

Cable & Wireless’ response to the IDA consultation on the proposed amendments to SingTel’s Reference Interconnection Offer to offer connection services at submarine cable landing stations

I. Introduction

Cable & Wireless (“C&W”) welcomes the IDA’s decision to designate connection services at submarine cable landing stations (“Connection Services”) as an unbundled network service (“UNS”) under the Code of Practice for Competition in the provision of Telecommunications Services. C&W is pleased to submit its response on SingTel’s proposed amendments to its Reference Interconnection Offer to include the offer of these Connection Services as a UNS.

C&W notes that the IDA’s decision to designate Connection Services as a UNS is taken in the interest of facilitating competitive entry in the international facilities market in particular the self-provision of backhaul facilities in Singapore. Our comments in the paragraphs below are of specific relevance to the facilitation of competition in this market.

II. Schedule 4B – Submarine Cable Connection Service

Categories of Cable Systems

C&W notes that Cable Systems have been categorised into Groups A and B, where Group A cable systems are those on APCN2 and C2C; and Group B includes the APCN and SEA-ME-WE 3 cable systems. While C&W appreciates the fact that there would be terms and conditions of the Connection Service specific to the cable systems, C&W would submit to keep the categorisation of cable systems general. There would be other submarine cables landing in Singapore from time to time, e.g., I2I, EAC, etc., and the Customer should be entitled to Connection Services for accessing capacity that the Customer owns or has rights of use to, in any of the submarine cable systems.

Ordering and provisioning procedure

C&W supports the principle set out in Clause 3.1 that SingTel will provide the Connection Service to the requesting licensee on the same basis as it uses to provide the Connection Service to itself. The wording of Clause 3.1, however, only ties this principle into “the same criteria” as it uses for itself. This leaves SingTel’s actual commitment very unclear. C&W suggests that the words “same criteria” should be expanded/amended to include service levels, timing and priority for connection.

In relation to Clause 3.4(d), we are unclear what information, other than that set out in the form in schedule 4B is required. C&W suggests deleting 3.4(d) on the basis that all required information is categorised on the schedule 4B form.

Initial Capacity Order

C&W submits that no application charges should apply to the Connection Service (see section 4 below) and therefore Clause 4.3 should be deleted.

In addition C&W considers clause 4.4(a) is already covered in Clause 4.2(b). In addition, for the purposes of Clause 4.4, it should be clarified that a response from SingTel under Clause 4.2(a) will be deemed acceptance of an Initial Capacity Order (**ICO**) by SingTel.

For clarity, C&W suggests that Clause 4.6 is amended to read “SingTel shall advise the Requesting Licensee of the date of completion of the provisioning of the initial capacity (**ICO Date**)”.

Link Activation Request

Clause 5.4 states that the Requesting Licensee shall activate minimum of 80% of the links specified in the relevant ICO within 6 months of the ICO date or otherwise be liable to pay for 80% activation and ongoing charges on that 80%. C&W finds this unacceptable.

C&W is mindful of the fact that traffic forecasting helps provide an element of certainty in the planning and provisioning of capacity; but given weak market sentiments and a telecoms market now in flux, C&W proposes that a more ‘flexible’ approach be taken, where the Customer shall submit its order for capacity no less than [3 Calendar Months] prior to the date on which the capacity would be activated. This should provide a more accurate reflection of traffic demand from the Customer, and avoid the pitfalls of arbitrarily arriving at the (80%) figure for link activation.

C&W also finds objectionable the requirement to commit to a minimum 24-month capacity term in Clause 5.5. Given the fluid market environment, operating on a 12-month minimum term is now market practice. The more ‘aggressive’ players in the market may even work on the basis of a 6-month term commitment!

Capacity Activation Request

C&W's comments above on Clause(s) 5.4 and 5.5 on Link Activation is maintained and reiterated in Clause(s) 6.4 and 6.5.

Additional Capacity Order

Clause 7.2 currently provides that an operator needs to provide SingTel with no less than four months notice of a requirement for additional capacity. C&W believes this to be an unreasonably long notice period and suggests [one month's notice] as a practical alternative.

Clause(s) 8.4, 8.5, 9.4 and 9.5 are similar to the points made in Clause(s) 5.4 and 5.5. C&W's position above and comments on this are maintained.

Standard Terms and Conditions

In Clause 11.2(a) C&W proposes that the words "use reasonable endeavours to" are deleted. C&W considers that SingTel should be subject to an absolute obligation to provide the Connection Service in accordance with international industry standards. In addition, SingTel has an obligation to provide this service on no less favourable terms and conditions to comparable services that it provides to itself.

Suspension

C&W believes that some amendments are required to the suspension rights available to SingTel under clause 15. It is critical to other operators that this service is only suspended when it is essential to prevent actual network damage. C&W proposes that Clause 15.1 reads as follows:

"15.1 (a) SingTel may suspend the Connection Service, capacity or link at any time on giving notice to the Requesting Licensee if the Connection Service, capacity or link in respect of the Submarine Cable Landing Station causes physical or technical harm to SingTel's telecommunication network (including the SingTel Network). SingTel shall only suspend the elements of the Connection Service which are causing the physical or technical harm and shall notify the Requesting Licensee immediately of the suspension and the suspended elements.

15.2 (b) SingTel shall re-commence the complete Connection Service as soon as the Connection Service, capacity or link (as applicable) ceases to cause [and is not likely to cause, in the reasonable opinion of SingTel and the Requesting Licensee] physical or technical harm to SingTel's telecommunications network."

C&W also proposes that Clause 15.2 should be made subject to SingTel's compliance with 15.1(b), as proposed above.

Termination

SingTel must have a requirement to notify an operator of any termination pursuant to Clause 16.1. C&W submits that operators will be put in an unacceptable position if SingTel can terminate the service if it is "likely to cause physical or technical harm". This will leave operators with great uncertainty in relation to the service provision. Clause 16.1(e) effectively provides SingTel with the discretion to terminate the service or not. C&W proposes that the wording of the proposed Clause 15.1(a) above be mirrored in Clause 16.1(e). In addition if SingTel has elected to suspend the service pursuant to Clause 15.1(a), it will need to provide the Requesting Licensee with a specific time period (30 days) in which to resolve the issue before SingTel could terminate the Connection Service pursuant to Clause 16.1(e).

C&W proposes that the final sentence of Clause 16.4 be deleted. We believe that this unnecessarily restricts an operators rights under Schedule 4B.

III. Schedule 9 – Charges

Overriding C&W's comments on the structuring of the pricing in section 4.3 of Schedule 9 is C&W's concern that the level of the overall pricing for the Connection Service effectively facilitates competition in the international facilities market. C&W notes that no charges are set out in section 4.4 of Schedule 9. In order to enable other operators to effectively compete in the international facilities market, C&W believes that it is essential for operators to pay cost-based charges in order to facilitate competition on a "level-playing field".

C&W does not believe that it is appropriate for SingTel to charge an application fee for processing a request for a Connection Service, whether or not the request is approved or rejected. We do not consider that it is standard or acceptable commercial practise to charge any application fee in this situation.

In relation to clauses 4.3.3 – 4.3.7 inclusive, C&W submits that further clarification from SingTel on the definition of both "link" and "capacity" is required. We believe it is critical that these terms are defined in order to ensure that there is clarity for Requesting Licensees in understanding when

charges will apply. In addition, C&W believes that it needs to be clarified in clause 4.3.5 that a Requesting Licensee will not be double-charged for deactivation – in other words that in the event that a link is deactivated then an operator will not be charged for the associated capacity deactivation.

- IV.** C&W is pleased to submit the above for the IDA's consideration, and look forward to the IDA's decision in due course. C&W would welcome the opportunity to discuss any aspect of our submission on which the IDA requires further information or clarification. To this end, and in the event of any immediate queries regarding this, would you, in the first instance, please contact Ms Alexandra Ho at Tel: 6477-5860.

Thank you.
