SCHEDULE A

GENERAL CONCERNS

This Schedule identifies IDA's General Concerns regarding SingTel's proposed Reference Interconnection Offer ("RIO"). SingTel must make changes throughout the proposed RIO to address these General Concerns.[*]

1. The proposed RIO does not impose mutual rights and obligations on the two Licensees.

An Interconnection Agreement provides the prices, terms and conditions on which two Licensees will co-operate with each other. *See* Code § 4.1.2. Consequently – except for those situations in which the Code imposes a duty solely on the Dominant Licensee – the RIO generally should impose mutual rights and obligations on both the Dominant and Requesting Licensee. The standards to which the two Licensees should be subject generally should be the same.

The proposed RIO frequently provides that SingTel alone will have certain rights, whilst the Requesting Licensee alone will have certain obligations. For example, SingTel alone has the right to suspend or terminate the RIO Agreement, whilst the Requesting Licensee alone has the obligation to provide information necessary to facilitate interconnection. Similarly, the proposed RIO often requires SingTel to make only "reasonable endeavours", whilst requiring the Requesting Licensee to make "best endeavours". SingTel must modify the proposed RIO to provide that, where appropriate, both Parties will have mutual rights and obligations. In implementing this modification, SingTel should bear in mind that the Requesting Licensee will not only be purchasing IRS from SingTel, it will be providing origination, transit and termination services to SingTel. Moreover, in those cases in which it is appropriate to establish a standard of performance, both Licensees generally should be subject to a duty of "reasonable endeavours".

2. The proposed RIO leaves too many aspects of the Licensees' relationship to SingTel's discretion, rather than providing objective standards.

The RIO must contain a "comprehensive and complete" statement of the proposed agreement between the Licensees. Code § 5.3.2. The proposed RIO repeatedly seeks to vest SingTel with the discretion to impose additional requirements that it deems necessary (such as requiring the Requesting Licensee to provide additional information) or take actions based on its unilateral determination (such as refusing to provide service if SingTel is "not satisfied" with information provided by the Requesting Licensee). Whilst IDA does not expect SingTel to anticipate every possible situation, SingTel must revise the proposed RIO so that, to the maximum extent feasible, it contains reasonable and objective standards that will provide the basis for SingTel's

[*] To assist SingTel, IDA has sought to identify, in its Annotation to SingTel's proposed RIO, all provisions that SingTel must modify in order to address IDA's General Concerns. However, even if IDA has conditionally approved a provision, SingTel must modify the provision if doing so is necessary to address the General Concerns identified in this Schedule.

decision making. In addition, the RIO must provide that, whenever it imposes an obligation or rejects a Requesting Licensee's request, SingTel will provide a reasonable explanation to the Requesting Licensee.

3. The proposed RIO leaves too many terms for negotiation between the Licensees.

The obligation to provide a "comprehensive and complete" statement of the proposed agreement between the Licensees is intended to ensure that, if the Requesting Licensee accepts the RIO, no further negotiations will be required. Rather "further discussions will be limited to implementing the accepted prices, terms and conditions". Sub-section 5.3.2 of the Code further provides that "[s]uch discussions should generally last no more than 30 days". The proposed RIO leaves numerous issues for post-acceptance "negotiation". SingTel must revise the RIO to limit, to the maximum extent feasible, the need for post-acceptance discussions. Where appropriate, SingTel should provide a "menu" of standard IRS options from which a Requesting Licensee may choose.

4. The proposed RIO contains provisions that are not commercially reasonable.

The terms of any Interconnection Agreement must be "just, reasonable, and non-discriminating". Code § 5.1.2. Whilst there is no precise test for determining when a provision is commercially reasonable, if any provision that is unduly one-sided, unduly burdensome or inadequate to achieve the goals of the Code, it plainly fails the test. In seeking to determine whether a term is commercially reasonable, it is often relevant to consider the terms on which SingTel provides comparable services to itself, its affiliates and its large business customers. SingTel must modify all provisions in the proposed RIO that do not meet the test of "commercial reasonableness".

5. The time frames in the proposed RIO for actions that SingTel must take are too long.

In order for the RIO to be "just, reasonable, and non-discriminating", Code § 5.1.2, the timeframes specified for SingTel to complete a given task should be no longer than reasonably necessary for SingTel to complete that task. In no case can the timeframe be any longer than the time that SingTel requires to provide comparable services to itself or its affiliates. *See* Code § 5.3.5.1.

Some timeframes contained in the proposed RIO do not appear to meet the standard of reasonableness. SingTel must carefully review all timeframes specified in the proposed RIO and, where appropriate, reduce them to the extent necessary to meet the standard specified above. IDA is particularly concerned about the stringent limits on the number of applications or orders for IRS that SingTel is willing to process each day or week. SingTel must deploy adequate personnel to meet the demand for IRS in a commercially reasonable manner. SingTel may recover the reasonable costs of meeting such demand through cost-based, non-discriminatory charges.

6. The proposed RIO impermissibly seeks to limit Licensees from taking actions that would "adversely affect" SingTel, rather than limiting the restriction to actions that would result in "physical or technical harm" to SingTel's network.

The Code makes clear that SingTel may require Requesting Licensees to take measures that will prevent physical or technical harm to SingTel's network. *See* Code § 5.3.2(d). The proposed RIO seeks to impose a broader standard that would allow SingTel to bar Licensees from taking actions that could "adversely affect" SingTel's network. SingTel must revise the proposed RIO to comply with the standard specified by the Code.

7. The forecasting provisions contained in the proposed RIO imposes a disproportionate share of the risk on the Requesting Licensee.

In order for the terms of any RIO Agreement to be "just, reasonable, and non-discriminating", Code § 5.1.2, the RIO must provide for a fair sharing of risk between SingTel and the Requesting Licensee. This includes a fair sharing of the risk that results from uncertainty regarding the level of interconnection capacity that SingTel can provide and the Requesting Licensee requires. The proposed RIO does not satisfy this standard. The proposed RIO requires a Requesting Licensee that seeks physical interconnection to provide SingTel with detailed forecasts concerning its demand for interconnection capacity. SingTel, however, can refuse to provision the requested interconnection capacity to the extent that it "considers" that the forecast is "unreasonable". This refusal can continue until the disagreement is resolved – either through direct negotiation or a potentially time-consuming Dispute Resolution Procedure. This creates a significant incentive for SingTel to reject the forecast provided by the Requesting Licensee. Moreover, even after the Licensees reach agreement regarding the interconnection capacity that SingTel is to provide, the Requesting Licensee has no remedy if SingTel fails to provide the requested capacity. By contrast, once the Licensees have reached agreement, the Requesting Licensee is subject to significant penalties if its actual usage falls more than 10 percent below the level contained in the forecast.

SingTel must modify the proposed RIO in a manner that provides incentives for SingTel to provision the interconnection capacity that the Requesting Licensee requires, whilst providing incentives for the Requesting Licensee to realistically forecast its anticipated demand. Specifically, the revised RIO must provide that: (a) the Requesting Licensee will provide reasonable forecasts of its interconnection capacity requirements; (b) SingTel will have the right to challenge any forecast that, acting in good faith, it considers unreasonable; (c) if SingTel believes a forecast is unreasonable, it will provision the portion of the requested interconnection capacity that SingTel agrees is reasonable, pending resolution of negotiations or a Dispute Resolution Procedure; (d) if, after the Licensees resolve any dispute regarding the forecast, the Requesting Licensee's actual usage of interconnection capacity is less than 80 percent of the forecast usage, the Requesting Licensee will pay liquidated damages equal to the difference between its payments and 80 percent of the charges that it would have paid had its actual usage equalled the forecast level; and (e) if SingTel is unable to provision at least 80 percent of the

agreed upon forecast capacity, SingTel shall pay compensatory damages to the Requesting Licensee. SingTel may propose a reasonable measure of liquidated damages.

The proposed RIO also requires the Requesting Licensee to provide separate forecasts for "network capacity". If the Requesting Licensee provides adequate information regarding its need for interconnection capacity, such network capacity forecasting does not appear necessary and could require the Requesting Licensee to disclose competitively sensitive information. Moreover, to the extent this requirement would obligate Requesting Licensees to project the changes that SingTel would need to make to its network, it is not feasible. Unless SingTel can provide an adequate justification for requiring separate forecasting regarding network capacity, it must delete this requirement.

8. The proposed RIO requires the Requesting Licensee to bear a disproportionate share of the risk of service decommissioning.

The proposed RIO contains provisions governing the situation in which SingTel decides to decommission a facility used to provide an IRS. IDA recognises SingTel's right to decommission facilities. (IDA also notes that, under sub-section 7.2.2.2 of the Code, it would constitute a contravention for SingTel to decommission a facility for the purpose of disrupting a competing Licensee's service or raising its costs.) However, the proposed RIO would unreasonably impose a disproportionate share of the risk of decommissioning on the Requesting Licensee. Because of the importance of Physical Interconnection, SingTel must amend the proposed RIO to provide that it will not decommission a Point of Interconnection (such as an Interconnection Gateway), until it provides the Requesting Licensee with a reasonable substitute. In all other cases, if SingTel decommissions an IRS or wholesale service, SingTel must use reasonable endeavours to assist the Requesting Licensee in migrating to a substitute service. In all cases, SingTel must take reasonable measures to minimise disruption in the provision of service to End Users.

9. The proposed RIO's provisions regarding suspension and termination are do not comply with the Code.

IDA recognises that SingTel has the right to suspend or terminate a RIO Agreement in the event that the Requesting Licensee materially breaches or fails to satisfy a material condition. However, as currently drafted, the proposed RIO contains numerous provisions that would allow SingTel to terminate the RIO Agreement for trivial or inappropriate reasons. SingTel must eliminate all such provisions. In addition, SingTel must modify the proposed RIO to make clear that, if it believes that a Licensee is acting in an unlawful manner, SingTel will notify IDA and comply with IDA's direction or guidance. As IDA has previously noted, the Authority – not SingTel – has the right to determine when a Licensee is acting unlawfully.

In addition, SingTel must make several procedural changes to the suspension and termination provisions contained in its proposed RIO. First, SingTel must provide that, in any case in which it believes the Requesting Licensee is in breach, SingTel will provide notice – and a reasonable

opportunity to cure the breach – before seeking to suspend or terminate the RIO Agreement. Second, SingTel must modify the proposed RIO to comply with sub-section 4.4.3 of the Code, which provides that: "Every Interconnection Agreement must . . . provide that any unilateral suspension or termination, unless by operation of law, will only become effective when, and to extent that, it is approved by IDA".

10. The proposed RIO improperly terminates RIO Agreements by 30 September 2003.

SingTel appears to have misconstrued the relationship between sub-section 5.3.2(p) and sub-section 5.3.5.8 of the Code. Sub-section 5.3.2(p) directs the Dominant Licensee to propose a duration period for any *RIO Agreement*. By contrast, sub-section 5.3.5.8 states that the prices, terms and conditions contained in the initially approved *RIO* will be effective until three years after the effective date of the Code (29 September 2003). IDA did not intend for sub-section 5.3.5.8 to allow SingTel to terminate all RIO Agreements on 29 September 2003. Rather, IDA intended for this provision to mean that, after 29 September 2003, RIO Agreements would continue in force, but that IDA could allow SingTel to modify those agreements to reflect changes made in the RIO as a result of the triennial Regulatory review required by sub-section 1.5.5.1 of the Code. This reading is confirmed by sub-section 1.6 of Appendix Two of the Code, which provides that, after 29 September 2003, IDA will take one of several actions that could modify prices, terms and conditions contained in the RIO or eliminate SingTel's obligation to provide certain IRS.

SingTel, however, apparently has construed sub-section 5.3.5.8 to mean that all RIO Agreements can terminate by 29 September 2003. This approach would have significant adverse consequences. Requesting Licensees require a reasonable degree of business certainty. In particular, they must know that they will be able to have access to IRS for a reasonable minimum period of time. Whilst some Requesting Licensees might accept the RIO immediately, fewer and fewer would be able to do so as the 29 September 2003 date draws closer.

The pricing structure contained in the proposed regime would exacerbate the problem. As currently written, the proposed RIO apparently would require the Requesting Licensee to assume the up-front costs of provisioning new IRS, but would not permit Requesting Licensees to continue to obtain most IRS after 29 September 2003. In practice, this would deter Requesting Licensees from seeking to obtain IRS as 29 September 2003 draws closer. An example illustrates the problem. Assume a Requesting Licensee accepts the RIO in January 2003 and requests construction of a new loop. Under the proposed RIO, the Requesting Licensee would have to pay up-front charges to SingTel for constructing the new loop, only to have its right to use the loop terminate on 29 September 2003.

The proposed RIO must contain an approach that meets Requesting Licensees' need for a reasonable degree of business certainty. One way in which SingTel could achieve this goal is to provide that each RIO Agreement will have a fixed term, such as five years, which will start on the date that the Licensee signs the RIO Agreement. Another possibility would be to offer an "evergreen" RIO Agreement. The proposed RIO could further state that the terms of the RIO Agreement are subject to change, based on any direction issued by IDA during the term of the

RIO Agreement. *See* Code § 5.3.5.8 (terms of a RIO Agreement will be altered if "IDA directs the Dominant Licensee to modify any provision of its RIO"). The Requesting Licensee would bear the risk that – following the triennial review – IDA might choose to eliminate SingTel's obligation to provide, or alter the pricing structure of, any IRS. In addition, as described in paragraph 12 of this Schedule, SingTel must revise the charging structure contained in the proposed RIO.

11. The proposed RIO requires Requesting Licensees to accept all Unbundled Network Elements and Unbundled Network Services "as is"

Sub-section 5.3.5.3 of the Code requires Dominant Licensees to use "reasonable measures" to provide Unbundled Network Elements ("UNEs") and Unbundled Network Services ("UNSs") "in a manner that will facilitate their use by Facilities-based Requesting Licensees". Where reasonable, this may include "conditioning, provisioning, and combining UNEs and UNSs in an efficient manner". The proposed RIO does not satisfy this requirement. Rather, it impermissibly provides that SingTel will provide UNEs and UNSs on an "as is" basis. SingTel must revise this provision in a manner consistent with the Code. IDA notes that this requirement is a limited one: SingTel need only take reasonable measures. In addition, as discussed in paragraph 12, SingTel can recover the cost of any conditioning through a cost-based, up-front charge.

12. Certain charges in the proposed RIO must be re-structured.

To the extent feasible, SingTel's charges must be structured in a manner that will allow "a Requesting Licensee to purchase only those IRS that it wants to obtain", Code § 5.3.2, whilst deterring Requesting Licensees from imposing unrecoverable costs on SingTel.

There are three different means by which SingTel can provide IRS: (a) SingTel may provide IRS using "as is" facilities; (b) SingTel may provide IRS using facilities that have been "reasonably conditioned" or "prepared"; and (c) SingTel may provide IRS by constructing new facilities. Consistent with the cost-causation principles contained in the Code, SingTel must structure its charges differently in each of these situations. *See* Code Appendix One § 2.3.

a. Where SingTel provides IRS using "as is" facilities, it must recover its costs related to the IRS through a monthly recurring charge. Because SingTel's decision to invest in these facilities was not caused by the Requesting Licensee, SingTel may not impose any minimum term. SingTel may, however, require the Requesting Licensee to provide reasonable notice before discontinuing the service.

b. Where SingTel provides IRS using facilities that have been "reasonably conditioned" or "prepared" at the request of a Requesting Licensee, SingTel may recover the conditioning or preparation charges – which generally should not be significant – through a one-time, cost-based charge. SingTel must recover all other costs related to the IRS through a monthly recurring charge. Here again, because SingTel's decision to invest in these facilities was not caused by the Requesting Licensee, SingTel may not impose any

minimum term. SingTel may, however, require the Requesting Licensee to provide reasonable notice before discontinuing the service.

c. Finally, where SingTel provides IRS by constructing new facilities (such as loops or distribution frames), which over time may be used by multiple Licensees, it may only recover its costs related to the IRS through a monthly recurring charge. However, in order to deter Requesting Licensees from imposing unnecessary costs, and to assure that SingTel will recover some portion of its capital investment, SingTel may impose a reasonable minimum term.

In all three situations, SingTel may recover up-front administrative costs (such as application processing and conducting necessary studies), through a one-time, cost-based charge.

IDA also notes that the proposed RIO appears to provide for the imposition of recurring service charges prior to the Ready For Service ("RFS") Date. This structure would unreasonably allow SingTel to obtain compensation for service that it is not yet providing, whilst providing SingTel with an incentive to delay activating the service. SingTel may only impose monthly service charges after the RFS date.

13. The proposed RIO does not provide that SingTel will submit all proposed changes to IDA.

Sub-section 5.3.5.8 of the Code makes clear that, where the Dominant and Requesting Licensees agree to modify the terms of a RIO Agreement, they must, as required by sub-section 4.4.2, submit the change to IDA. Sub-section 4.4.2 further provides that the Licensee can agree that the modifications will become effective upon submission to IDA – although IDA has 15 days to reject the change. Consistent with these provisions, the RIO may delegate to SingTel the right to unilaterally propose limited modifications to the RIO Agreement, such as changes to standard operating procedures. However, in this case, SingTel must submit the proposed changes to IDA.

14. The proposed RIO is not technology neutral.

The Code provides that a Requesting Licensee must provide IRS to Requesting Licensees that seek to provide "competing telecommunication service offerings". Code § 5.3.5.3. The proposed RIO, however, repeatedly specifies that SingTel will only provide IRS to a Requesting Licensee to provide "wireline or broadband services". This provision is unduly restrictive and would preclude a Requesting Licensee from providing services that use wireless or other technologies. SingTel must change all references to "wireline and broadband services" to with the term "Telecommunications Services".