



Office of Hon Simon Bridges

MP for Tauranga

Minister for Economic Development

Minister of Transport

Minister for Communications

Leader of the House

Associate Minister of Finance

08 JUN 2017

Dr Stephen Gale
Telecommunications Commissioner
Commerce Commission
44 The Terrace
WELLINGTON 6140

Dear Stephen

I am writing to you to signal my interest in the Commission undertaking a review of the mobile telecommunications market, using its monitoring powers under s.9A of the Telecommunications Act.

I have recently announced my decisions on the final aspects of the Telecommunication Act 2001 Review. The Government is establishing a regulatory framework that will support investment in telecommunications, and encourage the supply of telecommunications services at competitive prices and quality levels.

As part of the consultation on the Review, stakeholders raised a number of concerns about the state of competition in the mobile market. As a result, I am proposing to streamline the Commission's powers to investigate and recommend regulation, to enable you to react quickly if there is a problem in the mobile market.

However, I note that submitters raised concerns about the effectiveness of regulation at the wholesale level, particularly with regard to the provision of Mobile Virtual Network Operator (MVNO) services. In other countries, these services are an important part of the mobile "ecosystem", and the widespread availability of such services has led to better outcomes for consumers.

I believe the Commission is well placed to address such issues if necessary. I understand that the Commission has been considering a review of the mobile market as part of its normal work program. In light of the concerns that have been raised, I would encourage you to review the mobile market in the near future, to test whether competition is working effectively.

While I note that you have a significant workload over coming years, given the outcome of the Review, it is important that we continue to encourage competition in mobile markets. I would welcome your views on the nature, direction and timeline of your future work in this area, and the specific issues that you consider may warrant further investigation.

I look forward to your feedback on the Commission's plans with regard to the mobile market.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'S. Bridges', with a long horizontal flourish extending to the right.

Hon Simon Bridges
Minister for Communications