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Public consultation by Mica reveals opposition to proposed changes

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THE telecommunications industry does not want the government to increase penalties for flouting industry regulations.

All five respondents to a public consultation called by the Ministry of Information, Communications and the Arts (Mica) are opposed to a revision of the **Telecommunications Act** providing for stiffer fines.

The public consultation ended on Oct 8.

The revision would raise the fine a telecommunications company will be liable to pay if it is found, for example, to have engaged in anti-competitive behaviour such as not sharing telecommunications infrastructure or delivering substandard mobile and broadband services. The penalty is now $1 million. If the revision is approved, it will be raised to 10 per cent of a company's revenue for licensable services or $1 million, whichever is higher.

This would cover all services, such as mobile voice and broadband, that require a licence from the technology industry regulator, the Infocomm Development Authority of Singapore (IDA).

It would mean a substantial increase in the potential penalty for larger players such as SingTel, whose mobile arm alone brought in revenues of $1.5 billion during the last financial year. Ten per cent of this would mean a whopping $150 million.

Mica deemed the current ceiling too low to be an effective deterrent. In August, the ministry had proposed wide-ranging changes to the Act to better 'regulate a fast-changing telecoms sector'.

In their response, both M1 and SingTel said it was unnecessary to raise financial penalties, given that the IDA has never had to impose the maximum penalty of $1 million.

The respondents also asked Mica to reconsider its proposal to revoke the licences of companies that fail to pay up.

Among the other changes proposed in Mica's consultation paper was a provision for its minister to take control of a telecoms company in situations where national and public interests were at risk - for example, when a telco is unable to keep critical telecoms services and infrastructure, such as the mobile network, up and running.

But this, too, was roundly opposed by all respondents, with the **Asia-Pacific Carriers'** Coalition (APCC) charging that 'future investment in telecommunications in Singapore would be certain to be chilled by the introduction of a virtually unfettered power of confiscation'.

The APCC, an industry grouping of global and regional telecommunication companies that operate in the region, reserved its strongest words for what it deemed the ministry's failure to totally revamp existing regulations instead of just amending them.

In its response to the consultation, it said 'deferring such a review and reform by focusing merely on amending the penalties and powers under current-generation regulation carries a substantial risk that Singapore will be left behind by other countries that also aspire to be regional communications hubs'.

A Mica spokesman said the ministry was reviewing the responses and intended to table the Telecommunications (Amendment) Bill in Parliament by early next year.

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