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By Email

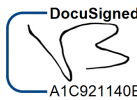
Dear Ms. Chia,

**MYREPUBLIC'S RESPONSE TO IMDA'S TO SECOND PUBLIC CONSULTATION ON DRAFT CODE OF PRACTICE FOR COMPETITION IN THE PROVISION OF TELECOMMUNICATION AND MEDIA SERVICES**

1. MyRepublic Limited ("MyRepublic") refer to the Second Public Consultation on Draft Code of Practice for Competition in the Provision of Telecommunication and Media Services issued by the Infocomm Media Development Authority issued on the 5 January 2021.
2. MyRepublic attaches hereto its comments to the Consultation Paper in Annex 1.

Thank you.

Regards,

DocuSigned by:  
  
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ANNEX 1

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## **1 SUMMARY OF MAJOR POINTS**

- 1.1 MyRepublic generally agrees with the proposed streamlined approach for both telecommunications and media services contained in the draft Code of Practice for Competition in the Provision of Telecommunications and Media Services, to address the convergence of industries. However, MyRepublic urges IMDA to consider specific sections within the draft Code, as further set out in the submission below.
- 1.2 Capitalized terms used herein shall have the same meaning as set out in the draft Code.
- 1.3 IMDA's efforts to harmonize the TCC and MMCC were carried out with the intent of ensuring competition frameworks for the telecommunication and media markets remain applicable in the age of digital transformation. MyRepublic had hoped to see a regulatory framework that encourages operational separation with equivalence principles, which in turn creates a more level playing field, encouraging competition while delivering value to customers through product and service innovation. With regard to subsection 3.3.2, MyRepublic submits that it could be a challenge to obtain services on a non-discriminatory basis if different pricing could still be offered to different operators.
- 1.4 With regards to reselling end user services, MyRepublic opines that Dominant Entity should be required to provide services to resellers at a price that benefits its sales channels. MyRepublic submits that there is no competitive growth in a market where a Telecommunication Licensee would purchase services at retail price on same terms as an End User.
- 1.5 An identified outcome of the proposed combined Code is to keep pace with a fast-changing market and technology developments. However, the provision on integrated directories and directory enquiry services (Subsection 5.7.4) remains. MyRepublic submits that the services listed in Subsection 5.7.4 should no longer be an obligation on operators.
- 1.6 Although IMDA has expanded on Subsection 8.3.2.4 (Group Boycott) to address exemptions which may be granted on a case-by-case basis, Telecommunication Licensees have no means to boycott "deliberate defaulters" or customer who serially default on their obligations with respect to services across multiple Telecommunications Licensees. MyRepublic suggests that a customer blacklist is maintained and shared across all Telecommunication Licensees to address such cases.
- 1.7 The Singapore market has seen two of the mobile network operators ("MNOs") establish budget brands in the last 18 months. Although ostensibly beneficial for consumers by providing a low cost and light touch service model that is attractive to a particular segment of the market, these budget brands and the price points they set have at times offered services cheaper than an MVNO can purchase an underlying wholesale service. It is in these instances, the budget brands are not simply serving price conscious consumers but they are also being used as weapons by the MNO to steal customers from MVNOs who they know are unable to compete due to their wholesale input cost being higher than the retail price offered.

## **2 STATEMENT OF INTEREST**

- 2.1 MyRepublic is an infrastructure-light Facilities-based Operator (“FBO”) licensee who is providing fibre broadband and mobile services across the residential and business markets in Singapore.
- 2.2 MyRepublic welcomes the opportunity to make this submission on the draft Code contained within Annex A of the Second Consultation Paper.

### **3 COMMENTS**

#### **3.1 *Subsection 3.3.2 of Section 3 – Duty to Provide Service on a Non-Discriminatory Basis***

Subsection 3.3.2 in the draft Code sets out that differences in pricing and terms of services are permitted so long it is based on objective differences such as cost and quantity variations, and quality of service. An example of where discrimination could still occur based on price differences would be in relation to volume discounts.

A telecommunication operator who purchases a larger volume of service will receive a lower per-unit access price compared to operators that purchases a smaller volume of services. Another example would be where certain loyalty rebates structures could restrict competitors in a market, as operators would have to commit a large portion of their overall demand from the Dominant Entity, placing operators that use multiple suppliers at a disadvantage. A model of such nature does not encourage competition nor build a stronger industry, but instead increase the barrier of entry for smaller operators. This ultimately reduces the impact of the challenger operator that is dependent on a Dominant Entity’s infrastructure to deliver their service by limiting the extent to which they can differentiate or innovate with respect to the product or service, thereby limiting the choice and benefit to consumers.

MyRepublic maintains its view that a regulatory framework that encourages operational separation with equivalence principles (specifically the equivalence of inputs principle) would level the playing field with the greatest amount of competition with corresponding consumer benefit.

#### **3.2 *Subsection 3.4.1 of Section 3 – Duty to Allow Resale of End User Services***

Subsection 3.4.1 should not just allow telecommunication licensee to purchase services from Dominant Entity on the same prices, terms and conditions, as made available to customers, but rather Dominant Entity should be required to provide services to resellers at a price befitting of its sales channels. For example, Dominant Entity could offer resellers at a price reflecting a “cost plus appropriate margin” model. For infrastructure providers, that margin could be based on a regulated rate of return.

Resellers should have the ability to price competitively on pricing to make it sufficiently attractive to customers.

#### **3.3 *Subsection 5.7.3 of Section 5 - Duty to Assist in the Provision of Integrated Directories and Directory Enquiry Service***

Directory services were introduced at a time when fixed-line telephones were the main mode of telecommunication, and telephone numbers were not easily accessible by the public. With the Smart Nation drive, ease of digital access, changes in consumer behavior and protection of personal data awareness, MyRepublic opines that IMDA should revisit this requirement in the draft Code as customer behavior has changed significantly since this matter was last reviewed by IMDA in its Directory Services guideline issued 1 April 2014.

#### **3.4 *Subsection 8.3.2.4 of Section 8 - Group Boycotts***

The arrival of lower cost plans and month-to-month plans have lowered the barrier for customers to move between telecommunication providers. While heightened competition is good for the industry and consumers, it is worth noting that there is a growing pool of customers leveraging this low barrier to switch operator, to avoid their payment obligations. These “deliberate defaulters” deliberately avoid paying their bills, move on to the next telecommunication operators, and repeat the cycle.

MyRepublic suggests that IMDA considers a “blacklist” to be shared amongst telecommunication operators to address such consumers or businesses. A telecommunication operator may then determine to whether to provide a service to a potential customer. MyRepublic believes that a blacklist may reduce or deter such errant behaviour while also encouraging defaulters to come forward to settle their outstanding bills.

#### **3.5 *Subsection 9.1.4.1.1 of Section 9 – Predatory Pricing***

In the Second Consultation Paper, IMDA took the view that provisions prohibiting predatory pricing only applied to Telecommunication Licenses or Regulated Persons who have Significant Market Power. IMDA has also indicated in its response that IMDA will raise the market threshold to 50% as the SMP Presumption Threshold for the telecommunication markets.

MyRepublic proposes that in relation to the mobile services segment, the predatory pricing regime should also be applicable to MNOs with budget brands. They are in substance, a vertically integrated Telecommunication Licensee and possibly dominant through the combined core brand and budget brand’s market share.

With the two 5G MNOs, predatory pricing becomes even a larger risk for the MVNO. Unlike fixed access market, there are no regulated wholesale mobile price (5G or otherwise). Smaller MVNOs will not be able to efficiently compete with a duopoly that either undercuts the market, or simply sells its wholesale access at a price that prevents MVNOs from competing effectively against their retail brands.

#### **4 CONCLUSION**

As the telecommunication and media services are moving closer together with digital and technology advancements, MyRepublic supports IMDA's efforts to revise the existing TCC and MMCC, for consistency and to keep pace with the current environment. MyRepublic would like IMDA to consider the feedback raised in the Comment section above, to drive continuous service and product innovation and differentiation through sustainable and effective competition for the benefit of all consumers.