



M1 Limited

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Ms Eileen Ang
Head (Competition)
Media Development Authority of Singapore
3 Fusionopolis Way
#16-22 Symbiosis
Singapore 138633
(Attn: Ms Ruth Wong)

Dear Ms Ang,

**MI'S RESPONSE TO MDA'S CONSULTATION PAPER ON THE PROPOSED
ADVISORY GUIDELINES ON MAXIMUM CONTRACT TERM AND EARLY
TERMINATION CHARGES FOR PAY TV SERVICES OFFERED TO CONSUMERS**

1. Attached is M1's response to MDA's consultation dated 21 April 2011 on the above.
2. Please do not hesitate to contact us if you require any further clarification on the attached or any further input. Thank you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Chen Sin Yee', written over a horizontal line.

Chen Sin Yee
General Manager
Corporate Development

M1'S RESPONSE TO MDA'S CONSULTATION PAPER ON THE PROPOSED ADVISORY GUIDELINES ON MAXIMUM CONTRACT TERM AND EARLY TERMINATION CHARGES FOR PAY TV SERVICES OFFERED TO CONSUMERS



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ANNEX 1: M1'S RESPONSE TO MDA'S CONSULTATION PAPER ON THE PROPOSED ADVISORY GUIDELINES ON MAXIMUM CONTRACT TERM AND EARLY TERMINATION CHARGES FOR PAY TV SERVICES OFFERED TO CONSUMERS

Reference	Description	Comments
Section 3.1	Maximum Contractual Lock-In Period	<p>M1 submits that there should be an exemption to the proposed Maximum Contractual Lock-In Period, where customers who switch to any IPTV services offered on the future Next Generation Interactive Multimedia Applications and Services ("NIMS") platform, would not be subject to any contractual lock-in period</p> <p>With the impending rollout of NIMS on NGNBN, any barrier that prevent switching to NIMS should be removed to facilitate take-up in order to deliver maximum benefits to consumers. Given that pay-TV penetration in Singapore is high at over 70% and dominated by two large incumbents (SingNet and StarHub Cable Vision), many customers who are contracted with either operator would not be able to enjoy the benefit of NIMS unless the condition is waived. After all, the core proposition of NIMS is for customers to enjoy multiple service providers over a single common featured set-top box and thus, customers must be able to switch to NIMS while retaining their existing pay-TV services. Such customers should not be deemed to have breached contractual terms and instead <u>be allowed to fulfil any remaining contractual period under NIMS.</u></p>
Section 3.2	Early Termination Charges ("ETCs")	<p>In line with the above comments, there should be no penalty or early termination charges for customers switching to NIMS but retaining their existing pay-TV services.</p> <p>In the event that a customer retains an existing pay-TV contract and merely switches to NIMS platform, there is no justification for the pay-TV operator to levy ETCs since the customer relationship remains with the operator, albeit under a different platform.</p> <p>If the customer switches to NIMS and in the process terminates the existing pay-TV services, the operator has the right to recover ETCs. However, in the greater national interest of promoting widespread adoption of NGNBN through the NIMS services, MDA is strongly urged to consider introducing an interim period following the launch of NIMS (e.g. 12 months), during which, pay-TV operators should not impose any ETCs if customers switch to NIMS. This would stimulate early adoption of NIMS as Pay-TV operators would be more inclined to incentivise customers to stay on with them while moving to NIMS. We believe that this would be mutually beneficial to both the operators and customers, as well as contribute to the success of the NIMS Programme.</p>