

<b>Case Reference</b>	R/E/I/106
<b>Title</b>	OpenNet's Failure to Comply with IDA's Quality of Service Standards on OpenNet's Service Provisioning Timeframes for Residential End-User Connections in Q1 and Q2 2013
<b>Date of IDA's Decision</b>	14 November 2013
<b>Licensee</b>	OpenNet Pte Ltd (" <b>OpenNet</b> ")
<b>Case Summary</b>	<p>In Q1 and Q2 2013, OpenNet failed to meet the Quality of Service ("QoS") standard of 98% and 100% respectively for the following indicators:-</p> <ul style="list-style-type: none"> <li>(i) "Percentage of Residential End-User Connection service orders provisioned within three business days of the date of service order"; and</li> <li>(ii) "Percentage of Residential End-User Connection service orders provisioned within seven business days of the date of service order".</li> </ul> <p>In Q1 2013, OpenNet's performance for the two QoS indicators ranged between 12.62% to 77.75% and between 53.06% to 97.25% respectively.</p> <p>In Q2 2013, OpenNet's performance for the two QoS indicators ranged between 1.64% to 47.12% and between 33.00% to 91.31% respectively.</p> <p>OpenNet submitted that it had exercised reasonable due diligence and foresight to cater to the changing industry needs by increasing its service activation capacity and providing seasonal slots during the quarterly IT shows but was unable to meet the stipulated timeframes due to reasons beyond OpenNet's control. OpenNet requested IDA to take into consideration that the demand for its Residential End-User Connection Services in Q1 and Q2 2013 increased appreciably compared to past periods. In particular, OpenNet submitted that there was an extraordinary surge in demand around May to June 2013 which overwhelmed its service activation capacity.</p>

<b>IDA's Determination</b>	<p>IDA's QoS standards on the timeframe for OpenNet's provisioning of Residential End-User Connection Services took effect on 1 January 2013. OpenNet is liable to a financial penalty of S\$10,000 or more for each instance of non-compliance under the QoS framework.</p> <p>After reviewing the justification provided by OpenNet, IDA decided to waive the financial penalty for Q1 2013 after taking into consideration the fact that it was the first quarter since the QoS took effect, and OpenNet needed more time to adjust its systems to comply with the QoS standards for service provisioning.</p> <p>Regarding OpenNet's non-compliance in Q2 2013, IDA took into consideration the following:-</p> <ul style="list-style-type: none"><li>(i) The very large margin by which OpenNet had failed the QoS standards;</li><li>(ii) The need for IDA to take strong enforcement action against OpenNet for the poor performance;</li><li>(iii) The IT show orders in June 13 appeared to be on the higher side compared to past averages; and</li><li>(iv) While OpenNet was not able to provide services within three business days in fulfillment of its QoS obligation, it was largely able to do so within seven business days (e.g in April 2013, it delivered 91.31% of service orders within seven business days), except in June 2013 where there was a large surge of orders.</li></ul> <p>Having considered all factors, IDA finds OpenNet liable for its non-compliance with the residential QoS indicators in Q2 2013 and decided to impose a financial penalty of \$200,000 on OpenNet for the non-compliance. OpenNet is required to rectify its QoS performance by 31 December 2013.</p>
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