

**M1'S RESPONSE TO IDA'S PUBLIC CONSULTATION PAPER ON
THE PROPOSED REGULATORY FRAMEWORK FOR
TELEPHONY SERVICES OVER WIRELESS BROADBAND
ACCESS NETWORKS AND INTERCONNECTION FRAMEWORK
FOR TELEPHONY SERVICES**

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M1'S RESPONSE TO IDA'S PUBLIC CONSULTATION PAPER ON THE PROPOSED REGULATORY FRAMEWORK FOR TELEPHONY SERVICES OVER WIRELESS BROADBAND ACCESS NETWORKS AND INTERCONNECTION FRAMEWORK FOR TELEPHONY SERVICES

1. M1 has been providing cellular mobile services to the Singapore market since 1 April 1997 and in 2000, we launched our international telephone services. In February 2005, M1 took the lead in introducing 3G technology and launching our 3G services. We launched the M1 Broadband service in December 2006, reaffirming M1's commitment to offer customers high quality services that complements mobility with high speed and wide area coverage for data-intensive applications in the home, office and mobile broadband market.
2. M1 strongly supports IDA's regulatory guidance to pave the way for effective interconnection arrangements that ensure fair and efficient competition, transparency and facilitate access to facilities and services. Indeed, an effective interconnection framework is key to developing a competitive marketplace for telecommunication services and the ultimate beneficiaries of well-designed interconnection policies will be the customers.
3. M1's specific comments on the issues raised are as follows:-

I Allocation of Level '6' Numbers to IP Telephony Operators who are FBOs

4. IDA has proposed that IP telephony operators, including WBA network operators offering telephony services, would be viewed as fixed-line or mobile operators if they adopt the level '6' or level '8/9' numbers respectively, and come under the respective interconnection regimes accordingly. We would highlight that while WBA operators who hold a valid FBO licence may meet the eligibility criteria for level '6' numbers, they should not be accorded PSTN status for interconnection settlement unless the service proposition to customers is also based on Calling Party Pays (CPP) principle as for fixed line services. In other words, the applicable interconnection regime should also take into account the retail charging regime for the service, instead of being based purely on the number assignment.

II Interconnection Framework for Level '3' Operators

Interconnect Settlement

5. As IDA correctly pointed out, a 'BAK' regime is fair and reasonable typically only in situations where traffic between operators is relatively balanced (IDA consultation, Para 24, p12). We believe that the interconnection settlement arrangement should take into consideration the cost of traffic delivery by the recipient network. The "Level 3 operators" are service-based operators offering niche services. At this stage while IP telephony traffic is still relatively low, we would propose a regime of bilateral charging and net settlement which will ensure fair compensation to both operators and not prejudice either party's position in the event of a traffic imbalance. Over time, when traffic volume has stabilised, a 'BAK' arrangement may be applied.

Cost of Opening of Number Levels

6. Similarly, for the cost of opening up new number levels, there is clear disparity in the cost of opening up new number levels for FBOs and SBOs. IDA's primary concern should be to ensure that charges are reasonably imposed on a cost recovery basis. As such, we support a "BAK" arrangement for opening up new number levels between FBOs, but to impose a one-time charge for SBOs seeking new interconnection with FBOs.

Interconnection Agreement

7. While level '3' operators may seek interconnection via 'wholesale' arrangement with a hub operator, the latter does not bear responsibility for contractual terms on interconnection or commercial liabilities of the level '3' operators towards the interconnecting licensees. Thus, it is still necessary for level '3' operators to enter into a separate interconnection agreement with the interconnecting operators (e.g. as in the case of 15xx operators adopting indirect interconnection arrangements via transit providers).

III Transition from current arrangements to the proposed POI Interconnection Arrangement

8. Finally, for the avoidance of doubt, subsequent to IDA's decision on the interconnection framework, operators should bear their respective cost for any request to move from current interconnect arrangements to new designated POIs.

Conclusion

9. In summary, M1 recommends:-
 - a) a bilateral charging and net settlement regime be adopted between level '3' operators and MTOs instead of BAK;
 - b) a one-time cost for opening up new number levels in FBO networks be borne by the level '3' operators;
 - c) that there should be contractual agreement between the interconnecting licensees to govern the terms of interconnection, despite any wholesale arrangements.
10. For FBOs offering IP services using level '6' numbers, the applicable interconnection settlement regime should take into account the nature and retail charging of the service provided.
11. We would presume that operators would bear their respective cost for migration to the new interconnection arrangements subsequent to IDA's decision on the interconnect framework.