

**M1'S RESPONSE TO IDA'S CONSULTATION PAPER ON  
THE PROPOSED REVISIONS TO THE REGULATORY  
REQUIREMENTS ON THE RESALE OF INTERNATIONAL  
LEASED CIRCUITS AND INTERNATIONAL SIMPLE  
RESALE**

**29 May 2009**

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## **M1'S RESPONSE TO IDA'S CONSULTATION PAPER ON THE PROPOSED REVISIONS TO THE REGULATORY REQUIREMENTS ON THE RESALE OF INTERNATIONAL LEASED CIRCUITS AND INTERNATIONAL SIMPLE RESALE**

1. M1 has been providing cellular mobile services to the Singapore market since 1 April 1997 and launched our international telephone services in 2000. We launched our Mobile Broadband service in December 2006, and became a fully-fledged broadband player with the introduction of M1 Fixed Broadband service in 2008, transforming M1 from a single-play mobile operator to a dynamic multi-play operator with interests in the mobile and fixed sectors.
2. We welcome the opportunity to submit our comments to IDA for its consideration on the proposed revisions to the regulatory requirements on the resale of international leased circuits and international simple resale.
3. In view of the market developments, M1 supports the lifting of the regulatory requirement restrictions, for Category I routes. However, for Category II routes where there exist a monopoly carrier, or where there is limited liberalisation at the overseas market, the regulatory requirements/restrictions are still relevant and necessary in preserving the interests of Singapore carriers and provide safeguards against anti-competitive actions.
4. We would urge IDA's careful consideration of the following factors before lifting of any regulatory requirements/restrictions for Category II routes:
  - a. whether operators in Singapore can obtain termination access to Category II countries competitively, or would some operators have better access due to other business relations with the monopoly/incumbent carriers in those countries.
  - b. whether certain licensees would be able to engage in anti-competitive pricing (e.g. predatory pricing) and unfairly undercut the Singapore-based operators in providing services to the Category II countries.
  - c. whether foreign carriers with significant market power in their countries have the ability to indiscriminately exercise their pricing power, such that international settlement rates or rate increases may no longer be cost-related but at exorbitant levels
5. Ex ante safeguards are important as it would be difficult to police pricing or termination access from a Category II country to a large number of operators in Singapore. There would also be little transparency if there was preferential or non-preferential treatment given to specific operators.
6. Thus, we view that the regulatory requirements are still essential to maintain a level playing field in the case of Category II countries. We urge IDA to continue to maintain regulatory oversight as per status quo for Category II countries.