

Dear Mr. Powell-

I respectfully submit the following comments in response to your submission to Singapore IDA regarding a potential switch to calling party pays (CPP) for mobile users in Singapore. For a further explanation of some of the points made herein, I would ask you to consult my submission to Singapore IDA on this topic, which can be found on IDA's web site.

1. A common myth is that CPP is grossly dominant over MPP world-wide. This is not true. When comparing the *number of mobile subscribers* (a more accurate metric) who are subject to CPP compared with MPP, we see that the split is more like 60%/40%. Moreover, I don't think your link between MPP and a country's GDP is relevant, given that two of the richest countries in the world (the United States and Canada) utilise MPP.

2. It is common for CPP proponents to claim that the calling party is the beneficiary of a mobile-terminated call. Often, CPP champions use pedantic, situational examples (like your airline ticket agent scenario) to prove this claim. I would ask you to consider who is benefiting from the phone call in your own example: Which party would be inconvenienced by failing to learn about the cancelled flight? Of course, the answer is the *mobile* party; it is the mobile party who is benefiting from the information transfer and therefore the mobile party who is liable for the call's costs. I have yet to hear of call scenario that successfully demonstrates that the *calling* party is the primary beneficiary of a mobile-terminated call.

3. Naturally people in CPP countries reject MPP! This is because CPP subscribers are getting a free ride on the backs of all calling parties (wireline, wireless, local, international) and they don't want to give up this benefit.

4. Your definition of "fairness" is unfortunate. You imply that it is only "fair" for people - especially those in lower-income brackets - to be able to foist the costs for their incoming calls on others. Why should a mobile subscribers's income level have anything to do with this question? This definition of "fairness" smacks of socialism. A better definition of "fairness" is this: beneficiaries of a service must pay for that service.

Furthermore, MPP does not seem to have hindered mobile take-up in Singapore, which at 80%, is one of the highest market penetrations in the world.

5. You do not substantiate your claim that MPP is a holdover from the telecom monopoly period. It could even be argued that CPP countries (see Europe) are less liberalised and competitive with respect to telecoms than MPP countries (see North America, Hong Kong, Singapore).

6. You accurately state that most Singaporeans are mobile subscribers and that a switch from CPP to MPP is virtually a zero-sum game. But this misses the point. The point is for the beneficiaries of a service to pay for that service. While a switch to CPP might not produce any more (or less) aggregate revenue, it shifts cost burdens to "innocents", which is not consistent with capitalist tenets.

7. The "unwanted calls" example also is common amongst CPP proponents. This argument is simply rubbish. All mobile parties - CPP and MPP - have the option of rejecting incoming calls, especially in this day of ubiquitous calling line ID. If people did not want to be

contacted on their mobile phones, they would switch them off! In fact, people carry mobiles *specifically* to receive incoming calls.

8. I do agree with you that having one system (e.g., CPP) for voice and another (e.g., MPP) for data is inconsistent and confusing. But there are numerous technical and philosophical issues with CPP for data, some of which I outline in my submission to IDA. CPP for data is utterly intractable: far more easily said than done.

I welcome any further thoughts you might have.

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