

**M1'S RESPONSE TO IDA'S SECOND CONSULTATION PAPER ON
FIRST TRIENNIAL REVIEW OF THE CODE OF PRACTICE FOR
COMPETITION IN THE PROVISION OF TELECOMMUNICATION SERVICES
("CODE")**

22 June, 2004

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1. M1 welcomes the opportunity to provide our views and comments on the revised proposed Code 2004. M1 has been providing cellular mobile services to the Singapore market since 1 April 1997 and in August 2000, we launched our international telephone services. In April 2001, M1 also obtained the FBO Licence for the Provision of 3G Mobile Communication System and Services and a 3G Spectrum Right.
2. We support IDA’s regulatory approach and overall framework proposed. Clearly, market dominance still exists in several market segments and IDA is prudent not to deregulate these segments prematurely, to allow effective and fair competition a chance to take root. We also welcome the move to provide greater regulatory transparency and clarity in decision making.
3. As key policy issues were already addressed in our previous submission to IDA, we would hereby focus only on refining the operational aspects of the revised proposed Code 2004.

Section	Description	Comments
2.5, 6.3.2, 6.3.6, 12.4.5	Publication of notices in the Government Gazette	M1 requests that IDA also publish the notices on its website to ensure that all interested / relevant parties can be notified about regulatory actions on a timely basis.
2.4 (a)(ii)	<p>Transfer of Facilities and Business by Dominant Licensees</p> <p>“A Dominant Licensee may not avoid the special provisions applicable to Dominant Licensees specified in this Code by transferring to another entity the following: (ii) <u>any business</u> of the Dominant Licensee, as a going concern,....”</p>	M1 seeks IDA’s clarification on whether the “any business” in this sub-section is to be interpreted accordingly as “any business under the entity licensed regardless of the markets involved”.

Section	Description	Comments
3.2.4.1 (b)	<p>Service Termination or Suspension With Prior Notice</p> <p>Licensee is not allowed to immediately suspend or terminate a bankrupt or an insolvent corporation unless “the Licensee has provided the end user with prior notice and the opportunity to provide, within a reasonable period specified by the Licensee, a <u>reasonable security deposit or other adequate assurances</u> that the End User will pay for the services provided and the End User has failed to do so”.</p>	<p>M1 is deeply concerned and view that it is inappropriate for IDA to <u>mandate</u> credit availability for service provision under the Code. This is strictly a commercial decision for the service provider concerned, and Licensees in general should have the discretion to assess and manage their own business risks.</p> <p>In any case, we would also highlight that such category of customers still can have access to mobile services via <u>prepaid</u> service. Hence, IDA should allow bankrupt persons to work out the best arrangement for themselves with their service providers, bearing in mind that the Official Assignee’s approval will also have to be sought for obtaining credit.</p>
3.3.7 (b)(ii)	<p>Use of End User Service Information</p> <p>“The End User Service Agreement must specify the additional purposes for which, if granted consent, the Licensee may use the EUSI.”</p>	<p>It is impractical to state a comprehensive list of “all purposes” in the End User Service Agreement, and cumbersome to update the Agreement should a new purpose arise. It would greatly inconvenience and confuse the customers. Instead, licensees can obtain consent from customers from time to time, so long as there is full disclosure on the additional purposes for which consent is sought.</p>
3.3.4 (b)(ii)	<p>Procedures to Contest Charges</p> <p>IDA states that “an End User that purchases a pre-paid service who chooses to contest any charge will have <u>1 year</u> (starting from the date on which the charge was deducted) to do so.”</p>	<p>M1 proposes that IDA reduce the contest period to 6 months. There is a high turnover rate of prepaid cards with the existing 6 months expiry requirement. Moreover, prepaid customers are informed of real time credit deductions. Any disputed charges would have been raised and resolved promptly by Licensees. Based on operational experience, there are minimal cases on disputed charges for prepaid services. Hence, M1 views that 6 month is a reasonable period, and anything more will be impractical and place unnecessary operational cost on licensees.</p>

Section	Description	Comments
7.3.1 (b)	<p>Critical Support Infrastructure</p> <p>“an efficient new entrant would neither be able to replicate the infrastructure within the foreseeable future, nor obtain it from a third-party through a commercial transaction, at a cost that would allow market entry.”</p>	<p>We suggest the following amendments:</p> <p>“an efficient new entrant would neither be able to replicate the infrastructure within the foreseeable future, nor <u>able to</u> obtain it from a third-party through a commercial transaction, at a cost that would allow market entry.”</p>
9.3	<p>Agreements Between Licensees Providing Competing Telecommunication Services and Equipment (Horizontal Agreements)</p> <p>“The following provisions are applicable to agreements between or amongst Licensees that provide, or have the potential to provide, competing telecommunication services (“Competing Licensees”):”</p>	<p>M1 notes that IDA has inserted a new term “Competing Licensees” for use in Section 9.</p> <p>Based on the proposed Code prior to revision, M1 believes that there is an omission of the word “equipment” in the definition of the above term.</p> <p>Please amend the sub-section as follows:</p> <p>“.....that provide, or have the potential to provide, competing telecommunication services <u>or equipment</u> (“Competing Licensees”).”</p>