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STOCK EXCHANGE ANNOUNCEMENT

12 March 2025

Chorus welcomes Commerce Commission's draft recommendation to deregulate copper

The Commerce Commission (Commission) has released its draft report recommending deregulation of the wholesale copper services listed in s69AH of the Telecommunications Act, including copper voice and broadband services. The Commission is now consulting on its report, with submissions closing on 9 April.

The basis for the Commission's draft recommendation is that regulation is no longer needed to promote competition due to widespread availability of alternative services.

Chorus has approximately 80,000 copper connections remaining outside of areas where fibre is currently available. This total has reduced by 21% in the last year as customers migrate to better alternative technologies.

Chorus Chief Corporate and Regulatory Officer Julian Kersey said Chorus welcomes the Commission's draft recommendation to deregulate copper services.

"This draft report recognises that copper is no longer meeting the needs of consumers, and they are increasingly turning to better technologies for connectivity such as wireless and satellite services. The days of regulating copper services because they were the only choice are long gone.

"Chorus is retiring the copper network by 2030 as the network is not sustainable and no longer meets New Zealanders' growing technology needs. Only 10 per cent of Chorus' connections remain on copper and superior alternative services to copper are universally available.

"We acknowledge the Commission's comments on consumer protection. We are committed to a clear consumer-centric retirement process that supports transition of customers still on copper to modern services," he said.

The Commission's draft report is available here: <u>https://comcom.govt.nz/_data/assets/pdf_file/0036/364788/Copper-Services-</u> <u>Investigation-Draft-recommendation-report-12-March-2025.pdf</u>

The Commission is required to finalise and provide its report to the Minister for Media and Communications by no later than 31 December 2025.

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