



18 January 2008

Ms Ling Pek Ling
Director, Media Policy
Media Development Authority
Email: MDA_MTVS_Comment@mda.gov.sg

By Email only

Dear Madam:

**Response to the Media Development Authority's Consultation on
"Policy and Regulatory Framework for Mobile Broadcasting Services in Singapore"**

STAR Group Limited is pleased to provide comments in this proceeding.

Sincerely,

A handwritten signature in black ink, appearing to read "Suzanne Tong".

Suzanne Tong
Associate Vice President
Government Affairs
STAR Group Limited



STAR Group Limited

**Comments on the Media Development Authority's
Consultation Paper Concerning**

Policy and Regulatory Framework for Mobile Broadcasting Services in Singapore

INTRODUCTION

STAR Group Limited (STAR) welcomes the opportunity to provide comments on the Media Development Authority (MDA)'s public consultation on Policy and Regulatory Framework for Mobile Broadcasting Services in Singapore.

STAR is a leading media and entertainment company in Asia, providing more than 50 television services in nine languages to more than 300 million viewers throughout the region.

STAR's parent company is News Corporation, a diversified international media and entertainment company with operations in a variety of industry segments including: filmed entertainment; television; cable network programming, direct broadcast satellite television; magazines; newspapers; and book publishing. The activities of News Corporation are conducted principally in the United States, Continental Europe, the United Kingdom, Australia, and the Asia Pacific.

In general, we support a light-touch approach in regulating point-to-multipoint Mobile TV services (MTVS). Below are our specific responses on the key policy topics presented in the consultation paper.

TECHNOLOGY ISSUES

We agree with the MDA's analysis that the UHF frequency band is particularly suitable for broadcast-based mobile TV transmission such as DVB-H and MediaFLO.

It is also our view that decisions such as selecting a technology standard, and the quality-of-service requirements should be left to the market to decide.

Regarding minimum network coverage requirements, we considered the proposed 95% outdoor coverage requirements not unreasonable.

LICENSING FRAMEWORK

Broadcast license

We are concerned that the proposal to license both MTVS and cellular mobile TV service providers under the existing two-tier licensing framework might deter potential players and investors from entering the market.

Still a nascent and evolving service, MTVS needs sufficient flexibility of ownership in order to promote investment in the technology and infrastructure. This means that it is quite possible that MTVS may not be considered viable until it reaches a subscriber base that exceeds 100,000 (approximately 2% of Singapore's population). If this is the case, under the existing two-tier framework, while the niche subscription TV license is more flexible and has no ownership restrictions to operators or investors; ultimately it is the Nationwide Subscription TV license that potential investors would have to consider for a realistic assessment of launching MTVS. As such, the ownership conditions set out in Part X of the Broadcasting Act under the Nationwide Subscription TV license may in fact preclude interested foreign players from investing in the Singapore MTVS market.

We therefore recommend the MDA consider a means by which the restrictions on foreign ownership in the Broadcasting Act may be lifted or modified in some fashion so as to allow more flexibility for foreign investment in MTVS.

Multiplex license

We support the use of a market-led approach for awarding a multiplex license for MTVS. It is our view that both auctions and comparative tenders, when properly designed, can be effective license award mechanisms. In comparing these two mechanisms, we have a preference for the use of auction over comparative tender. We believe that the use of auction provides the highest latitude for a market-led approach that is straight forward and efficient.

We encourage the MDA to make the license award process available to a wide range of parties to participate (e.g. that the process will not be limited to the mobile phone operators). In assigning the appropriate weights to the possible evaluation criteria (i.e. the pre-specify consumer interest requirements for auction, or the proposed criteria for comparative tender in Figure 3.2), we therefore recommend that the weights be assigned so as to allow for the widest participation.

MARKET STRUCTURE ISSUES

As a nascent technology where business models are evolving over time, we applaud the MDA for not proposing to impose a cap on the share of revenue earned from advertising by mobile TV subscription service providers. We agree with the MDA that the absence of a revenue cap will provide flexibility to operators to develop innovative business models.

CONTENT AND ADVERTISING REGULATION

Given mobile TV's nascent status and that it is unlikely in the near future to be a substitute for traditional television service; we believe the government's approach for now should be to take a light touch.

While we do not oppose the MDA's proposal to subject MTVS to the current content regulation framework for broadcast services, we suggest that a viable alternative would be to permit a private sector-led approach such as has arisen in the US and UK (and Singapore's very own voluntary regulatory approach for advertising practice) where the industry on its own motion has developed a self-regulatory code of conduct for mobile TV operators.

CONCLUSION

We would like to thank the MDA for the opportunity to provide our views in this initiative. We look forward to working with the government as this process moves ahead.