

**M1'S RESPONSE TO MDA'S CONSULTATION PAPER ON THE
PROPOSED ADMENDMENTS TO THE MEDIA MARKET CONDUCT
CODE ("MMCC") TO FACILITATE IMPLEMENTATION OF THE
CROSS-CARRIAGE MEASURE IN THE PAY TV MARKET**

**M1'S VIEWS ON WHETHER THE "MANDATED OPEN PLATFORM
ACCESS" RULE COULD BE ADOPTED TO COMPLEMENT THE
MEASURE.**



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1 Statement of Interest

M1 is a leading integrated communications service provider in Singapore, providing a full range of voice and data communications services over its network. Since 2007, M1 has initiated a strategy of transformation in anticipation of the rapid changes in the telecommunications ecosystem, and the increasing interdependence of devices, networks, application services and content. We are on track in our strategy implementation and are geared up to leverage on the recent launch of the Next Generation Broadband Network to offer a new world of innovative services and rich content at the most competitive prices to our customers.

M1 welcomes the opportunity to participate in MDA's consultation on the proposed amendments to the MMCC to facilitate implementation of the Cross-Carriage Measure ("Measure") in the pay TV market. As an integrated communications service provider, M1 has been actively monitoring the developments in the pay-TV market, exploring opportunities that may bring about new, innovative services for our customers; i.e. the launch of Internet Protocol Television services via 1box in Nov 2011. M1 understands the importance to finetune the Measure in order to introduce a competitive market by effectively resolving the problem of content fragmentation.

2 Summary of Major Points

M1 fully supports MDA's policy objectives of the proposed Measure as it opens up the opportunity for M1 to enter the pay TV market. We believe the Measure, if implemented effectively, will facilitate new entrants to drive a change in competition dynamics towards a focus on service and innovation excellence. In this respect, we urge MDA to make careful reconsiderations on certain aspects to ensure that an efficient framework is established so that policy objectives will be achieved.

The following is a list of key changes that M1 views as necessary, which will be elaborated upon in our detailed comments:

1. Defining of Customer Relationship to better serve Subscribers;
2. "Mandated Open Platform Access" should not be implemented to complement the Measure; and
3. Request for Clarification on the Proposed Amendments to Paragraph 2.7.2A (a) of the MMCC.

3 Detailed Comments

3.1 Defining of Customer Relationship to better serve Subscribers

a) Customer Relationship should be between Receiving Qualified Licensee (“RQL”) and Subscribers

Although MDA defines that the customer relationship is between the Supplying Qualified Licensee (“SQL”) and the subscriber of its cross-carriage content, customers will invariably contact the RQL for enquiries, content activation and customer service. Hence, RQLs cannot avoid undertaking such customer service responsibilities, contradicting MDA’s original intention that customer service should be rendered by the SQL.

Furthermore, the allowing of SQLs and RQLs to agree on such commercial arrangements separately will result in various arrangements reached for different cross-carriage content and partnerships. This will give rise to a fragmented framework allowing customer experiences to be compromised since Subscribers maybe left feeling disorientated and confused as to which party should be their first line of contact.

b) Impose Mandatory Single Billing for convenience

Today, customers expect their service providers to render assistance to their queries no matter which channel brand or entity avails those contents technically. Customers must not be laden with having to understand that every channel and content is provided via different types of partnerships and commercial arrangements; nor should they receive separate invoices when it is potentially more convenient for a single billing system to be established.

M1 believes that for convenience and consistency, customers should only be served by a single provider regardless of who the supplying content providers are, including billing by the same provider. In particular, we would like to reiterate that since the subscriber’s main relationship is with the RQL, then for consistency all relationships should be with the RQL.

3.2 “Mandated Open Platform Access” should not be implemented to complement the Measure

In anticipation that the Next Generation Interactive Multimedia Applications and Services (“NIMS”) project will be successfully implemented, the industry will benefit in lower cross-carriage fees and more transparent negotiations. As a result, the value of the “mandated open platform access” in the pay TV market would be diminished. Therefore, M1 proposes that the “mandated open platform access” should only be implemented to complement the NIMS project and not the proposed Cross-Carriage Measure.

3.3 Request for Clarification on the Proposed Amendments to Paragraph 2.7.2A (a) of the MMCC.

Paragraph 2.7.2A (a): An RQL must, from and including 30 June 2011, carry all Qualified Content made available by Supplying Qualified Licensees on all Relevant Platforms of its nationwide Subscription Television Service, regardless of the number of Subscribers on the Relevant Platforms.

M1 seeks MDA’s clarification on whether the above clause already assumes that the RQL has satisfied the minimum threshold of 10,000 subscribers before MDA will designate any nationwide Subscription Television Service licensee as a RQL.

4 Conclusion

M1 considers that there needs to be necessary changes to the proposed Cross-Carriage Measure to ensure effective implementation, so that MDA's proposed intent of increasing consumer's welfare and promoting industry growth will be achieved. We urge MDA to carefully review whether it is more appropriate operationally to define customer relationship as that between RQL and Subscribers, and to reconsider the advantages of imposing mandatory single billing.