

MDA/DP/2010/31/2-1 VOL 01

24 July 2013

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Attention: Mr Sean Slattery (Vice President)
Regulatory & Interconnect Strategy

Dear Sirs,

APPLICATION FOR EXEMPTION FROM OBLIGATION UNDER SECTION 2.7 OF THE MEDIA MARKET CONDUCT CODE ("CODE") – BARCLAYS PREMIER LEAGUE SEASONS 2013/16 ("BPL CONTENT")

1. We refer to the following:
 - a. Notice of Direction of the Media Development Authority of Singapore ("**MDA**") made pursuant to section 26 (1) of the Media Development Authority of Singapore Act (Cap. 172) dated 24 April 2013 ("**Direction**");
 - b. SingNet Pte Ltd's ("**SingNet**") letters dated 24 June 2013 and 2 July 2013 informing MDA of the channels to which cross-carriage rights have been obtained by SingNet ("**SingNet's Letters on Cross-Carriage Rights**");
 - c. SingNet's letters dated 1 July 2013 and 2 July 2013 to notify MDA of the channel packages for consumer customers and business customers respectively, and to apply for exemption from making available four (4) of the channel packages for consumer customers and four (4) of the channel packages for business customers for transmission and reception on every Receiving Qualified Licensee's ("**RQL**") Relevant Platform ("**Exemption Applications**");
 - d. SingNet's letters to MDA dated 8 July 2013 and 15 July 2013 providing further clarifications to the Exemption Applications;

- e. SingNet's letters to MDA dated 18 July 2013 and 19 July 2013 providing updates to the channel packages for consumer customers and the Exemption Applications.

Background

2. On 24 April 2013, MDA determined that the package of rights obtained by SingTel relating to the Barclays Premier League Live Content for seasons 2013/2014 to 2015/2016 for exploitation over the SingNet mio TV platform in Singapore ("**BPL Content**") constitutes Qualified Content under the Code of Practice for Market Conduct ("**Code**").
3. On 1 July 2013 and 2 July 2013 (and updated on 18 July 2013 and 19 July 2013), SingNet submitted its application for exemption of its obligation under Paragraph 2.7.1 (a) of the Code from cross-carrying certain channel packages containing the BPL Content and other non-BPL Content ("**Other Content**") (referred collectively as the "**BPL Bundles**"), such that SingNet would only cross-carry the channel package containing solely the BPL Content ("**Standalone BPL**") on every RQL's Relevant Platforms. Please see Annex A for SingNet's channel packages.
4. SingNet submitted that "*an exemption is warranted*" for the following reasons:
 - (a) An exemption "*addresses technical constraints faced by StarHub Cable Vision ("SCV")*";
 - (b) An exemption "*addresses the fact that SingNet does not have the relevant broadcast right to deliver the channel packages and bundles over the SCV platform*"; and
 - (c) An exemption "*will benefit the public and media industry (e.g. enhance consumer welfare)*" (paragraph 3.1, SingNet's 1 July 2013 Letter).

MDA's Considerations

5. **Technical Constraints.** MDA notes that an exemption request under Paragraph 2.7.4 (a) (ii) of the Code requires that the requesting Regulated Persons establish to MDA's satisfaction that a "technical constraint prevents or restricts a party from fulfilling its obligations under paragraph 2.7 of [the] Code and it is not possible to remove such constraint without it incurring serious and irreparable harm" (emphasis added). MDA is of the view that this reason in itself does not provide sufficient basis to warrant an exemption.

6. **Relevant Broadcast Rights.** In respect of SingNet's representation that an exemption "addresses the fact that SingNet does not have the relevant broadcast right to deliver the channel packages and bundles over the SCV platform", under paragraph 2.7.1(d) of the Code, it is the responsibility of SingNet, as the Supplying Qualified Licensee ("SQL"), to ensure that it obtains the relevant broadcast rights from the content provider for cross-carriage should it wish to bundle Other Content with the BPL Content. Accordingly, MDA is of the view that this reason does not in itself provide sufficient basis to warrant an exemption.

7. **Public Interest.** In respect of SingNet's representation that an exemption "*will benefit the public and media industry*", MDA considered that:
 - a. The availability of the BPL Bundles, in addition to the Standalone BPL, would allow SingNet to reap economies of scale, resulting in lower prices for all subscribers regardless of the platform they are accessing the BPL Content;
 - b. Cross-carrying a high number of duplicative channels in the BPL Bundles and SCV's content offerings is likely to result in consumer confusion and dissatisfaction; and
 - c. It would be in consumers' interest to have the option to purchase the standalone BPL on either the SingNet platform or the RQL's Relevant Platform(s).

8. MDA also considered SingNet's representation that SingNet is not discriminating in favour of Subscribers viewing BPL Content on the SingNet platform versus the RQL's Relevant Platform(s) in that:
 - a. The Standalone BPL pricing was not discriminatory to subscribers on the RQL's Relevant Platform(s), in that the revenue from the BPL Content would not be used to subsidise the Other Content in the BPL Bundles, as the direct cost of providing the BPL Content to BPL subscribers could not be fully recovered from the revenue; and
 - b. The cost savings from the economies of scale due to the BPL Bundles would be applied to all BPL subscribers, regardless of the platform of access, resulting in a lower subscription price for the Standalone BPL for all consumers, as compared to a higher subscription price for the Standalone Pack should the exemption not be granted. MDA has noted that bundling has generally been accepted as the operating model of the pay TV industry, including SCV.

9. In addition, SingNet has also agreed to allow the enhanced interactive feature within the linear channels to be cross-carried on the RQL's Relevant Platform(s).
10. In consideration of the above, MDA is of the view that public interest would be served by allowing SingNet to offer only the Standalone BPL Content for cross-carriage.

MDA's Decision

11. Having assessed SingNet's Exemption Applications, MDA is satisfied that SingNet has established that an exemption from the obligations under paragraph 2.7 of the Code will benefit the public and the media industry. MDA hereby exempts SingNet from making available the channel packages listed below in paragraph 12 for transmission and reception to customer and business customers on every RQL's Relevant Platform(s) under Paragraphs 2.7.4(a)(i) of the Code (read with paragraph 1.8.1 of the Code) (the "**Exemption**"), subject to the following conditions:
 - a. SingNet must ensure that the viewing experience for BPL subscribers over the RQL platform(s) is non-discriminatory and similar to that over the SingNet platform;
 - b. Apart from Basic Functions, as agreed by SingNet, SingNet shall include any enhanced interactive features in relation to the BPL Content to consumer customers over each RQL's Relevant Platform(s);
 - c. SingNet is also required to seek MDA's consent in the event it wishes to make any changes to the proposed packages. In this regard, SingNet is required to notify subscribers one month prior to the changes to the packages, and notify MDA seven (7) days prior to notifying the subscribers; and
 - d. MDA reserves the right to review the Exemption annually, including the right to vary and/or withdraw the Exemption, as well as to vary and/or impose additional conditions in relation to the Exemption.
12. The BPL Bundles that SingNet is exempted from cross-carriage obligation are as follows:

[intentionally deleted for the purposes of this Information Circular – details to be announced by SingNet with respect to its offering of the channel packages.]

13. Nothing in MDA's Decision shall preclude MDA from withdrawing or varying the Exemption granted, if it has reasonable grounds for:
 - a. believing that there has been a material change of circumstances;
 - b. suspecting that the information on which the Exemption is based was incomplete, false or misleading in a material particular; or
 - c. believing that SingNet may be unable to successfully implement cross-carriage by 17 August 2013 or suspecting that SingNet is not carrying out its obligations to implement the cross-carriage of the BPL Content in good faith.
14. Any clarification required on this Decision must be made in writing addressed to Ms Toh Kai Ling and emailed to Toh_Kai_Ling@mda.gov.sg. Please note that any query or clarification from SingNet shall not affect SingNet's obligation to comply fully with this Decision.
15. Please email the attached acknowledgement reply to Toh_Kai_Ling@mda.gov.sg upon receipt of this letter.

Yours faithfully



Koh Lin-Net (Ms)
Chief Executive Officer
Media Development Authority of Singapore

ANNEX A

SingNet's proposed channel packages containing BPL Content; those BPL Bundles shaded in grey are the subject of SingNet's Exemption Applications.

[Intentionally deleted for the purposes of this Information Circular – details to be announced by SingNet with respect to its offering of the channel packages.]