

SCHEDULE 1

This Schedule 1 sets out IDA's decisions on the issues raised by SingTel in Section 2 of Annexure A of SingTel's Reconsideration Request.

1. The provision of Connection Services under Schedule 4B cannot be limited to equipment that are co-located within the submarine cable landing station

1.1 Paragraph 6.3.1.1 of Appendix Two of the Code requires the Dominant Licensee to provide Connection Services "at its submarine cable landing stations in order for Facilities-based Requesting Licensees to connect and access capacity on any submarine cable system landing at those submarine cable landing stations." IDA will clarify that nothing in Paragraph 6.3.1.1 limits the provision of Connection Services by the Dominant Licensee to equipment physically co-located at the Dominant Licensee's submarine cable landing stations.

1.2 IDA's position remains that if the Requesting Licensee wants to site its equipment outside of SingTel's submarine cable landing station (for example, in the Requesting Licensee's own site) and run an interconnection cable to SingTel's cable landing station to connect to the cable system, SingTel must not deny the Requesting Licensee connection to the cable system under Schedule 4B. IDA notes SingTel's comments that the Requesting Licensee's interconnection cable will have to be connected to the cable system at SingTel's submarine cable landing station and in this respect, the Connection Services will continue to be provided by SingTel at its submarine cable landing station (as provided for in Paragraph 6.3.1.1 of Appendix Two of the Code).

1.3 IDA has conditionally approved SingTel's proposal for the existing clauses 1.2 to 1.6 of Schedule 8 of SingTel's RIO to apply in the situation where a Requesting Licensee is seeking access to SingTel's submarine cable landing station for the purpose of running an interconnection cable to connect to the cable system. In this regard, IDA expects and requires SingTel to implement clauses 1.2 to 1.6 of Schedule 8 in good faith and in a timely manner.

2. The provision of Connection Services under Schedule 4B cannot be limited to existing Cable Systems

2.1 IDA has conditionally approved the process set out in clause 2.2 of the Proposed Schedule 4B to apply to access to new cable systems. In this regard, IDA expects and requires SingTel to implement the process in good faith and in a timely manner.

2.2 Additionally, IDA also reserves the right to require SingTel to propose amendments to Schedule 4B of its RIO, from time to time, for the purpose of specifying the applicable processes for access to new cable systems.

3. The forecasting, ordering, activation and de-activation processes and procedures in Schedule 4B are onerous and burdensome

3.1 The terms of the Dominant Licensee's RIO must be "just, reasonable and non-discriminating" (see Subsection 5.1.2 of the Code). IDA does not agree that SingTel's proposed forecasting, ordering, activation and de-activation processes and procedures, as currently drafted, are just and reasonable.

3.2 SingTel's proposal for ICO requires the Requesting Licensee to forecast requirements for a 6-months period. SingTel's proposal for ACO requires the Requesting Licensee to forecast requirements for a 6-months period, 4 months in advance. This effectively requires the Requesting Licensee to forecast up to 6 months in advance in the case of ICO and 10 months in advance in the case of ACO. In addition, SingTel requires the Requesting Licensees to commit to a minimum ICO/ACO link/capacity activation of 75%. IDA does not view this as reasonable since the international capacity market is dynamic and service providers are expected to react quickly to market changes in order to satisfy customer demands.

3.3 SingTel has claimed that the ICO and the ACO are ordering procedures and that the long lead-time of 6 to 10 months, as the case may be, is necessary for SingTel to procure and install cabling, patch cords and Digital Access Cross-connect System (DACS) capacities. However, IDA understands that any procurement of the equipment for the provision of Connection Services do not require extensive planning nor long procurement lead-times. Therefore, IDA does not see any compelling reason as to why the provision of Connection Services warrants the onerous and burdensome processes and procedures proposed by SingTel.

3.4 IDA has also received feedback that the requirement for forecasting of capacity on submarine cables is not in line with industry practice, as SingTel had claimed. IDA understands that the processes adopted in other countries such as Japan and the US, are generally activation and deactivation requests completed within a reasonably shorter timeframe than those that SingTel had proposed.

3.5 However, IDA recognises that SingTel may, in some instances, need to procure equipment and cabling for provision of Connection Services. IDA has therefore allowed provisions to deal with procurement where necessary and the lead-time in which SingTel will complete the procurement process, where appropriate.

3.6 Accordingly, IDA requires SingTel to remove the requirements for ICO and ACO. Instead, the Requesting Licensee need only submit requests for link and/or capacity activation and de-activation, as the case may be.

4. Pricing of Connection Services

- 4.1 IDA would also remind SingTel that under Appendix One of the Code (see Paragraphs 2.1.2 and 2.2.1 of Appendix One), the Dominant Licensee must apply the principles of Forward Looking Economic Costs (FLEC) and Long Run Average Incremental Costs (LRAIC) to develop its prices for Interconnection Related Services offered pursuant to its RIO. IDA notes that SingTel has not complied with the Code's requirement in developing the prices for Connection Services. For example, the calculation methodology for developing the pricing for Connection Services should be based on the economic lifespan of the equipment in use.

- 4.2 In this respect, IDA does not agree with the manner of calculation proposed by SingTel in its letter of 24 May 2002 and IDA reserves the right to require SingTel to amend the prices accordingly to ensure that FLEC/LRAIC principles are complied with when developing the prices for Connection Services.

SCHEDULE 2

IDA ANNOTATION OF THE PROPOSED SCHEDULE 4B

