

LICENCE APPLICATION GUIDELINES FOR THE PROVISION OF PUBLIC INTERNET ACCESS SERVICES IN SINGAPORE

1 INTRODUCTION

- 1.1 The progression to the information era and the convergence of information and communications technologies mean that the Internet will continue to play an important role in communications, the transfer of information and knowledge and electronic commerce in the future. As we move into the new century, the Internet will play an increasingly important role in facilitating Singapore's transition to a knowledge-based society.
- 1.2 Recognising this trend, the Telecommunication Authority of Singapore (TAS) has further liberalised the provision of public Internet access services in Singapore. With effect from 8 October 1998, TAS will accept applications from any interested party for a public Internet Access Service Provider (IASP) licence (hereafter referred to as "the Licence") to establish, install and maintain a public Internet access facility or system (hereafter referred to as "the System") to provide public Internet access services (hereafter referred to as "the Services") in Singapore.
- 1.3 TAS will also highlight to interested parties that an important consideration in TAS' evaluation of licence applications, and grant of the licence(s), will be the commitment to enhancing Singapore's Internet regional/global connectivity.
- 1.4 Parties interested in the provision of the Services are requested to read this document carefully and to submit their licence application to TAS in accordance with the guidelines stipulated.

2 SCOPE OF LICENCE

- 2.1 A party which is granted the IASP licence ("the Licensee") will be required to establish, install and maintain its System in Singapore. The Licence is strictly for the provision of public Internet access services only, as approved by TAS, and not for the provision of any public basic telecommunication services to the general public as elaborated in 2.2 and 2.3 below.
- 2.2 The Licensee shall not promote, offer or provide any public switched telephony service. A "public switched telephony service" shall include any basic telecommunication service deemed by TAS to be a public switched telephony service.

2.3 The Licensee shall not provide any basic telecommunication services which may or may not infringe on the exclusive rights granted to TAS' public basic telecommunication service licensees. Public basic telecommunication services include, but are not restricted to, the following:

- public switched telephone services;
- public switched message services;
- public switched Integrated Services Digital Network (ISDN) services;
- leased circuit services;
- public switched data services; and
- public radio-communication services (i.e. maritime and aeronautical radio-communication services)

3 LICENCE FEES PAYABLE

3.1 The Licensee shall pay the following amounts to TAS:

- (a) an initial one-time fee of S\$450,000 upon the grant of the Licence; and
- (b) an annual fee, which is 1% of the audited annual gross turnover (AGTO) of the Licensee, subject to a minimum of S\$10,000 per year.

3.2 The Licensee shall pay the initial one-time fee of S\$450,000 and an annual licence fee of S\$10,000 within 2 weeks of the grant of the Licence. TAS shall forfeit the fees payable if the Licensee withdraws its acceptance of the Licence after award of the Licence; or if the Licence is terminated or cancelled at any time during the term of the Licence.

3.3 For the first year of operation, the minimum annual licence fee of S\$10,000 paid upon the grant of the Licence, shall be adjusted at the end of the Licensee's financial year based on the Licensee's audited accounts submitted to TAS.

3.4 For subsequent years, the annual licence fee, based on the previous year's audited accounts, shall be paid in advance on the 1st day of the Licensee's financial year, subject to a minimum of S\$10,000. At the close of the Licensee's financial year, adjustments will be made based on the actual AGTO pertaining to the provision of public Internet access services achieved in the Licensee's financial year.

4 DURATION OF LICENCE

- 4.1 The Licence is valid for a period of 5 years. The Licence may be further renewed on a 3 yearly basis subject to such terms and conditions as may be specified by TAS.

5 COMPANY INCORPORATED IN SINGAPORE

- 5.1 The Licence will only be issued to a Company incorporated in Singapore under the Companies Act (Chapter 50).

6 GENERAL LICENCE CONDITIONS

6.1 Non-transferable Licence / Assignment or Disposal of Rights

- 6.1.1 The Licensee shall not assign, transfer, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges under this Licence to any person or persons, except with the prior approval of TAS. Any such approval shall be given subject to terms and conditions which TAS, at its discretion, may impose.

6.2 Use of Telecommunication Equipment in the System

- 6.2.1 Prior to the operation of the System, the Licensee shall in accordance with Section 30 of the TAS Act, submit for TAS' approval all telecommunication infrastructure, technology and any telecommunication equipment which are part of the System and which are to be connected to the public telecommunication networks.

6.3 Telecommunication Links Outside the Licensee's Premises

- 6.3.1 The Licensee shall not have the right to establish or provide any telecommunication links outside the Licensee's premises, whether by wire, cable, radio, fibre optics or otherwise, connecting the System to any other telecommunication system or equipment without the prior approval of TAS. This provision shall not apply to any internal link within the Licensee's premises connecting the various telecommunication equipment or systems within the Systems.
- 6.3.2 The Licensee shall subscribe and obtain these links from public telecommunication service providers licensed by TAS for this purpose.

6.4 Interconnection and Access

6.4.1 The Licensee shall have access, and shall provide access, to the systems operated by other telecommunication licensees including other public Internet access service provider(s) in Singapore. The terms and conditions of the interconnection and access shall be commercially negotiated between the Licensee and other telecommunication licensees and/or public Internet access service provider(s). In the event that the parties cannot reach an agreement, the matter shall be determined by TAS whose decision shall be final.

6.5 Price Control

6.5.1 TAS reserves the right to establish price control arrangements for the Services provided by the Licensee with which the Licensee shall comply.

6.5.2 TAS reserves the right to require the Licensee to maintain separate financial data and accounts for the Services and to submit on request these data and accounts to TAS for inspection.

6.6 Publication of Charges, Terms and Conditions

6.6.1 The Licensee shall publish information about the Services it provides, covering inter alia, descriptions and pricing of the Services available and the terms and conditions therefor and any other commercial and technical services.

6.7 Sale of Telecommunication Terminal Equipment

6.7.1 Where the Licensee desires to engage in the sale of telecommunication terminal equipment, the Licensee shall establish a separate company to do so provided that the company so established shall engage in the sale of such equipment only under the authority and in accordance with a licence granted by TAS under the TAS Act or any regulations made thereunder.

6.8 Resale of Internet Access Services

6.8.1 The Licensee shall be allowed to establish marketing and distribution schemes for the resale of the Services, subject to terms and conditions which TAS, in its discretion, may impose.

6.9 Codes of Practice

6.9.1 The Licensee shall comply with the Codes of Practice issued by TAS as well as any additional or supplemental guidelines which TAS may from time to time issue to the Licensee.

- 6.9.2 The following Code of Practice on Network and Customer Quality of Service (QoS) Standards sets out the minimum QoS standard which the Licensee shall comply with.

Parameter	QoS Standard
Network availability¹	over 99%
System accessibility²	
- Dial-up access	over 95%
- Leased-line access	over 99%
Service Activation Time from date of receipt of application	
- Dial-up access	3 working days or fewer
- Leased-line access	7 working days or fewer

6.10 Accounting Separation

- 6.10.1 The Licensee shall comply with the practice, principles and requirements set out in the Accounting Separation Guidelines

¹ Network availability is defined as the measure of the degree to which the Internet network is operable and not in a state of failure or outage at any point of time. It measures the total downtime of the network and its servers including the log-in server, e-mail facilities and connection to the Internet backbone over a month. All scheduled downtime for the purposes of maintenance and upgrading of the network system will be excluded from the calculation while all unscheduled downtime will be included.

² System accessibility measures the ease with which subscribers are able to access the network. IASPs will have to make 1 call at 10-minute intervals during the busiest hour for Internet usage everyday. System Accessibility will be calculated based on the number of calls that get through over the total number of calls made during the busy hour.

established by TAS, and any additional or supplemental guidelines issued by TAS from time to time.

6.11 Restriction on Undue Preference and Undue Discrimination

6.11.1 The Licensee shall not show undue preference towards, or exercise undue discrimination against any person or class of persons in, inter alia, the price and performance characteristics of the Services provided or the terms and conditions under which the Services are provided.

6.12 Restriction Against Anti-Competitive Arrangements

6.12.1 The Licensee shall not enter into any agreement or arrangement, whether legally enforceable or not, which shall in any way prevent or restrict competition in relation to the operation of the System or provision of Services by the Licensee or any other telecommunication system and/or services licensed by TAS.

6.12.2 The Licensee shall comply with TAS' Safeguards Against Unfair Practices/Conduct guidelines and TAS' Fair Practices/Conduct Guidelines for telecommunication service providers and any additional or supplemental guidelines issued by TAS from time to time.

6.13 Contracts with Third Parties to Operate System or Provide Services

6.13.1 Where the Licensee intends to enter into any joint venture, association, contract or arrangement with a third party, the effect or purported effect of which would be to permit a person who is not originally a party to this Licence to share in the benefits of, or otherwise gain any rights or privileges under this Licence, or which would otherwise result in a breach of circumvention of 6.1, the Licensee shall seek TAS' approval for the joint venture, association, contract or arrangement in question.

6.13.2 TAS may direct at any time the Licensee to effect any changes it deems necessary in the terms and conditions of the joint venture, association, contract or arrangement referred to above.

6.13.3 If the Licensee fails to effect the necessary changes referred to above, TAS may direct the Licensee to terminate any such joint venture, association, contract or arrangement.

6.13.4 Nothing in the above shall be construed as requiring the Licensee to obtain the approval of TAS for the appointment of agents or for the employment of independent contractors or sub-contractors to carry out any works or provide any services which enable the Licensee to discharge its duties and obligations under the Licence provided that the

Licensee shall be liable to TAS for any act, omission, default, neglect or otherwise of its agents and independent contractors or sub-contractors in carrying out any such works or providing any such services.

6.14 Electronic-mail Address Portability

6.14.1 The Licensee shall comply at its own cost with any guidelines established by TAS on electronic-mail address portability, to be implemented by the Licensee.

6.15 Ownership, Shareholding and Management Arrangements

6.15.1 The Licensee shall seek TAS' approval for the appointment of its Chairman, Board of Directors and Chief Executive Officer and shall provide details of its shareholding and management arrangements.

6.15.2 Any change in the ownership, shareholding and management arrangements shall be submitted to TAS for approval at least one month before such change is intended to be implemented.

6.16 Direction by TAS

6.16.1 The Licensee must strictly and without any undue delay comply with any directions which TAS may from time to time issue in exercise of its powers functions or duties under the TAS Act or in the Licence. TAS may by notice in writing to the Licensee amend, vary or revoke wholly or in part any directions given to the Licensee.

6.17 Provision of Information to TAS

6.17.1 The Licensee shall provide TAS with any documents or information within its knowledge, custody or control which TAS may by notice or direction require for the exercise of its functions and duties under the TAS Act.

6.17.2 In order to monitor the Licensee's compliance with the conditions of the Licence, TAS may also direct the Licensee to arrange at its own cost for a separate and independent audit of its activities. The Licensee shall, at TAS' request, submit to TAS the audited accounts and reports prepared for TAS' inspection.

6.18 Resolution of Disputes

6.18.1 In the event the Licensee fails to reach an agreement with other telecommunication licensees and/or public Internet access service provider(s) on matters relating to the requirements of this licence or the

TAS Act, the matter shall be determined by TAS whose decision shall be binding on all parties concerned. TAS reserves the right to levy a fee for work undertaken in this respect.

6.19 Co-operation with Civil/Public Bodies

6.19.1 The Licensee shall co-operate with the relevant Government ministries, departments, statutory boards or official agencies in all ways possible for the provision of national security and emergency services.

6.20 Content

6.20.1 The Licensee shall comply with such terms and conditions as may be imposed by the Singapore Broadcasting Authority for the content which is transmitted through the System.

6.21 Suspension or Cancellation of Licence

6.21.1 TAS may suspend or cancel the Licence in whole or in part and/or impose a fine in the event of a breach of any of the conditions of the Licence, including failure to comply with regulatory frameworks, guidelines and Codes of Practice.

6.22 Variation of Terms of Licence

6.22.1 TAS may vary or amend any of the terms of this Licence by giving the Licensee at least one month's notice in writing.

6.23 Compliance with the Law

6.23.1 The Licensee shall observe and comply with the TAS Act, the Radiocommunication Regulations, the International Telecommunication Convention and any other treaty or convention to which Singapore is a party.

6.23.2 Nothing in the Licence shall be taken as discharging the Licensee from its obligations to obtain any other licences, permits or approvals that may be required under any written law in force in Singapore.

6.24 Governing Law

6.24.1 The Licence shall be governed by and construed according to the law of Singapore

7 PERFORMANCE BOND

- 7.1 The Licensee shall, within 14 working days following the award of licence, provide TAS with a performance bond for a sum amounting to S\$ 1 million to secure the commitments of the Licensee with respect to its proposed plans to enhance Singapore's regional/global Internet connectivity.
- 7.2 TAS will specify in detail the terms and conditions of the performance bond for the Licensee based on the Licensee's proposed commitments as stated in the licence application and any additional terms and conditions deemed necessary by TAS. The Licensee shall not be released from any of its commitments by any breach or forfeiture of the performance bond.

8 INFORMATION REQUIRED IN LICENCE APPLICATION

- 8.1 Interested parties who wish to apply for the Licence shall submit to TAS the required information as outlined in Annex 1.
- 8.2 Where necessary, TAS may request applicants to provide additional information for the purposes of assessing the application.

9 APPLICATION PROCEDURE

- 9.1 The application should be addressed to:

The Director
Policy & Planning
Telecommunication Authority of Singapore
35 Robinson Road
TAS Building
Singapore 068876

Fax: (65) 3231486/96

- 9.2 Any enquiries concerning this licence application guidelines are welcome. Enquiries should be in writing and addressed to the Director (Policy & Planning).

Note:

- 1 This document has no legal standing and is not intended as a substitute for legal advice. While every effort has been made to provide an accurate and authoritative account of the IASP licence, the IASP licence to be granted to successful applicants will be the complete authoritative text.**
- 2 The information contained in this document is intended to assist interested parties in applying for the IASP licence. It does not bind TAS to grant any licence nor to the terms of any licence. TAS reserves the right to change its policies and/or to amend this document without prior notice.**
- 3 The grant of the IASP licence is at the sole discretion of TAS. TAS reserves the right not to accept any application submitted. TAS will undertake to explain to the applicant concerned, on the applicant's request, why the applicant is unsuccessful in its application for a licence.**
- 4 TAS reserves the right to disclose the identities of parties who have submitted applications. All other information received will be treated in confidence.**

[Updated 13 Sept 99]

Annex 1

INFORMATION REQUIRED IN IASP LICENCE APPLICATION

Applicants for the IASP licence shall provide the following information in their application to TAS:

1 Organisational Structure

1.1 Details of the proposed Licensee including:

- (i) a certified true copy of the Business Registration Certificate from the Registry of Companies and Businesses in Singapore if registered;
- (ii) detailed information on the proposed corporate and shareholding structure, including relationship with holding and related companies; and
- (iii) details of the proposed composition of the company's Board of Directors and key officers.

2 Service Offerings, Network Design and Plans to Enhance Singapore's Internet Regional/Global Connectivity

2.1 The applicant shall provide details of its proposed Services including tariff/pricing structure and QoS standards.

2.2 The applicant shall provide full details of its proposed overall network design and configuration (as outlined in Appendix 1) and its proposed plan to enhance Singapore's regional and international Internet connectivity. Details should include a schematic diagram showing the design/configuration of its proposed network and connectivity to destination countries and the connection speeds. The time schedule for the System to be rolled-out and regional/global connections to be established should also be provided.

3 Business Plan

3.1 The applicant shall provide a business plan, including a detailed financial plan, for the first 5 years of operation including a breakdown of the proposed capital expenditure; a projected profit and loss account including

details of revenue, budgeted cash flow statements, showing the amount of capital to be invested on an annual basis.

4 Correspondence

- 4.1 The applicant is required to provide an address, contact telephone and fax numbers, and the name of the contact person for correspondence with TAS.

Appendix 1

INFORMATION ON PROPOSED SYSTEM DESIGN AND CAPACITY FOR EACH OF THE FIRST 5 YEARS OF OPERATION

1)	Breakdown of number of individual users supportable via: (a) Dial-up connection (b) Leased circuit connection	
2)	Breakdown of number of network users supportable via: (a) Dial-up connection (b) Leased circuit connection	
3)	Disk storage size to be allocated for the following types of dial-up user: (a) Individual (b) Network	
4)	Number of dial-up modem ports (including modem speeds supportable) provided for the following types of dial-up user: (a) Individual (b) Network	
5)	Speeds for leased circuit connection supportable for network users	
6)	Speeds of international leased circuits for regional and global connectivity	
7)	Network design: (a) Network backbone speed (b) Network topology e.g. Ring, Bus (c) Types of network technology employed e.g. FDDI	