



REPUBLIC OF SINGAPORE

INFO-COMMUNICATIONS DEVELOPMENT AUTHORITY OF SINGAPORE

**PUBLIC CONSULTATION ON
REQUEST BY SINGAPORE TELECOMMUNICATIONS LIMITED
FOR EXEMPTION FROM DOMINANT LICENSEE OBLIGATIONS
WITH RESPECT TO THE RETAIL INTERNATIONAL TELEPHONE SERVICES
MARKET PURSUANT TO SUB-SECTION 2.5.1 OF
THE CODE OF PRACTICE FOR COMPETITION
IN THE PROVISION OF TELECOMMUNICATION SERVICES 2005**

ISSUED ON 19 APRIL 2006

- 1. INTRODUCTION**
- 2. SINGTEL'S REQUEST FOR EXEMPTION FROM DOMINANT LICENSEE OBLIGATIONS**
- 3. INVITATION TO COMMENT**

**REQUEST BY SINGAPORE TELECOMMUNICATIONS LIMITED FOR EXEMPTION
FROM DOMINANT LICENSEE OBLIGATIONS WITH RESPECT TO THE RETAIL
INTERNATIONAL TELEPHONE SERVICES MARKET PURSUANT TO SUB-
SECTION 2.5.1 OF THE CODE OF PRACTICE FOR COMPETITION IN THE
PROVISION OF TELECOMMUNICATION SERVICES 2005**

In accordance with Sub-section 2.5.2 of the Code of Practice for Competition in the Provision of Telecommunication Services 2005 (the “**Code**”), the Info-Communications Development Authority of Singapore (“**IDA**”) hereby invites comments from the industry and the public on the request by Singapore Telecommunications Limited (“**SingTel**”) for exemption from the Dominant Licensee obligations set out in the Code with respect to the Retail International Telephone Services (“**Retail ITS**”) market.

1. Introduction

- 1.1 As a Dominant Licensee¹, SingTel is subject to special provisions governing Dominant Licensees set out in Section 4, Sub-sections 6.3 – 6.3.7 and Sub-sections 8.2 – 8.2.2.2 of the Code. These special provisions are also referred to as Dominant Licensee obligations.
- 1.2 IDA recognises that as competition develops, it may no longer be necessary to apply each of the Dominant Licensee obligations to every facility operated and/or service provided by a Dominant Licensee. Sub-section 2.5.1 of the Code therefore provides for a process by which a Dominant Licensee may request for exemption from complying with the Dominant Licensee obligations². IDA has also issued advisory guidelines governing requests for exemptions under Sub-section 2.5 of the Code, which sets out the procedures that IDA will generally use, and the standards that IDA will generally apply when implementing Sub-section 2.5 of the Code. The guidelines also describe the procedures that Licensees and other parties should follow in order to comply with the requirements contained in the Code³.
- 1.3 Before granting any request for exemption, IDA will generally provide an opportunity for public comment in accordance with Sub-section 2.5.2 of the Code.

2. SingTel's Request for Exemption from Dominant Licensee Obligations

- 2.1 SingTel had in 2003 submitted a request for exemption from Dominant Licensee obligations in respect of Wholesale and Retail ITS (“**SingTel's 2003 Request**”).

¹ By a *Gazette* notification published on 18 February 2005, IDA designated SingTel as a Dominant Licence with effect from 29 September 2000. Sub-section 2.2.1 of the Code sets out the criteria applied by IDA in determining a Licensee's designation as a Dominant Licensee.

² Under Sub-section 2.5.1 of the Code, the Dominant Licensee must, among others, submit an application to IDA identifying the specific provisions of the Code from which it seeks exemption and demonstrating that continued application of the provisions to a specific facility and/or service is not necessary to protect end-users or promote and preserve effective competition amongst Licensees.

³ The advisory guidelines entitled “Advisory Guidelines Governing Petitions for Reclassification and Requests for Exemption under Sub-Sections 2.3 and 2.5 of the Code of Practice for Competition in the Provision of Telecommunication Services 2005” can be found on IDA's website at www.ida.gov.sg under “Policy & Regulation – Codes of Practice and Guidelines”.

IDA issued its decision on SingTel's 2003 Request ("**IDA's 2003 ITS Decision**") on 12 November 2003. IDA determined that there were two retail ITS markets – a Residential Retail ITS market and a Commercial Retail ITS market. IDA also assessed that the Residential and Commercial Retail ITS markets were substantially competitive. Hence, continued application of *ex ante* regulation through tariff filing requirement was no longer necessary to protect End Users or promote and preserve effective competition amongst Licensees in the Residential and Commercial Retail ITS markets. IDA therefore exempted SingTel from the tariff filing requirements for Retail ITS. However, IDA assessed that competition in the Residential and Commercial Retail ITS markets had not developed to the extent that SingTel's behaviours were effectively checked by market forces and that existing regulatory requirements relating to competition were no longer necessary. There remained the potential for SingTel to leverage on its market power in providing other retail services and on its control of "upstream" inputs essential for providing Retail ITS to compete unfairly in the Residential and Commercial Retail ITS markets. Therefore, IDA continued to require SingTel to comply with all other Dominant Licensee obligations applicable to its provision of Retail ITS to serve as competition safeguards. IDA had, on the other hand, assessed that the Wholesale ITS market to be fully competitive and lifted SingTel's Dominant Licensee obligations for its Wholesale ITS. IDA's 2003 ITS Decision can be found on IDA's website (www.ida.gov.sg) under "Policy and Regulation - Consultation Papers".

- 2.2 On 28 March 2006, IDA received a request from SingTel ("**SingTel's Request**") for a full exemption from all its Dominant Licensee obligations in relation to the Retail ITS market. A copy of SingTel's Request is enclosed as **Annex A**.
- 2.3 SingTel has requested a grant of exemption from the following Dominant Licensee obligations with respect to the Retail ITS listed in **Table 1** below.

Table 1

Sub-section of the Code	Description of Dominant Licensee Obligations	Retail ITS
4.2	Duties of Dominant Licensees	
4.2.1	Duties Applicable to the Provision of All Telecommunication Services	(i) IDD001 (including voice and data); (ii) STD020; (iii) BudgetCall 013; (iv) v019;
4.2.1.1	Duty to Provide Service at Just and Reasonable Prices, Terms and Conditions	(v) FaxPlus 012; (vi) FaxPlus Connect; (vii) International Calling Cards; (viii) World Conference;
4.2.1.2	Duty to Provide Service on a Non-discriminatory Basis	(ix) Corporate Switched Telecommunications Network;
4.2.1.3	Duty to Provide Unbundled Telecommunication Services	(x) Voice VPN; (xi) WorldCard TM ; (xii) Hello! TM Card; (xiii) Operator Assisted Services;
4.2.2	Specific Duties Applicable to the Provision of End User Telecommunication Services	(xiv) Overseas Paid 800; (xv) Overseas Collect Call; (xvi) International Toll Free Service; and (xvii) ISDN International Data Service.
4.2.2.1	Duty to Provide Service on Reasonable Request	
4.2.2.2	Duty to Allow Resale of End User Telecommunication Services	

Sub-section of the Code	Description of Dominant Licensee Obligations	Retail ITS
4.2.2.3	Duty to Allow Sales Agency	(i) IDD001 (including voice and data); (ii) STD020; (iii) BudgetCall 013; (iv) v019; (v) FaxPlus 012; (vi) FaxPlus Connect; (vii) International Calling Cards; (viii) World Conference; (ix) Corporate Switched Telecommunications Network; (x) Voice VPN; (xi) WorldCard™; (xii) Hello!™Card; (xiii) Operator Assisted Services; (xiv) Overseas Paid 800; (xv) Overseas Collect Call; (xvi) International Toll Free Service; and (xvii) ISDN International Data Service
8.2	Abuse of Dominant Position in the Singapore Market	
8.2.1	Pricing Abuses	
8.2.1.1	Predatory Pricing	
8.2.1.2	Price Squeezes	
8.2.1.3	Cross-subsidisation	
8.2.2	Other Abuses	
8.2.2.1	Discrimination	
8.2.2.2	Predatory Network Alteration	

2.4 In addition, SingTel also requested for an exemption from the tariff filing requirements listed in **Table 2** below for its ISDN International Data Service. (This service was not included in SingTel's 2003 Request.)

Table 2

Sub-section of the Code	Description of Dominant Licensee Obligations	Retail ITS
4.4	Tariffing	ISDN International Data Service.
4.4.1	Services for Which A Dominant Licensee Must File Tariffs	
4.4.2	Tariff Filing and Review	
4.4.2.1	Information to be Included	
4.4.3	IDA Tariff Review Process	
4.4.3.1	Review Criteria	
4.4.3.2	Review Procedures	
4.5	Duty to Publish Tariffs	
4.6	Duty to Provide Service Consistent With Effective Tariffs	
4.7	Review of Effective Tariffs	

2.5 SingTel's Request submits that a single retail market exists for the provision of Retail ITS between Singapore and locations outside Singapore. SingTel also considers the Retail ITS market to be fully competitive and that SingTel does not have Significant Market Power in the Retail ITS market. Hence, SingTel is of the view that the continued application of the Dominant Licensee obligations listed in paragraphs 2.3 and 2.4 are no longer necessary in fully competitive markets, such as the Retail ITS market, and that it should therefore be granted a full exemption from all Dominant Licensee obligations in relation to the Retail ITS market.

3. Invitation to Comment

- 3.1 Pursuant to Section 2.5.2 of the Code, IDA hereby invites comments from the industry and public on SingTel's Request. Views and comments should be directed at the specific Dominant Licensee obligations and ITS services for which SingTel is seeking exemption. Respondents are also invited to comment on any other related issues not covered in this document, if they believe that such issues are relevant to this review.
- 3.2 All submissions must reach IDA **before 12 noon on 19 May 2006**. A softcopy, preferably in Microsoft Word format, must be provided. Respondents are required to include their personal or company particulars, correspondence address, contact number and email address in their submissions. IDA will make public all or parts of any written submissions made in response to the consultation paper and disclose the identity of the source. Any part of the submission which is considered commercially confidential must be clearly marked and placed as an annex to the comments raised. IDA will take this into account in its assessment.
- 3.3 All comments must be addressed to:

**Mr Andrew Haire
Assistant Director-General (Telecoms)
Infocomm Development Authority of Singapore
8 Temasek Boulevard
#14-00 Suntec Tower Three
Singapore 038988**

Please submit your softcopy via e-mail to: Karen_Wong@ida.gov.sg. You may also submit a hardcopy to fax number: **(65) 6211-2116**.

- 3.4 IDA will seek to issue a draft or preliminary decision, and seek further public comments regarding all aspects of its preliminary decision prior to issuing its final decision.