

2 August 2002

Mr Andrew Haire  
Senior Director (Regulation & Operations)  
Info-communications Development Authority of Singapore

Dear Mr Haire

**DIRECTION OF THE INFO-COMMUNICATIONS DEVELOPMENT AUTHORITY  
OF SINGAPORE (IDA): AMENDMENTS TO SINGTEL'S REFERENCE  
INTERCONNECTION OFFER**

1. We refer to your letter of 26 July 2002 and the accompanying direction (**Direction**) issued pursuant to section 27(1) of the Telecommunications Act (Chapter 323) and condition 34.1 of SingTel's Licence to provide Facilities-Based Operations issued on 1 April 1992.
2. In this letter and the accompanying attachments:
  - (a) SingTel responds to the issues raised in Schedule 1 of the Direction, as set out in Attachment A;
  - (b) SingTel submits for approval a revised Proposed Schedule 4B in the form of Attachment B in accordance with the Direction (subject to paragraphs (c) and (d) below);
  - (c) SingTel provides certain clarifications in relation to the terms and conditions on which the designated Connection Service is to be provided, for the IDA's approval as set out in Attachment C; and
  - (d) SingTel requests a reconsideration of a part of the Direction in accordance with clause 1.5.9 of the Code of Practice for Competition in the Provision of Telecommunication Services (**Code**) as set out in Attachment D.



3. We look forward to the IDA's approval of Schedule 4B in the form of the attached.

Yours sincerely

Sean Slattery  
Director  
Regulatory and International Affairs

Encl.

## ATTACHMENT A

### RESPONSE TO IDA SCHEDULE 1 OF THE DIRECTION

1. **The provision of Connection Service under Schedule 4B cannot be limited to equipment that are co-located within the submarine cable landing station**
  - 1.1 SingTel notes the IDA's conditional approval of SingTel's amendments to the RIO requiring the Requesting Licensee to either obtain Co-Location Space under Schedule 8D or under the procedure set out in clause 1.2 to 1.6 of Schedule 8 in order to be provided with the Connection Service.
  - 1.2 SingTel has also made amendments to Schedule 4B to allow for the provision and activation of the Connection Service while the Requesting Licensee is in the process of obtaining co-location space. Please note that in the clarification (Attachment C), SingTel has clarified that if such co-location space is not obtained (eg due to the rejection of the application), then SingTel has the right to terminate the provision of the Connection Service under Schedule 8D.
2. **The provision of Connection Services under Schedule 4B cannot be limited to existing Cable Systems**
  - 2.1 SingTel notes the IDA's approval of clause 2.2 of Schedule 4B and the IDA's comments.
3. **The forecasting, ordering, activation and de-activation processes and procedures in Schedule 4B are onerous and burdensome**
  - 3.1 SingTel is disappointed with the IDA's decision in relation to the activation procedures under Schedule 4B.
  - 3.2 As set out in our earlier comments, SingTel disagrees that the previous version of Schedule 4B contained forecasting procedures. SingTel also believes that international practices cited by other operators mistook the connection services for the activation of capacity on submarine cable systems. The two processes are clearly different and should not have been confused. SingTel believes that the process as

previously drafted provided Requesting Licensees with certainty and was consistent with international practice.

3.3 Nevertheless, SingTel has redrafted Schedule 4B to accommodate the IDA's comments, subject to the minor clarifications set out in Attachment C. SingTel notes the IDA's comments regarding procurement and we have included amendments in Schedule 4B to provide for this allowance.

#### 4. **Pricing of Connection Services**

4.1 SingTel disagrees with the IDA's comments regarding the pricing of the Connection Services. SingTel firmly believes that the prices for the Connection Service are calculated in accordance with the methodology required by the Code.

4.2 The IDA has only provided one example of where it believes the pricing departs from the requirements of the Code. SingTel disagrees with the implication contained in the Schedule 1 of the Direction that the pricing for the Connection Services is not based on the economic lifespan of the equipment in use. SingTel believes that the IDA has incorrectly interpreted the economic lifespan of the equipment used for the Connection Service.

4.3 The economic lifespan of the equipment reflects the longevity of its use by a Requesting Licensee and the reasonable potential for re-use by SingTel or another Requesting Licensee.

4.4 Firstly, the prices submitted by SingTel are not limited to use over the minimum 12-month period. SingTel has not attempted to confine the economic lifespan to the absolute minimum.

4.5 Furthermore, the equipment used by SingTel in providing the Connection Service is specifically configured for each Requesting Licensee. Given this specific configuration requirement, there is no or only a remote prospect of re-use by SingTel or by another Requesting Licensee of the equipment in use. This should then be reflected in the economic lifespan of the equipment and hence the pricing of the Connection Service.

4.6 If the IDA has other concerns about the calculation of the charges based on the requirements of the Code, then SingTel seeks the IDA's further and complete reasons



for its decision in section 4 of Schedule 1 of the Direction. If the IDA amends the prices for the Connection Service, SingTel reserves its rights under the Code.

## ATTACHMENT C

### CLARIFICATIONS IN SCHEDULE 4B

#### 1. **Process of obtaining co-location space**

- 1.1 In clauses 2.2 and 3.4, SingTel has accommodated the IDA's comment regarding Requesting Licensees who are in the process of obtaining Co-Location Space under the relevant Schedule of the RIO Agreement.
- 1.2 SingTel has clarified in clauses 9.1(c) and 11.1(d) that if such Co-location Space is not obtained within 90 days of the first Request for Connection Service in respect of that space by the Requesting Licensee, then SingTel has the right to terminate the provision of the service.
- 1.3 SingTel believes that this clarification is necessary to ensure that the relevant and necessary licence to access Co-Location Space is applied for and obtained in good faith by Requesting Licensees. SingTel believes that a 90-day period provides adequate time for this space to be obtained.

#### 2. **Processing time for activation requests**

- 2.1 SingTel has accommodated the IDA's comments regarding the activation procedures in clause 4. However, the processing time in clause 4.1 is inadequate (even if no procurement is required) due to the removal of the ICO procedure.
- 2.2 SingTel submits that a 30 Business Day period is required to process activations based on the preparatory and implementation activities involved to provision the request. SingTel also believes that the 30 Business Day period is preferred to a "calendar month" because the monthly period does not take into account public holidays which may occur in a particular month. The specification of periods in Business Days is also preferred throughout the RIO.

#### 3. **Deactivations**

- 3.1 SingTel has made amendments to clause 5 regarding deactivations. SingTel has simplified the deactivation process arising from the combination of the deactivation forms.



#### 4. **Term and Termination**

- 4.1 SingTel notes that expiry of the term in clause 9 and the termination right in clause 11.1(d) are unclear. Both relate to the termination of the licence to the relevant Co-Location Space.
- 4.2 SingTel has clarified the two rights by linking the expiry to the issue of a notice by SingTel under clause 11.1(d). This clarification is necessary to ensure that there is no confusion about the term of the service.

## ATTACHMENT D

### REQUEST FOR RECONSIDERATION

#### 1. **Licensing of third parties**

- 1.1 In Schedule 2 of the Direction under clause 1.3, the IDA disagrees with SingTel's proposal that third parties, as referred to in that clause must be licensed by the Authority and requirements amendments to that clause accordingly.
- 1.2 SingTel disagrees with the IDA's assessment of this issue and SingTel seeks the IDA's reconsideration of this aspect of the Direction in accordance with clause 1.5.9 of the Code.
- 1.3 SingTel does not understand how a third party which owns capacity on a Cable System landed in Singapore could legally be provided with a backhaul service by the Requesting Licensee without that third party having a licence. SingTel's understanding of the licensing requirements in Singapore is that a person owning cable capacity and making use of a backhaul service for a commercial purpose would require a licence in Singapore.
- 1.4 If such a licence is then required, SingTel does not believe it can participate in the illegality being promoted by the third party and the Requesting Licensee: namely the provision of a Connection Service in respect of an unlicensed third party. SingTel does not believe this promotion of illegal activity should be permitted. We therefore seek the IDA's reconsideration of this issue.
- 1.5 For the purposes of that reconsideration, SingTel has retained our drafting of clause 1.3(b). During the reconsideration, SingTel seeks the IDA's forbearance on the enforcement of the Direction in relation to that clause.



2. **Pricing**

- 2.1 As discussed in Attachment A, SingTel disagrees with the IDA's comments regarding the pricing of the Connection Services. SingTel firmly believes that the prices for the Connection Service are calculated in accordance with the methodology required by the Code.
- 2.2 If the IDA amends the prices for the Connection Service, SingTel reserves its rights under the Code.