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**By Email (IDA Consultation@ida.gov.sg)**

January 18, 2008

Info-communications Development Authority of Singapore  
8 Temasek Boulevard  
#14-00 Suntec Tower Three  
Singapore 038988

**Attention: Mr. Andrew Haire, Deputy Director-General (Telecoms)**

**Re: Public Consultation on Request by Singapore Telecommunications Limited for Exemption from Dominant Licensee Obligations with Respect to the Business and Government Customer Segment and Individual Markets Pursuant to Sub-Section 2.5.1 of the Code of Practice for Competition in the Provision of Telecommunication Services 2005.**

Dear Mr. Haire:

AT&T Worldwide Telecommunications Services Singapore Private Limited ("AT&T Singapore") is pleased to submit these comments in response to the invitation by the Info-Communications Development Authority of Singapore ("IDA") to comment on the request by Singapore Telecommunications Ltd. ("SingTel") for exemption from certain Dominant Licensee obligations. AT&T Singapore holds a facilities-based operator license in Singapore and provides a wide range of business services. AT&T Singapore is a wholly-owned subsidiary of AT&T Inc., which, through its affiliates, operates one of the world's most advanced global backbone networks and is a leading U.S. provider of international business and consumer communications services on the U.S.-Singapore route.

As the IDA states in the Public Consultation notice, "as competition develops it may no longer be necessary to apply each of the Dominant Licensee obligations to each facility operated and/or service provided by a Dominant Licensee."<sup>1</sup> To avoid excessive telecom regulatory restrictions that interfere with the proper working of market forces in this critical sector of the economy, the regulation of competition requires a careful balance and should adapt in scope and extent as market conditions evolve. Where telecom competition is not developed or well-established, regulatory oversight and intervention is necessary to remove barriers to entry. However, as market forces become effective, regulators should allow competition rather than regulation to discipline pricing and service quality in order to create the proper investment incentives to encourage long-term, sustainable competition.

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<sup>1</sup> IDA, *Public Consultation on Request by Singapore Telecommunications Limited for Exemption from Dominant Licensee Obligations with Respect to the Business and Government Customer Segment and Individual Markets Pursuant to Sub-Section 2.5.1 of the Code of Practice for Competition in the Provision of Telecommunication Services 2005*, Nov. 16, 2007, at 2.



In accordance with this approach, the critical determination with respect to SingTel's request for a full exemption from its Dominant Licensee obligations with respect to retail telecommunications services provided to business and government customers and in six individual markets is whether and to what extent competition has developed for these services and thereby removed the ability of SingTel to exercise market power.<sup>2</sup> While SingTel claims to have submitted evidence to the IDA demonstrating that it does not possess market power with respect to these services or markets, interested parties are unable to assess or comment on much of that evidence because it was submitted on a confidential basis and is excluded from the publicly available version of SingTel's Request.<sup>3</sup> Without the ability to review this information, interested parties are unable to comment meaningfully on leading factors considered by the IDA in determining market competitiveness, including SingTel's market shares, market concentration levels and SingTel's market performance.<sup>4</sup>

The IDA, therefore, should establish procedures to allow interested parties or their counsel access to this information for the purposes of this Consultation and then invite further comments before taking action on SingTel's request. Alternatively, the IDA could conduct its own investigation and make the results of that investigation available for comment to interested parties. The importance of ensuring that the evidence proffered in support of any removal of dominant licensee obligations is made available for review and comment by all interested parties is further highlighted by SingTel's statutory exemption from Singapore's general competition law.

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<sup>2</sup> The six individual markets are Business Local Telephony Service; LLC; Local Managed Data Services; Terrestrial IPLC; International Managed Data Services; and Backhaul. *Id.* at 5

<sup>3</sup> SingTel has submitted the following information on a confidential basis: Requests for Proposals, Competitive Tenders; Market Share – Business Local Telephony Service; Market Share – Local Leased Circuit Service; Market Share – Local Managed Data Services; Market Share – International Private Leased Circuit Service; Market Share – International Managed Data Services; Market Share – Domestic Backhaul Service; Tariff Filings and Customised Tariffs; Quantum of Promotional Discounts Offered for Identified Services 2000 to 2007; Comparison of SingTel Business Telephone Fixed Line (DEL) service tariffs with overseas cities price control benchmark, April to June 2007; Competitive Quotes; Termination of PhoneNet and I-PhoneNet Lines; Migration to IP PBX or PBX Services by Customers; Comparison of SingTel retail local leased circuit prices with overseas cities price control benchmark; Estimated number of LLCs / LMDS lost; Customised LLC tariffs (2004 to 2007); Observed Competitor [Confidential] Roll-Out; Starhub Roll-Out to data centres; Annual Diginet Revenues; Total Digiplus Take-up; Digiplus take-up by FBOs; LLC take-up by competitors; Domestic backhaul competitors; SingTel domestic backhaul price decline. SingTel Request, Confidential Annexes 1-20.

<sup>4</sup> See SingTel Request at 64, citing IDA, *Explanatory memorandum to the decision of the Info-Communications Authority of Singapore on the request by Singapore Telecommunications Limited for exemption from Dominant Licensee obligations with respect to the International Capacity Services Market*, Apr. 12, 2005, at 13-14. See also, SingTel Request at 65, citing IDA, *Reclassification and Exemption Guidelines*, Sept. 30, 2005, at 14.



AT&T Singapore would be pleased to respond to any questions concerning these comments.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Vincent Ma". The signature is stylized and cursive.

[Vincent Ma]  
for AT&T Worldwide Telecommunications Services Singapore Private Limited