

**M1'S RESPONSE TO IDA'S CONSULTATION PAPER ON
REVIEW OF SINGAPORE TELECOMMUNICATIONS LIMITED'S
REFERENCE INTERCONNECTION OFFER**

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M1'S RESPONSE TO IDA'S CONSULTATION PAPER ON REVIEW OF SINGAPORE TELECOMMUNICATIONS LIMITED'S REFERENCE INTERCONNECTION OFFER

- 1 M1 welcomes the opportunity to submit our views and comments to IDA for its consideration in its review of Singapore Telecommunications Limited's (SingTel) Reference Interconnection Offer (RIO).
- 2 M1 has been providing cellular mobile and paging services to the Singapore market since 1 April 1997 and in August 2000, we launched our international telephone services. In April 2001, M1 was also awarded a FBO Licence for the Provision of 3G Mobile Communication System and Services and a 3G Spectrum Right.
- 3 The implementation of the RIO has helped to facilitate interconnection between SingTel and other telecom licensees in a fair manner and reduce potential difficulties and timeframe in negotiating interconnection. While the current RIO has achieved its main objectives, M1 views that there are certain aspects in the RIO that could be improved.

Part 2 – Reference Interconnection Offer Agreement: Clause 22 – Credit Management and Security Requirement

- 4 M1 supports IDA's view that it is unnecessary for SingTel to retain the Requesting Licensee's Security Requirement if all outstanding amounts have been paid upon termination of the RIO agreement. We propose that the RIO be revised to provide for release of such Security Requirement upon settlement of all outstanding amounts.

Schedule 1A – Physical And/Or Virtual Interconnection for FBOs: Clause 8 – Forecasting and Provisioning of Interconnect Capacity

- 5 M1 maintains the view that forecasts are given in good faith and being of a projected nature, they cannot be a binding commitment. Hence, the imposition of a penalty for any over-forecasting would be unfair. Licensees are already obliged to give accurate forecasts in clause 20.2 of RIO (Part 2). In any case, SingTel would continue to receive payment from the Requesting Licensee for charges relating to the interconnect links regardless of the usage level.
- 6 Furthermore, the overall telecom industry has matured since the last consultation in 2000. Licensees would have gained experience in their operational requirement and could also be expected to be prudent in their capacity planning to remain viable in the current competitive environment. It is not necessary to impose a penalty to safeguard against under-utilisation of interconnect capacity.
- 7 Notwithstanding M1's submission above, if IDA is of the view that the penalty is necessary as a deterrent, M1 proposes that the Minimum Utilisation Percentage should be reduced to 50% to accurately reflect what could be deemed as unacceptable redundancy and inefficient use of resources. In addition, the requirement of a 3-year forecast should be reviewed as such a forecast would become obsolete quickly in this dynamic and fast changing telecom market environment. M1 proposes that the forecast period be limited to 12 months.

Schedule 8B – Co-location for Point of Access (POA):

- 8 Another feasible alternative to constructing Connection Ducts for the backhaul of Requesting Licensee's traffic from the Co-Location Site to its own exchange or office would be through the use of dark fibre. This avoids unnecessary duplication of resources/efforts and is a cost-effective option to facilitate provision of services. As such, IDA should reconsider the inclusion of dark fibre service as part of SingTel's obligation to offer wholesale dark fibre service
- 9 Apart for the purpose of backhauling traffic from the Co-Location Site, dark fibre also contributes significantly to the development and deployment of high bandwidth services. M1 had highlighted the importance of a wholesale dark fibre offering in our response to IDA's recent consultation.¹

Schedule 11 – Dispute Resolution

- 10 M1 would like to reiterate our views raised in the previous RIO consultation that a dispute resolution whereby mutual agreement is required could easily lead to another deadlock if the Parties cannot agree on the mode of dispute resolution. In the case of escalating the dispute to Mediation, M1 agrees that mutual agreement is necessary in order for the Mediation to be effective. However when all means to reach an agreement has been exhausted, either Party should be allowed to escalate the dispute to Arbitration. If such an option were not available, the dispute could remain unresolved. As such the RIO should be amended accordingly to reflect such an option.
- 11 M1 understands that IDA would adopt the Interconnection Dispute Resolution Framework for dispute resolution. We would like to highlight that, based on the framework, the entire process of resolving the dispute may be too lengthy, taking up to 150 days (5 months) from the time a request is submitted to IDA. Prior to approaching IDA, the Parties would have gone through extensive negotiations to resolve the dispute as per clause 2 (Initial Escalation Procedures). Apart from the prejudicial effect on the aggrieved Party, the uncertainty of a prolonged dispute may impact the provision of services, and ultimately the end-users. M1 proposes that the process be streamlined to a shorter overall period, consistent with the principle of timeliness espoused in Section 1.5.7 of the Telecom Competition Code.

¹ Consultation document "Designation of Singapore Telecommunications Limited's Local Leased Circuits as Mandatory Wholesale Service" issued by IDA on 30 May 2003.