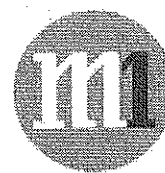


M1 Limited



22 December 2011

Ms Aileen Chia
Deputy Director-General (Telecoms & Post)
Infocomm Development Authority of Singapore
Singapore 117438
No. of pages: 9

Dear Ms Chia,

**INTERCONNECTION OFFER FOR THE PROVISION OF SERVICES ON THE
NEXT GENERATION NATIONWIDE BROADBAND NETWORK – REVIEW OF
OPENNET PTE LTD'S INTERCONNECTION OFFER**

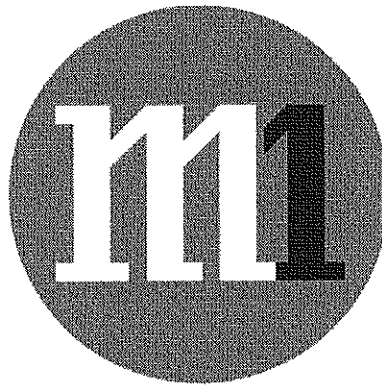
1. Attached is M1's response to IDA's consultation on the above. A soft copy of the paper has also been sent via e-mail.
2. Please do not hesitate to contact us if you require any clarification on the attached or any further input.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Chan Sock Leng', is written over a horizontal line.

Chan Sock Leng (Mrs)
Director
Human Resource and Corporate Development

M1'S RESPONSE TO IDA'S CONSULTATION PAPER ON INTERCONNECTION OFFER FOR THE PROVISION OF SERVICES ON THE NEXT GENERATION NATIONWIDE BROADBAND NETWORK – REVIEW OF OPENNET PTE LTD'S INTERCONNECTION OFFER



This paper is prepared in response to IDA's consultation document dated 8 November 2011 and represents M1's views on the subject matter. Unless otherwise noted, M1 makes no representation or warranty, expressed or implied, as to the accuracy of the information and data contained in this paper nor the suitability of the said information or data for any particular purpose otherwise than as stated above. M1 or any party associated with this paper or its content assumes no liability for any loss or damage resulting from the use or misuse of any information contained herein or any errors or omissions and shall not be held responsible for the validity of the information contained in any reference noted herein nor the misuse of information nor any adverse effects from use of any stated materials presented herein or the reliance thereon.

ANNEX 1: M1'S RESPONSE TO IDA'S CONSULTATION PAPER ON INTERCONNECTION OFFER FOR THE PROVISION OF SERVICES ON THE NEXT GENERATION NATIONWIDE BROADBAND NETWORK – REVIEW OF OPENNET PTE LTD'S INTERCONNECTION OFFER

1. M1 is a leading integrated communications service provider, providing a full range of voice and data communications services over its network to over 2 million customers in Singapore. M1 welcomes the opportunity to submit our views and comments to IDA for its consideration in its review of the OpenNet Pte Ltd's ("OpenNet's") Interconnection Offer ("ICO").
2. M1's comments on the OpenNet's ICO are set out below.

(A) General Comments

- M1 notes that OpenNet has proposed changes to Section 5.2 on all connections to a combined total of no more than 480 Requests for each Business Day instead of the current 2,400 Requests per week for the Basic Mandated Services and Layer 1 Redundancy Services ("Maximum Quota"). This will restrict the number of Requests for each Business Day and the Requesting Licensees ("RLs") will not be able to fully utilise the 2,400 Requests per week, since the demand for such Requests differ for each Business Day in a week. We propose that OpenNet maintain the current clause to process the 2,400 Requests per week for all Schedules in its ICO.
- Based on the current Maximum Quota of 2,400 Requests per week, it will take as least 8 years before all households in Singapore can be connected to the fibre network. Considering the surge in demand for fibre broadband services during this year's PC and Comex Show, we are of the view that it is important for OpenNet to review its resources and increase the Maximum Quota to keep pace with the rapid NGNBN take up.
- With the increase adoption of NGNBN, there is a need for a more stringent penalty framework in the OpenNet's ICO. For instance, the penalty framework under the current ICO is not sufficient deterrent to ensure that OpenNet increases its efficiency to meet the Service Activation Period ("SAP") or to rectify installation-related faults within the stipulated timeframe. The ICO should provide for Service Level Agreement ("SLA") by OpenNet and the associated penalty charges/compensation from OpenNet for failure to meet the SLA. This will provide better assurance on the quality of service provided by OpenNet under the ICO.
- For any installation works required by OpenNet in the provisioning of the NGN fibre services that are not covered by the Standard Installation Charge and Installation of Network Charge, OpenNet should provide a quote for such installation works to the RLs. The RLs will have the choice to engage OpenNet or its own contractor to carry out the installation works. Currently, OpenNet does not offer a quote for such installation works and this causes delays in the provisioning of the NGN fibre services and miscommunication between the RLs, building managements/owners, Retail Service Providers ("RSPs") and End-Users with regards to the parties responsible to carry out the installation works.
- When requested by the building management or the Authorities for a Removal (not limited to Removal of Patch Cable and/or Termination Point), it should be OpenNet's responsibility to obtain the approval/consent needed from the relevant parties. OpenNet should also be responsible for the incidental costs arising from the Removal, including but not limited to, security deposits or escorts charges. It is unreasonable for such charges to be borne by the RLs if the Removal is not requested by the RLs, RSPs or End-Users. Hence, RLs should not be charged for such Removal process requested by building management or the Authorities.

- The Cancellation Charge proposed by OpenNet in its ICO should not be applied for any fault reported as long as the OpenNet's contractor has yet been despatched for fault rectification. Based on market practice, OpenNet should not charge the RLs for the cancellation of the appointment date/time if no contractor is deployed.
- Under Section 6.3 of Schedule 7 (FTTB Node to DP Connection) and 9 (Building MDF Room to Non-Residential Premise Connection), it is stated that the quotation for the Installation of Network Charge, if provided by OpenNet, will be valid and binding for five (5) Business Days from the date of the quotation. Taking into consideration the time needed for the RL to inform the RSP, who may in turn require to seek End-User's agreement or to source for their own contractor before accepting the quotation, we recommend to extend the validity of the quotation to fifteen (15) Business Days from the date of the quotation. This will allow sufficient time for communication between OpenNet, RL, RL's contractor, RSP and End-User. From the same Section, provided that OpenNet has received the necessary approval from and is granted access by the building owner/management within two (2) Business Days from the Request Date, OpenNet shall, within six (6) Business Days of the Request Date, provide a quotation for the Installation of Network Charge. We are of the view that building owner/management should be given a longer period for them to consider and approve the access, rather than rejecting the Request if the approval is not given within the short period of two (2) Business Days.
- In the multi-layered NGNBN industry structure, the RSPs are to interface with the End-Users directly and would be the party billing the End-User for any charges that is passed on from OpenNet and/or Operating Company ("OpCo"). In cases when the End-Users request for services directly from OpenNet, strict adherence to this multi-layered NGNBN industry structure may cause inconvenience and inefficiency to the End-Users, RSPs and/or RLs. For example, when End-User requests for additional internal cabling and/or requires the use of deployment technique other than open ducting during the installation process, OpenNet should bill the End-User directly instead of charging through the RLs, who may not be informed of the details for such request and charges, which would lead to delays and confusion between RLs, RSPs and End-Users. Hence, to increase the efficiency in customer billing, OpenNet should bill the End-Users directly for such services.
- Currently, even though OpenNet refers to the Urban Redevelopment Authority ("URA") report as a guide for the classification process of premises, OpenNet still makes the final decision on the classification. Our view is that there should be clear classification of what is determined as Residential or Non-Residential premises and not left to OpenNet's decision.

(B) Specific Comments

Schedule/Section	Description	Views/Comments
Schedule 1 Residential End-User Connection		
Section 1.1	<p>"The Residential End-User Connection is a service provided by OpenNet ... to a Residential Premise at a:</p> <p>(a) High-Rise Residential Building/Non-Residential Building; or</p> <p>(b) Landed Residential Premise."</p>	<p>Schedule 1 should provide for application of End-User Connection to a Residential Premise that is formed by the merging of two (2) Residential units. There will be two (2) Termination Points ("TPs") in such a premise. The application would facilitate identification and activation of the TP that the End-User would like to use for the NGN service.</p>

Section 3.1 (A) (c)	"...and the Requesting Licensee shall pay a Patching Charge in accordance with Schedule 15 (Charges)..."	The charges payable for Patching Service within the Building MDF Room is already included in the Installation Charge stated under Section 1.3.2 of Schedule 15 (Charges). Hence, there should not be a charge for the Patching Service again in this Section.
Section 6.11 (b)	"The maximum number of Requests for express service activation is limited to forty (40) per day from all Requesting Licensees for all services, which must fall within the Maximum Quota;"	We recommend that the number of Requests for express service activation to be over and above the Maximum Quota. Typically, such requests are applied on an urgent basis when the Maximum Quota has been reached. As such, the express service request will serve no purpose if it has to fall within the Maximum Quota.
Section 8.1	"...Additionally where OpenNet performs a Fibre Handover pursuant to clause 20, the Existing Requesting Licensee shall remain liable for the minimum contract term."	Where OpenNet performs a Fibre Handover, the minimum contract term for the Existing RL would lapse as the service has been transferred to the New RL. In this case, OpenNet will not experience any loss in revenue as the New RL would have to commit to a fresh contract term with OpenNet. However, the costs, including the Early Termination Charges ("ETC"), for the remaining existing/old contract term will be passed on to the End-Users and this will discourage End-Users from switching RSPs.
Section 18	"Relocation Service from one residential address to another residential address"	This Section should also include the terms for a Relocation Service from the old residential address to a new residential address, and at the same time, switching from the Existing RL at the old residential address to a New RL at the new residential address.

Schedule 2 Non-Residential End-User Connection

Section 3.1 (A) (c)	"...and the Requesting Licensee shall pay a Patching Charge in accordance with Schedule 15 (Charges)..."	The charges payable for Patching Service within the Building MDF Room is already included in the Installation Charge stated under Section 2.3.1 of Schedule 15 (Charges). There is no basis to impose a charge for the Patching Service again in this Section.
Section 6.14 (b) & 6.15 (b)	"The maximum number of Requests for express service activation is limited to forty (40) per day from all Requesting Licensees for all services, which must fall within the Maximum Quota;"	See earlier comment on Section 6.11 (b) of Schedule 1. The same should be applied here.

Schedule 3 Non-Building Access Point ("NBAP") Connection

Section 3.1 (A) (c)	"...and the Requesting Licensee shall pay a Patching Charge in accordance with Schedule 15 (Charges)..."	The charges payable for Patching Service within the Building MDF Room is already included in the Installation Charge stated under Section 3.3.1 of Schedule 15 (Charges).
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Section 8.1	"...the RL may deactivate the NBAP Connection by giving OpenNet not less than one (1) month prior written notice..."	We propose that the deactivation notice from RL to OpenNet to be not less than ten (10) Business Days to be in line with the deactivation notice period in Schedule 2 (Non-Residential End-User Connection). There should be equal treatment for the deactivation process for both Non-Residential End-User and NBAP Connection.
Schedule 13 Patching Service		
Section 4.2	"...the RL shall be responsible, at its own cost, for all installation and fibre terminations at its own Fibre Distribution Frame and for providing the associated cable trays, trunking or ducting between the RL's Fibre Distribution Frame and the OpenNet's Fibre Distribution Frame in order to facilitate the physical termination of the link to OpenNet's Fibre Distribution Frame."	<ul style="list-style-type: none"> • In situation where the Building MDF Room is congested with no space available for the installation of cable trays, trunking or ducting between the RL's Fibre Distribution Frame ("FDF") and the OpenNet's FDF, we propose that OpenNet allow the usage of OpenNet's existing or available cable trays for the installation of the Patch Cable. • We recommend that above be applied to all Schedules that require Patching Service.
Schedule 15 Charges		
Section 1.3.3	"There shall be a one-time Installation Charge payable for the Second Termination Point..."	The cost and effort to lay the Second TP would be lower than the First TP as OpenNet has already deployed its fibre network and other fibre installations to the MDF Room for residential building and to the first TP within the home for residential premises. Hence, the one-time Installation Charge for the Second TP should be no more than the one-time Installation Charge for the First TP, as the cost and effort to lay the second TP would be lower.
Section 1.4.1	"An additional Patching Charge in addition to the Installation Charge will be imposed if patching is required at OpenNet's FDF in the Central Office and/or MDF Room, wherever necessary...per Patch Cable."	As we understand, under Section 1.3.2, the Installation Charge for Residential End-User Connection already comprise the charge payable for the Patching Service within the Building MDF Room. Hence, we do not see a need to include the charge for patching service at the MDF Room in Section 1.4.1. If OpenNet is to proceed with the <u>additional</u> Patching Charge, then we propose this Section to elaborate on the different scenarios where the <u>additional</u> Patching Charge at MDF Room will be applicable.
Section 1.4.3 & 2.3.4	"The deactivation of the Patching Service and/or the removal of the relevant Patch Cable will be charged per Patch Cable basis...The amount payable will depend on the Patching Location..."	The charge for the deactivation of the Patching Service in the MDF Room is excessive as the work done is just a removal of the relevant Patch Cable at the MDF Room which would likely take no more than one hour. We recommend that the charges for the deactivation/removal of Patch Cable at MDF Room to be no higher than the deactivation charges in Central Office ("CO").

Section 1.7.2	"The Cancellation Charge shall be the same rate as the Installation Charge and the charge for installation of internal cabling exceeding fifteen (15) metres (where applicable) for the requested service."	The Cancellation Charge for installation of internal cabling should not apply if the cancellation is done before the installation of the internal cable.
Section 1.7.3	"If OpenNet fails to repair an installation-related fault within seventy-two (72) hours from the commencement of the joint investigation...to OpenNet after seventy-two (72) hours from the commencement of the joint investigation but before the fault is rectified."	<ul style="list-style-type: none"> • The computation of the time period from the commencement of the joint investigation to the fault rectification should be based on working days instead of calendar days since OpenNet, RLs and RSPs do not operate during non-working days. • We propose that the time period be increased to five (5) working days instead of the current seventy-two (72) hours to allow sufficient time for communication between OpenNet, RL, RSP and End-User. • This Section should include all necessary measures to ensure that OpenNet does not delay the period for fault rectifications (i.e. to outline a stringent penalty framework).
Section 1.9.1, 2.8.1, 3.8.1, 3.8.2, 4.7.1, 5.7.1, 6.7.1, 7.8.1, 8.8.1, 9.8.1, 10.7.1, 10.7.2 & 11.7.1	<p>"No Fault Found will be charged at S\$280 per report."</p> <p>"Trouble Report generation (at Requesting Licensee's request) will be charged at S\$100 per report."</p>	<ul style="list-style-type: none"> • We note that the charge for "No Fault Found" is excessive and more than two times of the minimum Onsite Charges. • The No Fault Found Charge should not apply if OpenNet has already charged for the Onsite or Joint Investigation Charge. • OpenNet should provide RLs a detailed No Fault Found Report at no cost to justify if such charge is applicable. • We propose to remove the Trouble Report generation charge. Based on market practice, such Trouble Report is provided upon request without charge. Such report should be included as part of the service offered and made available via the OpenNet Platform at no cost for each trouble ticket opened.
Section 1.13, 1.15, 2.12 & 2.14	<p>"Cancellation Charge under Express Service Activation"</p> <p>"Cancellation Charge under Express Service Activation under Relocation Service within the Same Premise"</p>	<p>Since the RL is already charged for the Express Service Activation Request in Section 1.12, there is no need for an additional Cancellation Charge on top of the installation charge for the Request.</p> <p>There is no difference in work required for cancellation of orders for normal or Express Service Activation. The Cancellation Charge for a normal or Express Service Activation should be treated the same i.e. it should be the same rate as the Installation Charge (Section 1.13 & 2.12) and also a fixed charge, similar to charges under Section 1.14 instead of the cost-oriented basis (Section 1.15 & 2.14).</p>

		We propose to remove Section 1.13, 1.15, 2.12 and 2.14 on the Cancellation Charge for Express Service Activation.
Section 1.14.2 & 2.13.2	"For avoidance of doubt, no charges will be payable where repair and replacement is necessary to rectify any defect or fault solely caused by OpenNet."	We propose that Section 1.14.1 and 2.13.2 include the following: <ul style="list-style-type: none"> • If the rectified fault or defect is not caused by the End-Users, RSPs or RLs, then the RLs should not be charged for any repair and replacement. Instead, OpenNet should claim the cost for repair and replacement from the relevant party that caused the damage. • The waiver of payment for repair and replacement should include any defect or fault caused by OpenNet, OpenNet's contractors or any other third party, who are not related to the End-Users, RSPs or RLs.
Section 1.16.1	"...the RL shall be liable to the missed appointment charge of S\$50."	We are of the view that the proposed missed appointment charge of S\$50 is excessive and should be adjusted to not more than the market rate of S\$15 (the amount currently paid to our contractors for any missed appointment). Similarly, such missed appointment charge should be imposed on OpenNet in the event that OpenNet fails to inform the RL of the changes in the appointment date/time.
Section 1.18.1, 2.16.1, 3.21.1, 4.11.1, 5.11.1, 6.11.1, 7.12.1, 8.12.1, 9.12.1, 10.11.1 & 11.11.1	"There shall be a one-time Cancellation/Missed Appointment Charge payable per fault reported in the event the Requesting Licensee cancels or fails to inform OpenNet of the changes in the appointment data/time..."	<ul style="list-style-type: none"> • We propose to remove the one-time Cancellation Charge for fault reported as long as the OpenNet's contractor has not been despatched. • When the OpenNet's contractor has been despatched and/or has reached the CO, NBAP, Residential or Non-Residential Premise, then only the Missed Appointment Charge (instead of the Cancellation Charge) will apply as stated in Section 1.16.1. • We view that the proposed Missed Appointment Charge of S\$50 per fault reported is excessive and should be reduced to not more than the market rate of S\$15.
Section 2.3.2, 7.3.2 & 9.3.2	"...installation of vertical fibre/in-building cabling, ducting and/or enclosure from the..."	The installation of cable tray should be part of the scope of work for the Installation of Network Charge. OpenNet should reinstate the scope of work to include the installation of cable tray where required.
Section 2.3.3	"...The Standard Installation Charge and Installation of Network Charge do not include TP removal, site reinstatement, overtime Charges (After Office Hours, Weekends and Public Holidays), non-standard installations (eg. Special trunking, scaffolding), access fees or other	<ul style="list-style-type: none"> • The Standard Installation Charge and Installation of Network Charge should include TP removal, site reinstatement, overtime Charges, non-standard installations, access fees, or other fees specifically described and required by the Building Management/Owner in order for OpenNet to complete the TP installation.

	fees specifically described.”	<p>OpenNet should not exclude such cost because if there is a delay, then the Installation of Network Charge will need to include the relevant overtime charges for OpenNet’s contractor to work in order to fulfil the SAP.</p> <ul style="list-style-type: none"> • OpenNet should only charge for work that is requested by the RLs, RSPs or the End-Users.
Section 3.3.3	“In the event that OpenNet has incurred any additional cost (e.g. overtime charges, special trunking, scaffolding etc) to carry out the installation work, OpenNet shall recover the same on a cost-oriented basis.”	The one-time charge for digging/trenching work in Section 3.3.2 should already include the necessary cost for overtime charges, special trunking, scaffolding, etc which is needed to carry out the installation work. Hence, we proposed that this Section be removed.
Section 7.6 & 9.6	“Rejection Charge”	We propose to remove the Rejection Charge as it is not market practice to charge for any application rejection.