

2 February 2025

[REDACTED]

Kia ora [REDACTED]

Official Information Act request 25.158

Thank you for your Official Information Act 1982 (the OIA) request of 6 January 2026 for information in relation to predatory pricing in the satellite internet market. We note the context of your request is your *concern that current market trajectory suggests rural telecommunications may be transitioning from multi-provider competition to effective single-provider dominance* and you are seeking to understand *whether competition and consumer protection frameworks adequately address risks of market concentration, subsequent price increases, and irreversible loss of alternative infrastructure*.

We have responded to your questions in the order they were asked below.

1. *Any complaints, inquiries, or analysis regarding whether satellite internet providers' pricing in rural markets constitutes predatory pricing designed to eliminate terrestrial competitors, including any assessment under Commerce Act provisions relating to use of market power or anti-competitive conduct.*

Yes, the Commission has received one concern from a regional telecommunications provider concerned about promotional pricing by a satellite internet provider are compliant or in breach of the Commerce Act. The matter is still being considered by the Commission at this time.

2. *Any assessment of whether current satellite internet pricing is sustainable long-term or represents below-cost pricing designed to achieve market dominance, particularly analysis of whether prices are likely to rise substantially once terrestrial alternatives have been eliminated from rural markets.*

As no such assessment has been conducted, the Commission is refusing this portion of your request under section 18(e) of the OIA.

3. *Any correspondence with telecommunications industry participants raising concerns about unsustainable competitive pricing dynamics in rural connectivity markets.*

No such correspondence between the Commission with telecommunications industry participants exists; therefore, we must also refuse this portion of your request under section 18(e) of the OIA.

4. *Any advice to Ministers or internal analysis regarding:*
- *Whether elimination of terrestrial rural ISPs creates consumer protection concerns if satellite providers subsequently exercise pricing power none*
 - *What regulatory mechanisms exist to constrain pricing or ensure service quality if a provider achieves effective monopoly in rural areas - none*
 - *Whether customers will have effective and secure alternatives or switching options if terrestrial infrastructure is abandoned and satellite becomes the sole viable option none*
 - *Whether infrastructure, once economically abandoned, can be feasibly rebuilt if satellite pricing later becomes unaffordable for rural consumers*

No advice internally or between the Commission and Ministers exists in relation to these matters. Again, we must therefore refuse this portion of your request under section 18(e) of the OIA.

5. *Any assessment of whether government funding decisions or policy settings have influenced competitive dynamics in ways that accelerate market concentration or elimination of terrestrial alternatives, and whether these impacts were considered in policy development.*
6. *Any analysis of whether satellite providers' standard terms (which typically reserve unilateral right to modify pricing) combined with elimination of alternatives creates consumer protection risks that existing regulatory frameworks do not adequately address.*
7. *Any consideration of international precedents where dominant telecommunications providers achieved market control through subsidised pricing and subsequently exercised pricing power, and applicability to New Zealand rural connectivity markets.*

The Commission is refusing Questions 5, 6 and 7 of your request under section 18(e) of the OIA as the information requested does not exist.

Further information

If you have any questions about this response, please do not hesitate to contact us at ويا@comcom.govt.nz.

If you are unhappy with our response, you have the right to complain to the Ombudsman. Information about how to do this is available at www.ombudsman.parliament.nz.

Finally, confirming the Commission may publish this response on our website as part of our proactive release process. All personal information will be redacted prior to publication.

Ngā mihi nui



Adam McFerran

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