

21 July, 2014

**Aileen Chia (Ms)**

Deputy Director-General (Telecoms & Post)  
IDA  
10 Pasir Panjang Road  
#10-01 Mapletree Business City  
Singapore 117438

Dear Aileen,

**Re: MyRepublic response to Consultation on Review of OpenNet ICO of 13 June 2014**

We are pleased to be able to provide to you our response to the IDA Consultation on the Review of the OpenNet ICO.

**Description of MyRepublic and its Interest in the Proceeding**

MyRepublic is a next-generation telecom operator which is exclusively focused on delivering fibre broadband over the National Broadband Network (NBN) platform.

As a result, this consultation is extremely important to us.

We are very supportive of OpenNet, celebrate its track record and very proud to be part of the NBN framework. We try never to let ourselves forget that the launch of the NBN was a bold move years ago, one that has proved to be a smart one with over 40 countries around the world now copying the Singapore NBN framework. For its part, OpenNet has been an excellent partner for us, in taking up the formidable challenge of operationalizing the principles laid down by the forefathers of the NBN.

However, that said, the vast improvements the NBN brought in quality of broadband service and broadband prices - have been matched by an escalation in expectations of the Singapore consumer.

We feel that segments within the buying-public are frustrated with some aspects of the current state of affairs in the NBN-ecosystem, and that they wish the industry to drive dramatic overall improvement.

To ensure that the OpenNet/NBN fulfills its mandate, we believe that certain unforeseen operational aspects must now be attended to.

**Summary of MyRepublic's Position**

- a) The Fibre Take-Over (FTO) process needs immediate drastic improvement
- b) The Average time to resolve second fibre issues is far too long

- c) Current OpenNet practice does not allow us to do accurate forecasting and capacity planning, as they do not share the appropriate level of information
- d) OpenNet charges need to be reduced
- e) The 12-month minimum contract length made sense when the NBN was launched, however is no longer appropriate
- f) We would like to see some improvements made to the IT systems interfacing between QPs and OpenNet in order to improve overall efficiency and help QPs provide better end user service.
- g) Other comments and requests

## **General Comments**

Each of the 5 aspects above will be addressed in greater detail below.

### a) Fibre Take-Over

Up until recently, most customers were signing up for fibre service for the first time. More recently, customers have begun to switch from one fibre ISP to another ISP. This fibre take-over process has become a major problem for the industry, causing major customer frustration and complaints.

When a customer churns from one fibre ISP to another fibre ISP, the current process is broken. There are many cases that require a “conversion” from one OpCo to another, and this has created chaos, many times leaving end users with no Internet access for hours or even days.

We are very supportive of the FTO process improvements proposed in the OpenNet's Proposed Revised ICO. We like that it aims to prevent the situation where the fibre ISP losing the customer can prevent, slow-down, drag-its-heals, or otherwise block or delay the “porting” of the customer request to transfer fibre, over to the new fibre RSP.

**However**, there are further enhancements that are necessary which include:

- a. availability of second fibre: our belief based on our experience is that FTO is required because ~90% of premises do not have a second fibre available end-to-end, under a short-lead time. We feel this is a mistake. As there is competition at the OpCo layer, we need to have both an FTO process and a second-fibre option to support the end-user's demand for a smooth “porting”;
- b. imposing quotas on FTO/second fibre availability: the rules need to prohibit the fibre ISP losing the customer from imposing daily quotas on FTO/second fibre availability. Our experience is that we cannot currently migrate our customers fast enough from the Nucleus Connect to the MyRepublic OpCo, because they have imposed a quota on this activity. From the customer's perspective, the lead time to activate fibre service for the first time is much faster and easier, than

those customers that currently have a fibre service who are looking to port over to another fibre service provider. This unfair state of affairs punishes early adopters, and creates a public relations problem for the entire NBN-operator ecosystem. With regards to the new proposed process, once the winning ISP gets the end-customer to fill out and sign the FTO form, OpenNet should process the FTO within three working days (i.e. same as a new order) and the losing ISP cannot block the FTO activity from taking place in that timeframe.

- c. There should be an extension of the FTO process for Non-Res premises possibly using the second fiber available as we do not see a need to bring another TP to SME customers with the massive extra cost and time required when they want to switch service provider.

#### b) Average Time to Resolve Second Fibre

While the FTO process can be utilized in most cases, there are many instances – we estimate to be approximately 40% of our orders – that require a second fibre. This is because the customer is either utilizing two broadband connections from two fibre ISPs, or won't cancel their existing fibre service until the second fibre service has been activated.

Our belief is that the instances where a second fibre is required will increase well beyond the 40% we see today, as penetration of fibre increases in Singapore and subscribers buy a variety of fibre enabled services from a variety of service providers.

As a result, the time to deploy second fibre must be dramatically improved and should in all cases be within the standard delivery timelines that are imposed to OpenNet under the ICO. There should not be any difference whether a line is delivered using a "first" fibre or a second one.

#### c) Planning

Up to now one of the major challenges we have had has been around capacity planning, specifically as it relates to OpenNet. When a customer signs up, for example, we are unable to assess whether or not that customer can be served by our existing tie-cable resources. The same comment applies to existing customers that are on our Nucleus Connect network. Hence, it is very difficult for us to do capacity planning which will enable us to predict and plan resources including racks, power and/or installations per day.

In the OpenNet's Proposed Revised ICO, it requesting that we provide detailed 90-day installation forecast on a daily basis, which must be accurate within 10% to avoid penalty. While we are happy to provide forecasts (although daily ones seems totally unrealistic), it is very difficult to predict customer behavior. The proposed approach is punitive and unfair for QPs and practically unrealistic, notwithstanding the fact the

OpenNet refuses to share information that would allow us to compute detailed capacity planning.

d) OpenNet Charges Need to Be Reduced

Overall, the number of fibre optic providers in Singapore is increasing. This has caused a reduction of price in many segments. We feel that OpenNet prices need to remain competitive.

For example, there is a new FBO offering data center to data center fibre for \$2,500 per month. OpenNet currently charges \$6,000 per month for CO to CO fibre, and \$2,300 for CO to MDF fibre. The current pricing model is inconsistent. We feel the CO to CO pricing should be reduced to the CO to MDF level.

Another example is the cost of the professional services (Schedule 15, para 14.3.1) whereby the minimum charge is \$2000 being the charge of a man-day. Not only do we feel that this cost of \$2000 per man day is extremely onerous, but also we think it would be wise to be able to break it down to hours of work since some of the IT professional services sometimes required are very light in terms of time needed and yet we are forced to buy a full man-day, even if the work required only lasts 15 minutes.

Another example is NBAP pricing to locations inside buildings that do not have a unit number. The cost of a non-residential end-user connection to a unit number is \$50 per month, while the cost of an NBAP to a rooftop or void deck is \$150 per month plus the cost of fibre construction. This approach lacks consistency, and has led to very few NBAPs being deployed across the nation.

We have many of these examples where specific pricing is either inconsistent with the ICO itself, or much higher than current industry norms. We are happy to further discuss.

e) Minimum Contract Length

We believe that the minimum standard contract length of 12 months stifles market innovation across many dimensions. Our experience in New Zealand is that Local Fibre Companies there (the local equivalents of OpenNet) are open to having ISPs be allowed to early terminate within a tolerance level (e.g. 5% to 20%) of their fibre customer base, without penalties on the basis that this will increase the overall penetration of fibre – with ISPs then being able to offer no-contract and free-trial evaluations. We would like to see a similar approach introduced in the ICO in order to foster further innovation.

f) IT Systems improvements

We believe we employ sophisticated IT systems internally as we have developed ourselves and continue to improve our next gen B/OSS. This gives us deep visibility into how a few small improvements to OpenNet IT systems could help improve the overall performance of the industry working together to deliver better services to

Singaporeans. We would be happy to discuss those in details and as an example would like to propose the followings as examples of possible improvements:

1. B2B Service Address Requirement: Although OpenNet has a comprehensive database of addresses covered by its fibre network, we still have to provide full details for the service addresses upon B2B order submission. We believe a postal code and unit number (same as OpenNet TP coverage check requires) is enough to identify a service address. This would reduce errors that may arise during that part of the process.
2. Order Status Notification: Currently we have two platforms/interfaces to submit orders to OpenNet, namely B2B and Service Portal. Each platform/interface has it's own mechanism to notify order status updates to RL (B2B notifications for B2B and email notifications for Service Portal) and they are only applicable to the respective platform. They should be more flexible (e.g., send email notifications for order updates regardless of whether order is submitted via Service Portal or B2B connection. This would allow us to have a much clearer visibility on the exact status of orders and avoid very time consuming (and prone to errors) manual checks.
3. B2B Data Input Restriction: the input data validation for work orders are quite strict and some of them ought to be more flexible in order to support real life experience. The followings are examples:
  - i. Customer name (first name or last name) is restricted not to be a single character while we have many customers with their name having a single character in first name or last name
  - ii. Email address is restricted not to include special characters (e.g, +, !) although they are valid to use in email address and many customers use them.

We have many other improvements that we believe should be brought to the IT platform to help the whole industry better handle large volumes of information with less errors as this will lead to inevitably to more satisfied end customers. As these are beneficial to all parties we think it would be wise for OpenNet to be able to take those into account and implement following industry review on a regular basis. We sometimes feel that a complex IT system has been built but that very little maintenance / improvements are applied, which is a real shame since it would help reduce cost for the industry while improving customer service.

g) Other proposed changes

We have a few other comments and requests detailed as below:

1. OpenNet is proposing to be able to cancel a request if it's delivery is having issues (see Sch1, addition at the end of paragraph 2.6) and cannot be resolved within 2 months. We believe this proposed change is not acceptable and OpenNet should not have the right to cancel a request unilaterally. Furthermore, this would give an incentive for OpenNet to delay somewhat more difficult cases to this 2 months period and those requests could then be canceled which runs

contrary to the spirit and the detailed obligations that OpenNet has under the ICO to fulfill request within a finite amount of time.

2. We would like to see OpenNet develop an offer to enable reaching Non-Res addresses from 2 different Cos, possibly with fibre path diversity. This will enable the whole industry to propose properly redundant service offerings to the corporate sector. We feel all datacenters and major commercial buildings in Singapore should be encompassed in a first phase. Today this is only offered between COs themselves and we believe this is not enough as it is forcing corporate customers seeking a redundant fibre connection to go to Singtel or in a few case Starhub only. We see this missing set of offers from OpenNet as a major burden on the industry to be able to propose enhanced services to corporate customers in Singapore and a major detriment to advancing competition in those market segments.

### **Views Regarding Specific Provisions of the Draft Revised ICO**

S/N 1: (Demand based Service Provisioning Approach): We feel the current approach is manageable and keeping the quota mechanism with the adjustment proposed (moving to a revised quota is 90% of quota has been used) should be fine from our standpoint. The proposed alternative approach (with detailed daily demand forecasts) is unworkable, impractical to implement and unfairly punitive on QPs. Furthermore OpenNet is able to see the aggregated demand from the market so from it's standpoint, whether RSP A or RSP B has a more attractive offer in the end market a specific month does not really change the total market that OpenNet has to "deal" with whether RSP A or B miss their "targets up or down.

S/N 2: (Urgent/Unscheduled Diversion & Maintenance Activities): We accept the proposed alternative approach.

S/N 3: (Manual Handling Process for "Address Not Found" cases): Our experience has been that we have not encountered many "address not found cases". To deal with those cases, we support IDA's position as noted in paragraph 7, i.e. : the actual provisioning process should be no different from the approach adopted in the ICO (e.g. 3 or 10 Business Days from the date of request). Where there is insufficient capacity (e.g. due to OpenNet's need to install additional fibre), OpenNet may then take additional time to provision such services, as provided for in its ICO. Furthermore, OpenNet's proposal that BM issue cases should be taken out of the SLG calculation is not acceptable particularly as we feel OpenNet should by now have been able to get those under control after years of dealing with BM all over Singapore.

S/N 4: (Reclassification of Premises): We do not see why any change to the current process is required and do not agree to add any more burden to it hence we cannot accept the proposed changes. Furthermore, when we process a reclassification from Non-Res to Res, once we have given OpenNet the supporting document and the reclassification has been accepted, OpenNet still asks us to follow a process that follows Non-Res processes which does not make sense. Not only do they want us to organize a site survey, which is un-necessary for Res premises, but also ask us to coordinate with

the end user to inform them of an OpenNet site survey date (decided unilaterally by OpenNet) which makes even less sense since they would typically organize it directly with the end user for a standard Non-Res premise. Hence, we would like to see OpenNet following the standard Home Pass process in those cases (since most reclassification requests from Non-Res to Res are in that category) and certainly not ask for site surveys anymore.

S/N 5: (Amendments to Annex 14A1 – OSS/BSS Form): The proposed modification is acceptable to us.

S/N 6: (NBAP Connection that resides within Non-Residential Building): The proposed modification is acceptable to us although on it's own does not resolve the tariff issue with NBAPs. We think the whole NBAP area needs to be revisited for it to become more usable and used.

S/N 7: (Amendments to Physical Address Access Procedures): The proposed modification is acceptable to us.

S/N 8: (Delay in Service Provisioning Attributable to a Third Party): We like the approach advocated by IDA in paragraph 6 of the Consultation Document (on page 4 of 12). We think that OpenNet should play the role of the project lead, and be held accountable to deliver connectivity.

We do not support the OpenNet proposal here.

If the third party doesn't support the roll-out, OpenNet should be the party escalating the case to the IDA. To do otherwise, is to open up the NBN-ecosystem to claims by the public that it is beset by finger-pointing, and disorganization. OpenNet's role must be to take the lead and sort out these difficulties.

S/N 9: (Enhancements to Fibre Takeover): The proposed modification is acceptable to us, subject to the comments we make above.

We would like to make one comment around the speed required to achieve the industry agreement referred to in the section. The IDA needs to ensure any such agreement is put in place, ASAP. We are worried that the negotiation of such an agreement is at risk of taking a long time to put in place. Such an agreement must be put in place very quickly in our view.

S/N 10: (Main Body): The proposed modifications are acceptable to us.

S/N 11: (Cancellation Charge under Relocation Service of Non-Residential End-User Connection to Another Address): Whilst in theory that proposed change could be acceptable, we believe it should not be implemented until OpenNet is able to deliver Non-Res services in the majority of requests within it's current ICO targets. The current situation is such that end customers cancel their service requests because too many delays have been incurred hence, we cannot accept such a change as is.

S/N 12: (Report on Utilization or Activation Status of Fibre Connections Provisioned by OpenNet/Release of Fibre Resources by Requesting Licensees Upon Termination of Use by RSP/End-Users): We believe that the request from OpenNet on that subject is unpractical, adds a lot of admin costs and does not serve any purpose considering the proposed evolution of the FTO process since the “losing” RSP will not be able to block a transfer of fibre to the gaining RSP anymore. Hence, we cannot accept this proposed change.

S/N 13: (SAP Rebate): We fully endorse the proposal to extend to 90-days, however the daily levy should be increased from its current level. The intent of the rebate mechanism is to ensure that OpenNet acts proactively to resolve issues with time being of the essence.

Sincerely,



Greg Mittman

Cc: Malcolm Rodrigues - CEO  
KC Lai - CCO