FFLAS deregulation

7. Voice FFLAS is a declining market, and voice-only connections represent only 0.34% of Tuatahi's total connections. Accordingly, contrary to One NZ's submission, deregulation of Voice FFLAS would not risk *"producing misleading conclusions about the strength of competitive constraints and the potential impacts of deregulation"*.⁶
8. As explained in our submission⁷, Voice FFLAS revenues and costs can easily be identified and re-allocated. Enable Networks also submitted that they can easily identify and allocate these costs using voice revenue as a proxy cost allocator⁸. Contrary to One NZ's submission, there is no risk that deregulation of Voice FFLAS will affect *cost allocation, pricing flexibility and incentives for efficient investment across remaining regulated services*.⁹
9. One NZ also submits that *"there remains a meaningful group of end-users who prefer a wired fixed-line voice service"* and *"their needs must be weighted appropriately in any decision to alter the regulatory settings for FFLAS Voice Services"*.¹⁰ As Voice FFLAS regulation is no longer addressing a market failure or lack of competition, a change in regulatory settings should have no adverse impact on this group of end-users.



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⁶ One NZ at [5]

⁷ Tuatahi First Fibre *Submission on Commerce Commission Draft recommendation report for the Deregulation of Voice FFLAS* dated 27 November 2025 at [13]

⁸ Enable Networks *Submission to Draft Recommendation to the Minister for Media and Communications on Fibre Voice Services* dated 28 November 2025 at page 2

⁹ One NZ at [5]

¹⁰ One NZ at [10]