

# Media Briefing – Award for Next Generation NBN Network Company (NetCo) RFP

26 Sept 2008



# Outline of Presentation

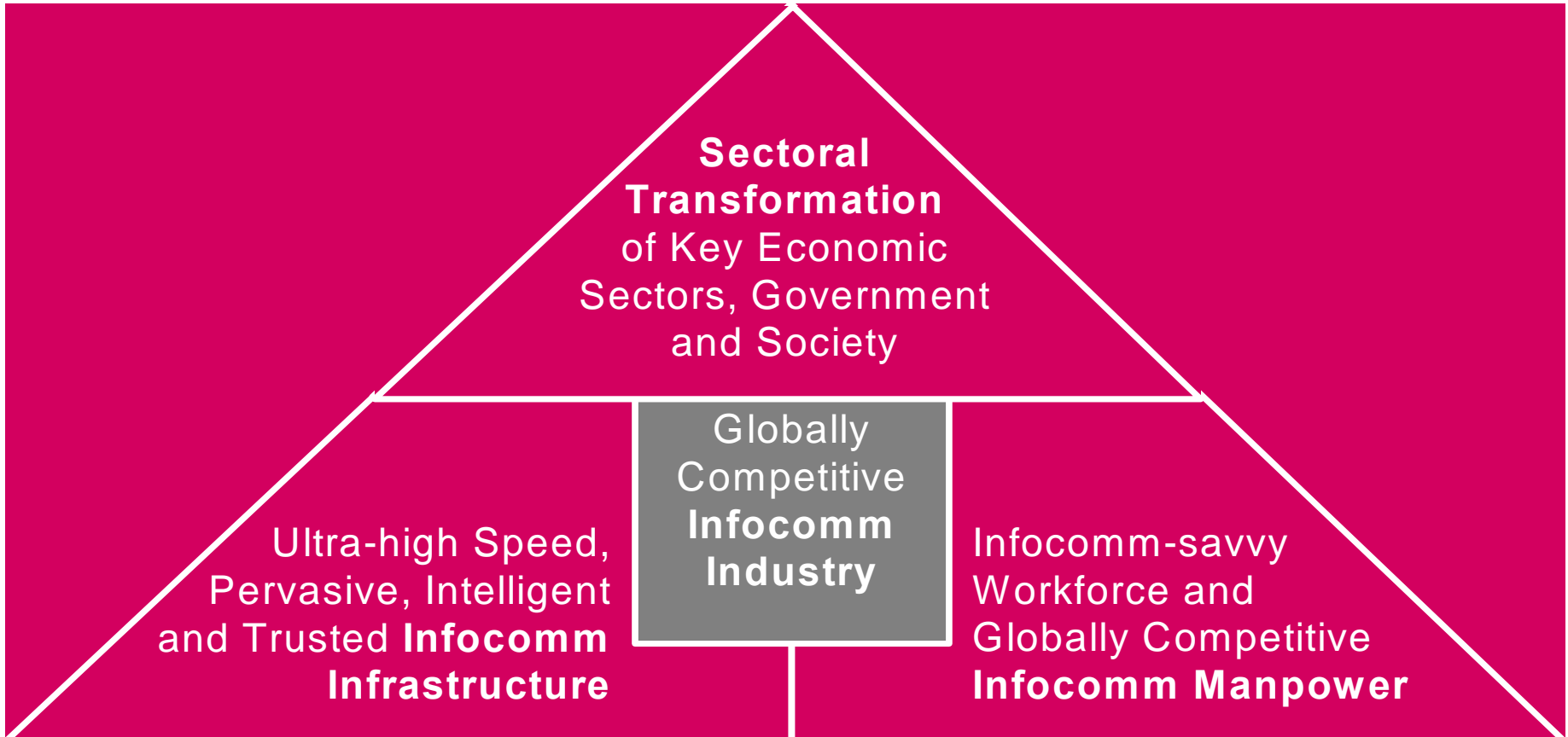
- 1. Recap of Next Gen NBN Project**
- 2. Network Company (NetCo) Request for Proposal (RFP)**
- 3. Highlights of Selected Proposal**
- 4. Summary**

# 1

## Recap of Next Gen NBN Project

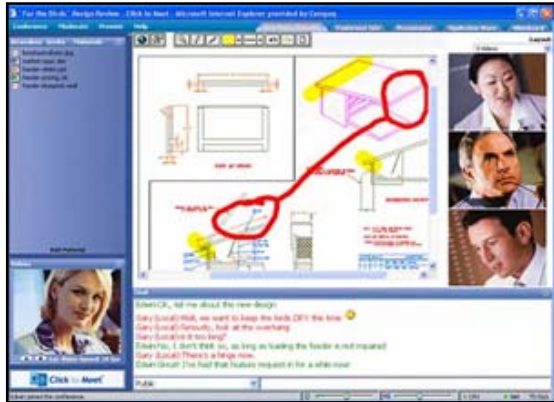
# Recap of Next Gen NBN Project

## iN2015 Masterplan



## Recap of Next Gen NBN Project

# Open Access Fosters Vibrant Broadband Market



Multiple video streams used in multi-party collaboration



## Examples

- > **Multiplay services - combining Voice, Video and Data**
- > **High bandwidth enhances Cloud Computing capabilities**
- > **Enables collaboration through high quality video conferencing (2D and 3D)**
- > **Opens Doors to SMEs adopting ICT**
  - Cost of connectivity will fall as a result of NGNBN
  - Software-as-a-Service (SaaS) lowers barriers of adoption

Source: Gartner

## Recap of Next Gen NBN Project

# Open Access Fosters Vibrant Broadband Market

NSW school



Temasek Primary school



Interschool exchange via Video-Conferencing



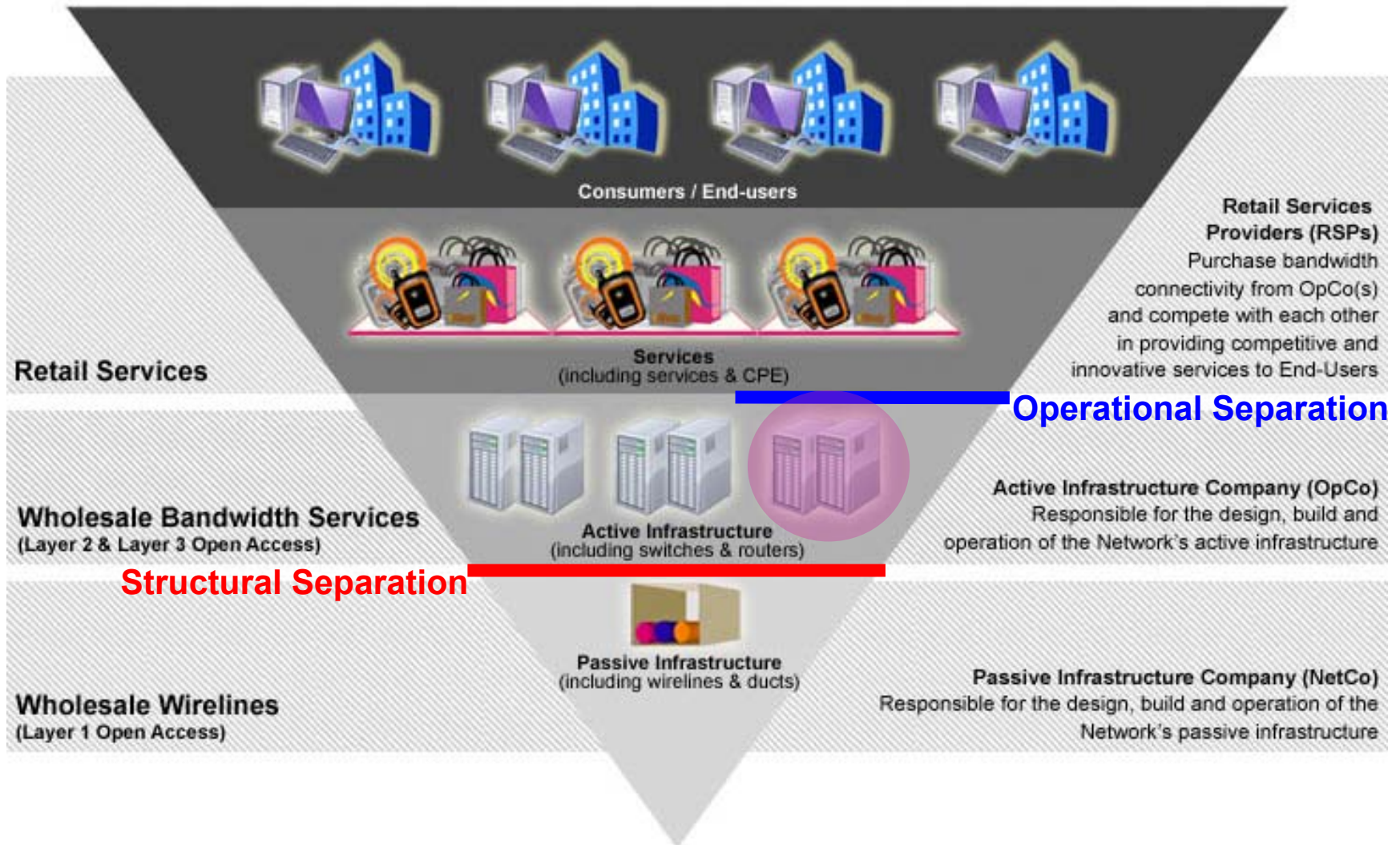
Multiple Camera Views

- > **High-speed symmetric broadband at affordable rates enable new teaching and learning paradigms**
  - Learning and sharing across borders
  - Immersive Learning
  
- > **New capabilities and services through interactive IPTV**
  - Multi-play
  - On-demand TV
  - Audience Voting
  - Multiple camera views
  - New advertising models



# Recap of Next Gen NBN Project

## Next Gen NBN Industry Structure



## Recap of Next Gen NBN Project

# Next Gen NBN Project Timeline

Budget 2006 Speech  
17 Feb 2006



Committee of Supply  
3 Mar 2006



Request for Concept (RFC)  
Mar 2006

## Phase 1 - Competitive Dialogue (CD)

CD  
Stage

Competitive Dialogue with Pre-Qualified Bidders  
Dec 06 – Nov 07

## Phase 2 - Request for Proposals (RFP)

Next Gen NBN RFP

NetCo  
RFP

11 Dec 07 – 26 Sep 08

OpCo  
RFP

7 Apr 08 – Q1 09



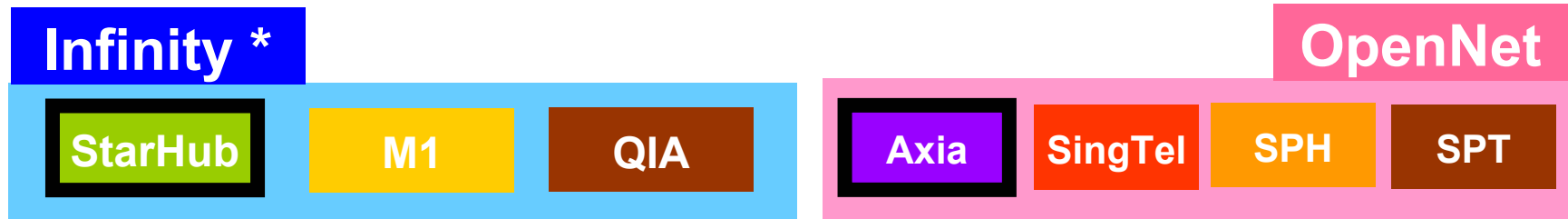
# 2

## **Network Company (NetCo) Request for Proposal (RFP)**

## Network Company (NetCo) Request for Proposal (RFP)

# NetCo Proposals Received

- > **Deadline for submission of NetCo RFP: 5 May 2008**
- > **2 proposals received**



\* Change in Infinity consortium composition from 20 Aug 2008

# Network Company (NetCo) Request for Proposal (RFP)

## NetCo Evaluation Criteria

**Selection of Cost Effective NetCo Proposal to Generate Long Term, Sustainable, Competitive & Vibrant Broadband Market**

**1. Attractiveness of Business Plans to Industry (~43%)**

**2. Quality of Network Infrastructure (~25%)**

**3. Level of Government Grant (~22%)**

**4. Financial Proposition & Strength of Bidder (~10%)**

**1.1 Wholesale Prices (~20%)**

**1.2 Attractiveness of ICO (~15%)**

**1.3 Level of Independence (~5%)**

**1.4 Benefits of Business Plan (~3%)**

**2.1 Quality of Network Design and Operations (~15%)**

**2.2 Extent of Network Coverage (~5%)**

**2.3 Innovations to Minimise Roll-out Disruptions (~5%)**

**4.1 Financial Proposition of Bidder (~5%)**

**4.2 Bidder Track Record and Management Expertise (~5%)**

1.1.1 Residential

1.1.2 Commercial

1.1.3 Non-Bldg Addresses

1.1.4 IRR

1.2.1 Basic Product Offerings and T&Cs

1.2.2 Adaptability of Service Offerings

2.1.1 Network Quality

2.1.2 Network Scalability

2.1.3 Network Resilience & Redundancy

2.3.1 In-building

2.3.2 Outside Plant

4.1.1 Leverage

4.1.2 Profitability

4.2.1 Financial Track Record

4.2.2 Technical Track Record

4.2.3 Management Team

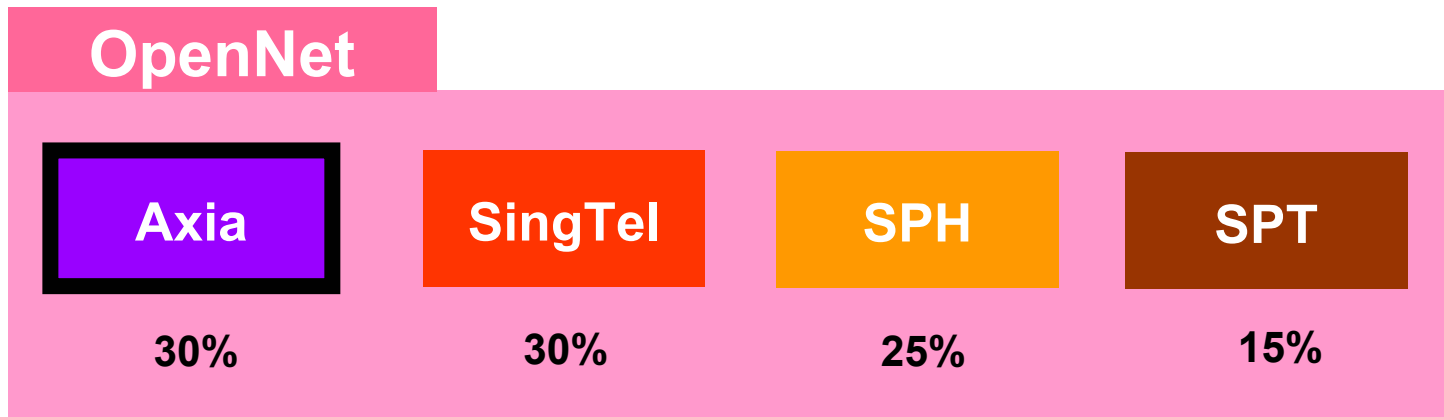
# 3

## Results of NetCo RFP Award

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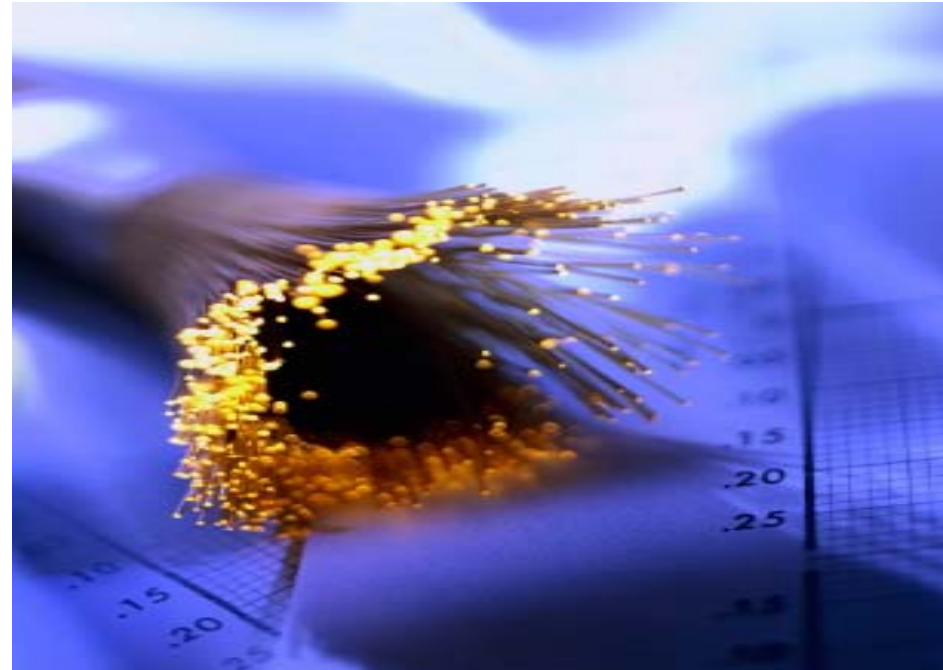
# OpenNet Selected as Next Gen NBN NetCo

> OpenNet selected as Next Gen NBN NetCo



# Highlights of OpenNet's Proposal

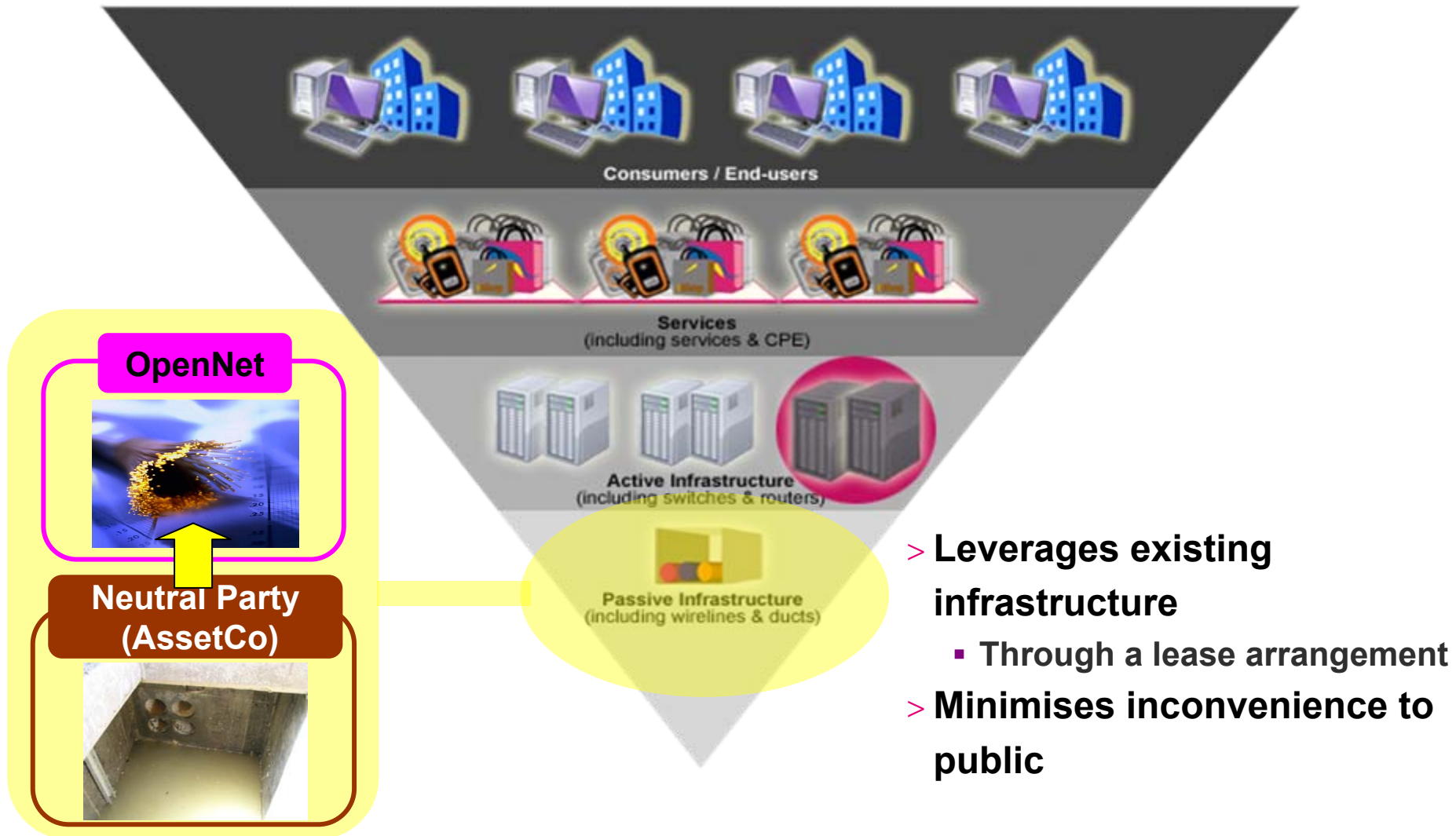
- > **New, all-fibre network to the homes and businesses**
- > **Future-proof, capable of supporting more than 1 Gbps**
- > **Leverage existing underlying passive infrastructure assets, such as ducts, manholes and exchanges**



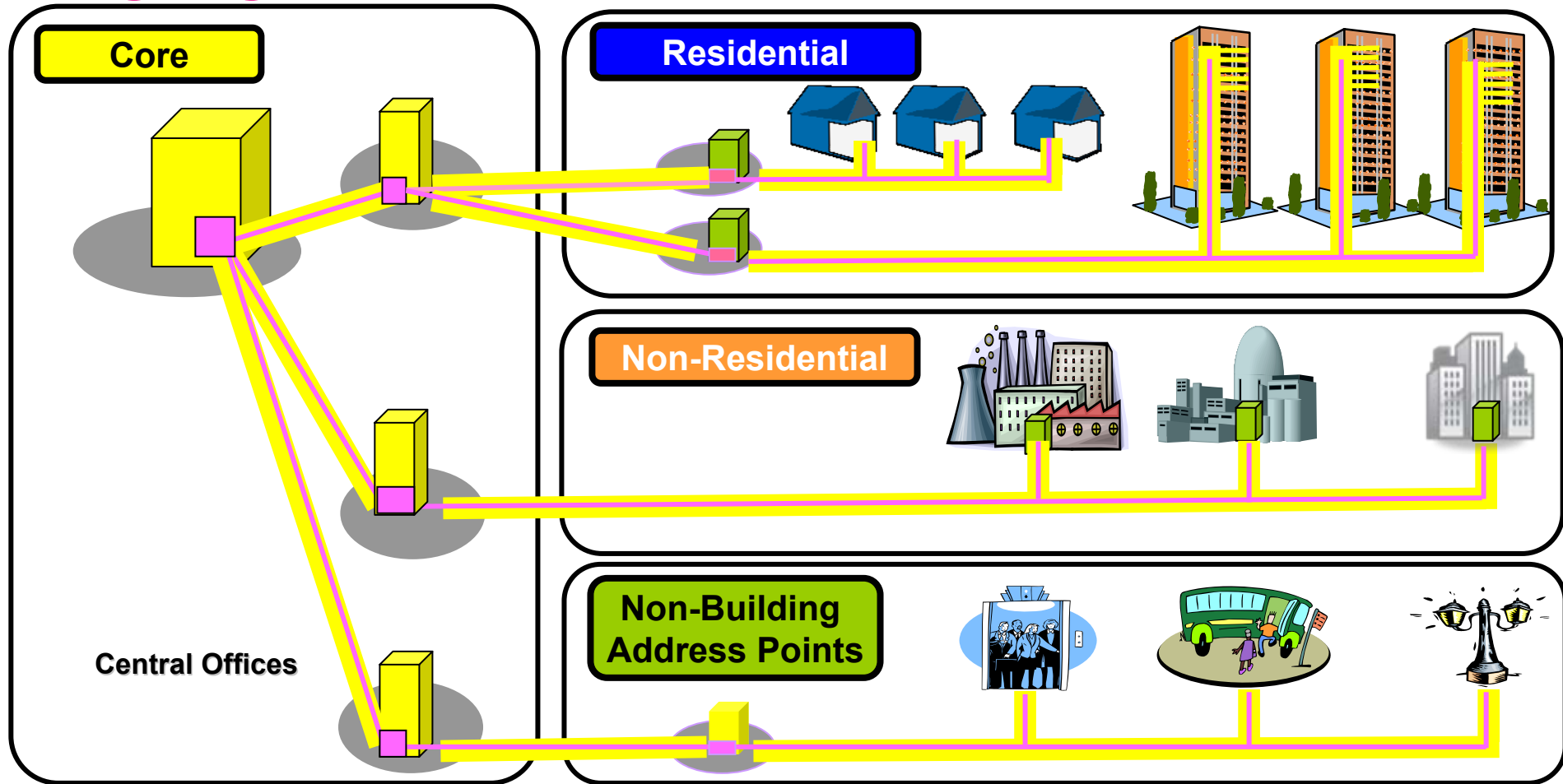


## Results of NetCo RFP Award

# Highlights of OpenNet's Proposal



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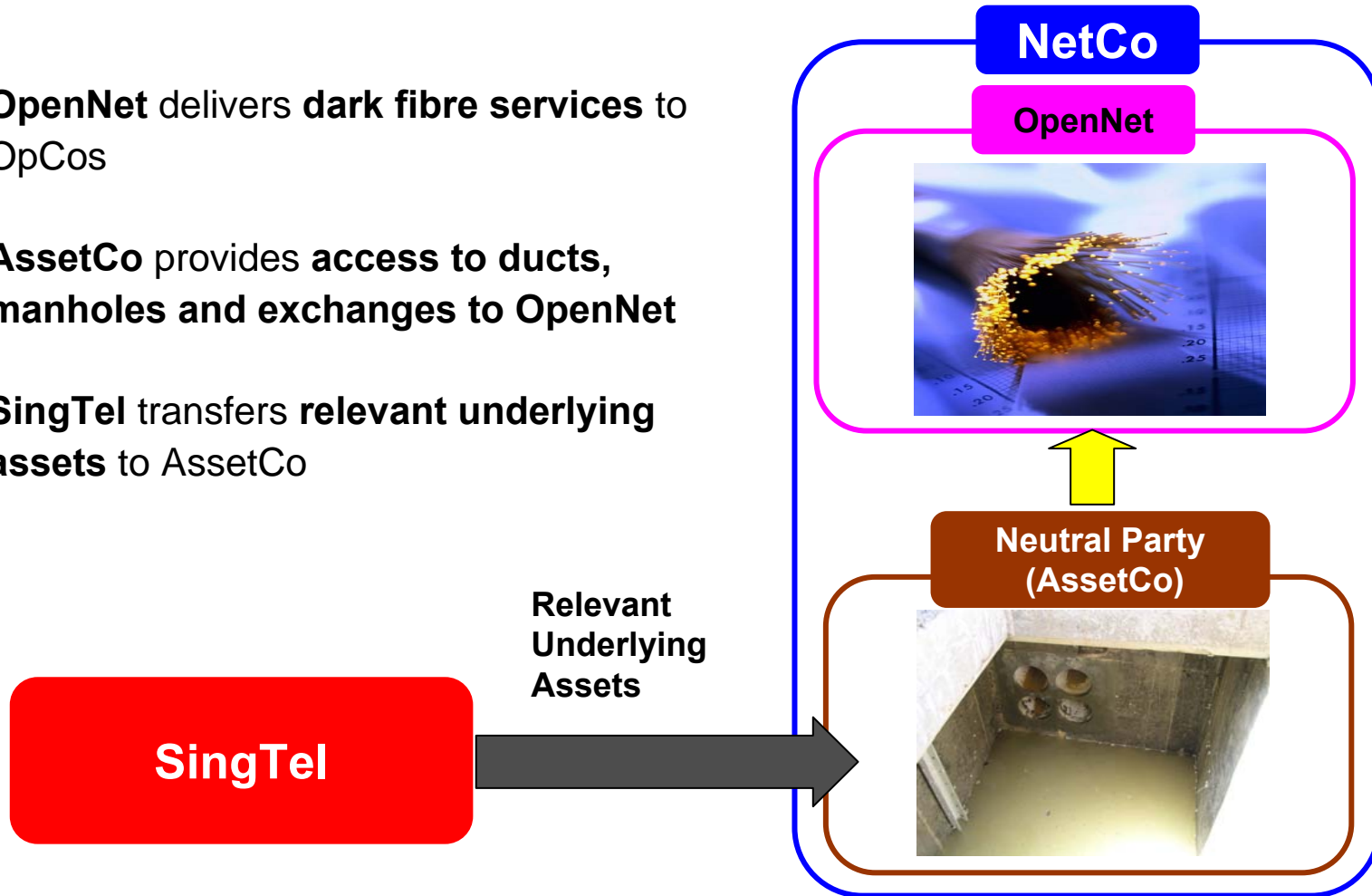
OpenNet owns Dark Fibre  
OpenNet controls co-location/duct space via Finance Lease with Neutral Party\*

Underlying Assets owned and controlled by Neutral Party, e.g. ducts, manholes and exchanges

\*Business Trust or equivalent structure approved by IDA

# Relationship between OpenNet and AssetCo

- > **OpenNet** delivers **dark fibre services** to OpCos
- > **AssetCo** provides **access to ducts, manholes and exchanges** to OpenNet
- > **SingTel** transfers **relevant underlying assets** to AssetCo

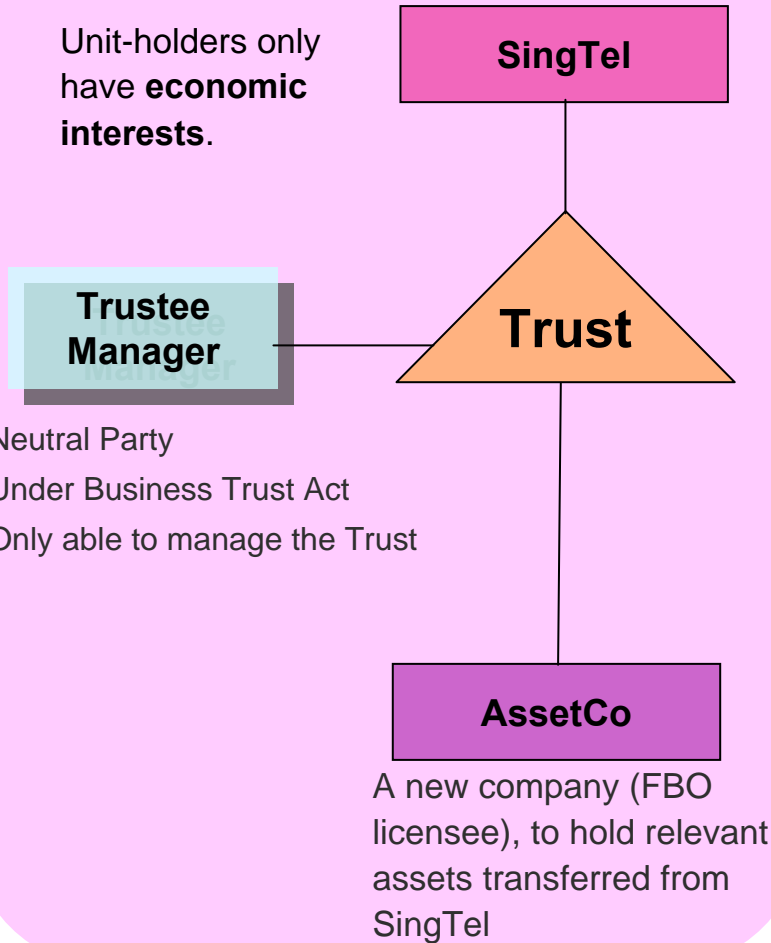


# Results of NetCo Award

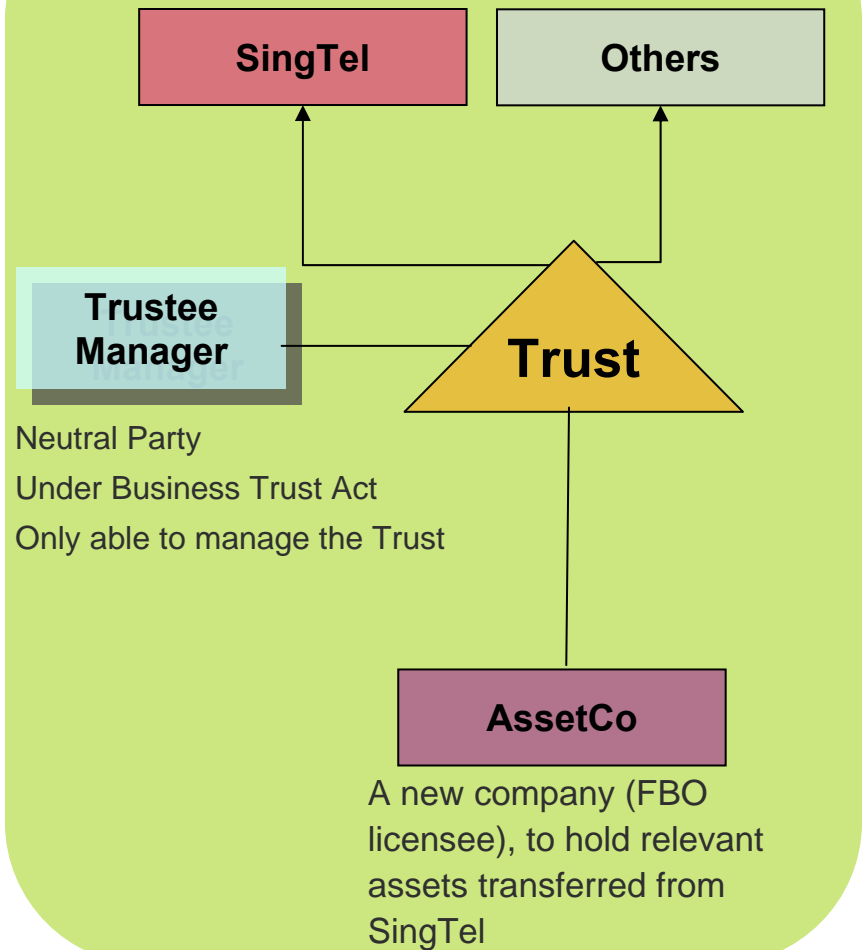
## An Example of Structure of AssetCo \*

Within 24 Months of CFC\*\*

Unit-holders only have **economic interests**.



Within 60 Months of CFC\*\*



\* Equivalent structures are possible, subject to IDA's approval

\*\* CFC – Contractual and Financial Close

# Highlights of OpenNet's Proposal

## Government Grant Available to NetCo

\$750 million

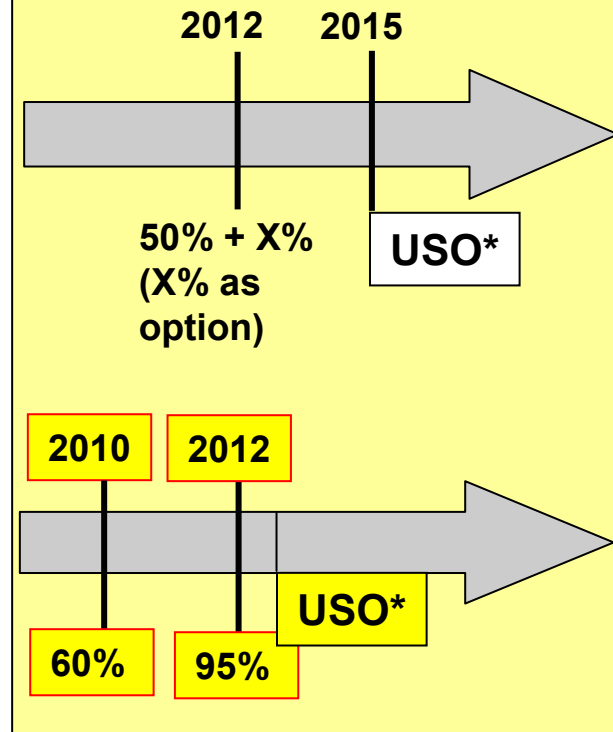
Grant Amount

**\$750M**

## Wholesale Prices for Residential & Non-Residential Connections to OpCos

	Effective Wholesale Price per month per fibre connection	
Residential	≤ \$25	<b>\$15</b>
Non-Residential	≤ \$75	<b>\$50</b>

## Network Coverage



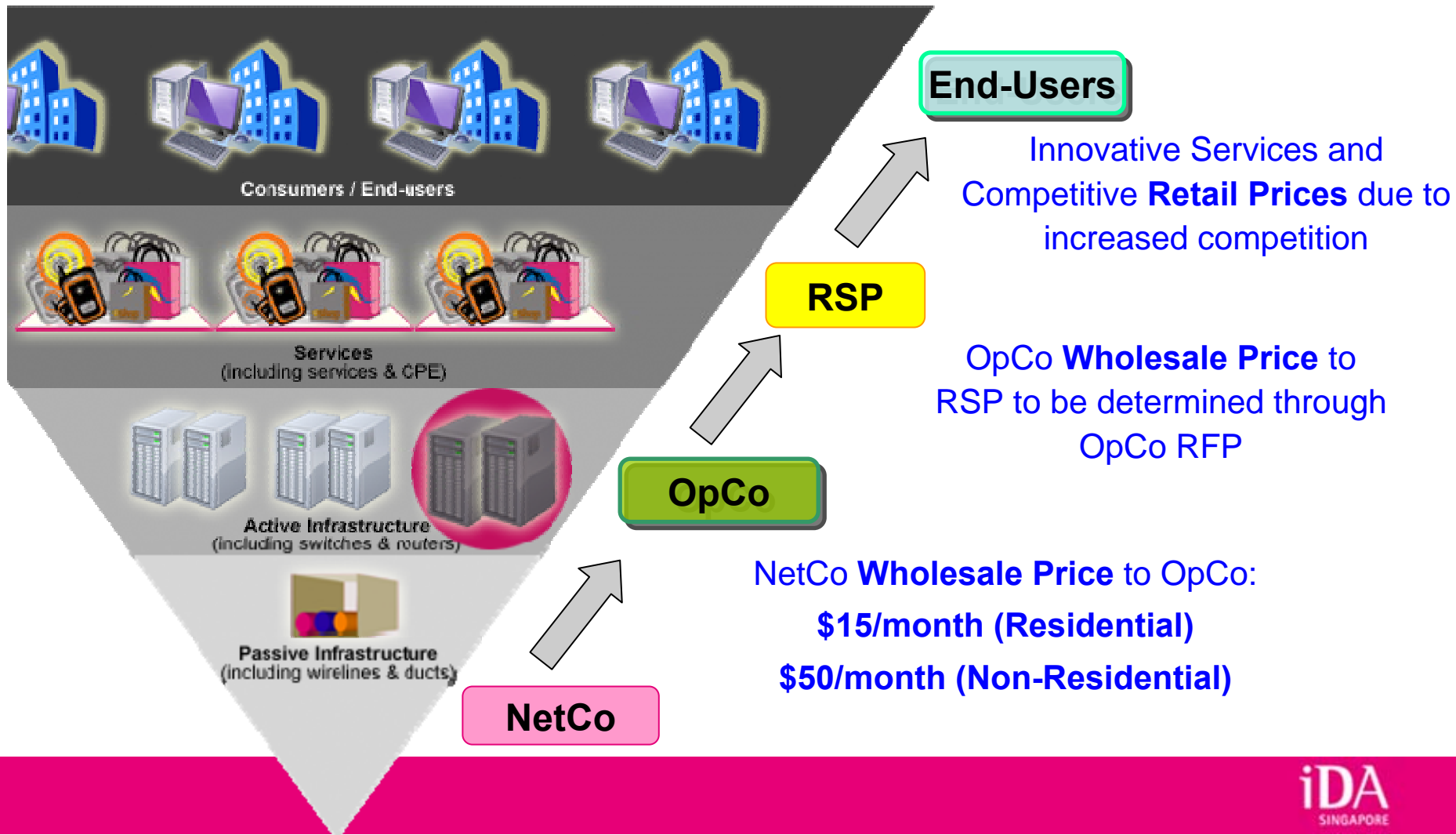
\* Universal Service Obligation



OpenNet's Proposal

## Results of NetCo RFP Award

# Highlights of OpenNet's Proposal

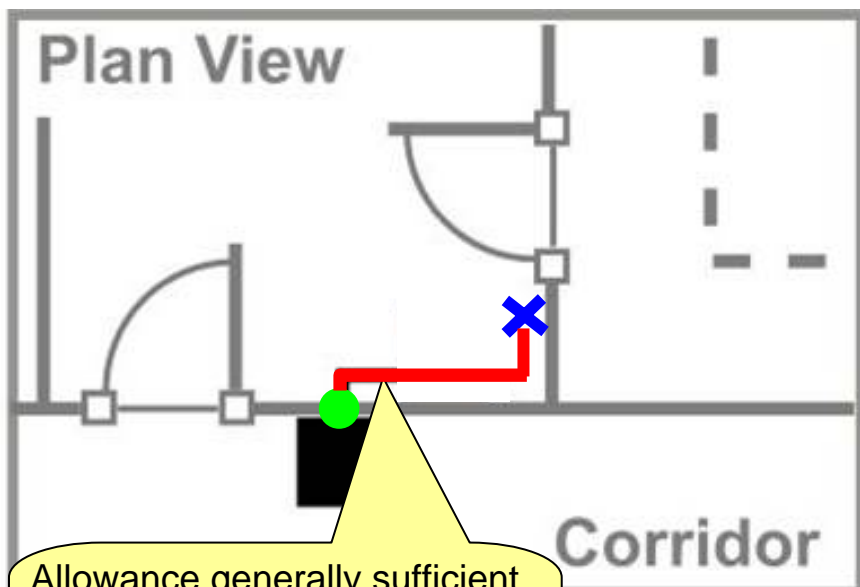




## Network Coverage

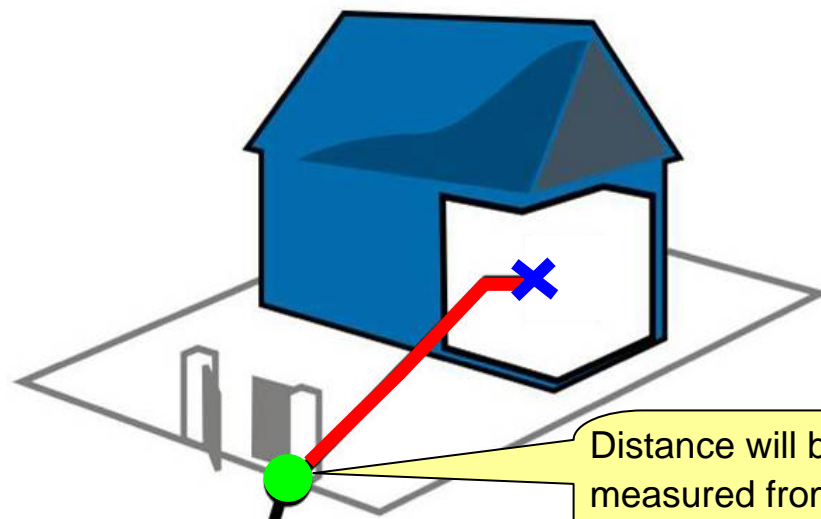
# First Termination Point to Residential Premises

### HDB Flats / Apartment



Allowance generally sufficient to install a termination point at a convenient location in living room

### Landed Property



- Point of entry
- $\leq 15$  metres
- ✕ First termination point

- > Each home/building owner will enjoy waiver of installation charges for the 1<sup>st</sup> termination point when the network first reaches his/her premise
  - Fibre installation (surface ducting) charges to 1st termination point will be waived for initial 15m (cost-oriented charges thereafter)

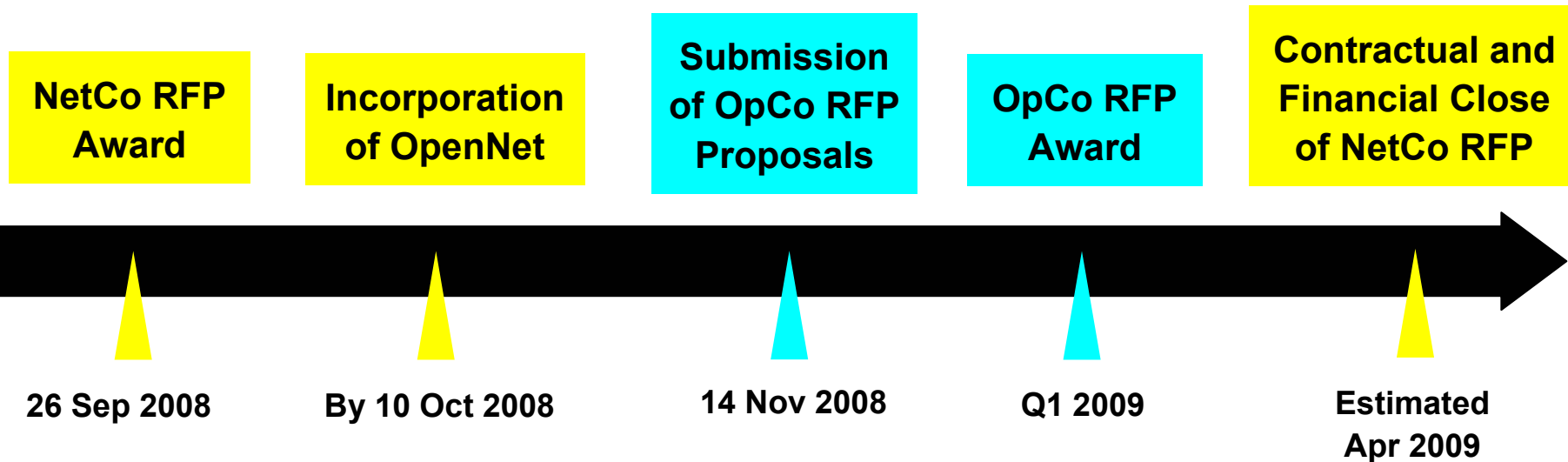
# Highlights of OpenNet's Proposal

## New, all-fibre end-to-end network

- > **Attractive Pricing for Consumers and Businesses**
  - Competitive wholesale prices translates to greater competition and choice for consumers
  
- > **Benefits Consumers Early**
  - Speedy and extensive network coverage
  - Businesses and consumers to enjoy NGNBN services and prices, and richer broadband experience early
  
- > **Coverage that is nationwide, with minimal disruption during roll-out**
  - NetCo network rollout leverages existing infrastructure

# Results of NetCo RFP Award

## Next Steps



# Summary

## Next Generation National Broadband Network:

- > **Ultra-high speed, up to 1 Gbps and beyond, all-fibre nationwide network**
- > **Connects all homes and businesses**
- > **Effective open access industry structure**
- > **Puts Singapore at forefront of global broadband developments**

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