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Info-communications Development Authority of Singapore  
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No. of Pages: 3

Dear Ms Ng

**PROPOSED REGULATORY APPROACH FOR  
3G MOBILE VIRTUAL NETWORK OPERATORS (MVNOs)**

StarHub is pleased to submit our comment on the consultation document in respect of the above issued by IDA on 27 April 2001. A soft copy of our comment will be emailed to you shortly.

Yours sincerely,

Michele Anne Lim  
Asst. Vice President (Regulatory)  
(this is sent via email and does not require any signature)

## COMMENTS ON IDA'S PROPOSED REGULATORY APPROACH FOR 3G MOBILE VIRTUAL NETWORK OPERATORS (MVNOs)

StarHub commends the consultative approach that is being taken by IDA and welcome the opportunity to comment on IDA's consultation document on the proposed regulatory approach for 3G MVNOs.

### Commercial Negotiation versus Regulatory Intervention

1. We support IDA's view stated in item 2.1 of the consultation document that  
*[...] MVNOs wishing to offer 3G services must negotiate commercially with the 3G MNOs for access to their networks, [...]. This approach stems from IDA's intent to rely on market forces as much as possible to resolve commercial disputes and in consideration of MNOs' investments in 3G networks and services [...].*
2. One reason in support of the commercially negotiated approach: there are three 3G licensees in the mobile market and not just a single dominant operator – so there is sufficient competition to support fair commercially negotiated positions mutually acceptable to both the licensee and the MVNO.
3. Notwithstanding, MVNOs should be required to offer number portability services and minimum quality of service standards be imposed on MVNOs similar to that on 3G Mobile Network Operators (MNOs). This will ensure the sustainable and continual level of quality of services in the mobile market which we are deeply committed.
4. There should be a moratorium NOT on entry of 3G MVNOs but on regulation. However, it is proposed that IDA reviews the need for a regulated approach only a few years after commencement of commercial 3G services. IDA's regulation on the commercial negotiations between MNOs and MVNOs may prove unnecessary if the commercial benefits of MVNOs lead to what is looking to become an established part of the mobile telephony landscape.
5. Given the complexity and infancy of the 3G environment, the 3G market would be best structured by commercial negotiations in view of the cost structures, technical make-up and spectrum capacity of different MNOs.
6. Our opinion is that monitoring commercial negotiations such as network access and charging framework for MVNOs will be highly complex. To impose regulatory conditions on MVNO agreements and commercial negotiations would be bureaucratic and burdensome for all parties concerned. The implementation of specific regulations governing the relationship and commercial arrangement between MNOs and MVNOs is a complex matter upon which some of the overseas regulators have decided not to formally legislate. Issues such as the quantitative and qualitative measurements, level of services, and service pricing structures would make structuring of MNOs' obligation towards MVNOs difficult.

## **Conclusion**

Since 3G is a completely new technology, it is too premature to predict the type of services and tariffs that will be introduced two to three years from now. Even the impact of the technical aspects are not altogether clear. Regulation of commercial arrangements between MNOs and MVNOs would be wholly inappropriate and premature until the implications on this industry are fully understood. We suggest that IDA calls for a subsequent round of consultation when these become more apparent.