

SINGAPORE TELECOMMUNICATIONS LIMITED

RECONSIDERATION REQUEST OF THE IDA DIRECTION DATED 8 MARCH 2006 IN RELATION TO MODIFICATION OF SINGTEL'S REFERENCE INTERCONNECTION OFFER PURSUANT TO SECTION 69(1) OF THE TELECOMMUNICATIONS ACT 1999 (CAP 323) AND SUB-SECTION 11.9.1(a)(i) OF THE CODE OF PRACTICE FOR COMPETITION IN THE PROVISION OF TELECOMMUNICATIONS SERVICES 2005

1 INTRODUCTION

- 1.1 SingTel requests that the IDA reconsider a number of the Proposed RIO Modifications which were specified in the annexures to the Direction. SingTel's reasons for the reconsideration of these Proposed RIO Modifications are set out below.

2 GENERAL COMMENTS

Minister's Decision

- 2.1 For the reasons given in SingTel's reconsideration request of 20 March 2006 relating to a further IDA direction issued on 8 March 2006¹, SingTel believes there is an inconsistency between the Direction in paragraph 7 and the Minister's Decision in respect of the use of Unbundled Network Elements (UNE) and Mandated Wholesale Services (MWS) for the Requesting Licensee's own private internal use.
- 2.2 The Minister's Decision explicitly notes that SingTel is *not* required to provide Requesting Licensees with the relevant UNE or MWS when these are used as inputs to a telecommunications product or service for the Requesting Licensee's private use where the Requesting Licensee has no intention of offering *that* telecommunications product or service to non-affiliated third party customers.

¹ This IDA direction was concerned with amendments to Clauses 1.1 and 1.2 of Schedules 3A, 3B, 3C, 7A and 7B, and Clauses 1.1, 3.1(m) and 11.7(l) of Schedule 5C of SingTel's RIO.

- 2.3 Paragraph 7 of the Direction however, provides that SingTel amend its RIO to *allow* Requesting Licensees to obtain the relevant services as inputs for the Requesting Licensee's provision of telecommunication services *to itself and its affiliates*, provided that the Requesting Licensee offers or intends to offer *similar* services to any non-affiliated third party customer. The Direction therefore appears to contemplate a permitted dual-use (that is, for internal and external purposes) of UNE and MWS which is inconsistent with the Minister's Decision which explicitly excludes SingTel from the requirement to provide UNE and MWS for *any* internal use, as stated above.
- 2.4 SingTel therefore requests that the IDA reconsider paragraph 7 of the Direction.

Express Provisioning

- 2.5 Express provisioning was provided by SingTel to Requesting Licensees when Tail Local Leased Circuits (TLLCs) were provided under the MWS. SingTel was able to provide express provisioning because the pricing methodology applied to the TLLC service was retail-minus. However, now that TLLCs are provided as an Interconnection Related Service (IRS) and a cost-based pricing methodology applies, it is not appropriate for express provisioning (which is not a basic service) to be made available to Requesting Licensees.
- 2.6 Express provisioning is a valued-added service – it enhances the quality of service when the customer pays a premium over the price of providing a standard service. If Requesting Licensees wish to acquire a value-added service, this should be on different terms to those in Schedule 4C – for example, the supply of this service should be subject to a retail-based tariff; subject to the retail charges for express provisioning installation.
- 2.7 As the IDA is aware, SingTel is not obligated to provide express provisioning for IRS under the RIO. In this regard, SingTel would refer the IDA to its approval of two (2) SingTel service filings (Filing Numbers: ST(WS)2005 10-0 and ST(WS)2005 11-0) on 20 May 2005. These service filings were for the commercial offers of express provisioning of the Connection Service to an FBO; the Connection Service is an IRS provided to the FBO under Schedule 4B of the RIO. SingTel had to file the express provisioning offer with the IDA

because express provisioning was a valued-added service which was not offered under Schedule 4B of the RIO. SingTel also highlights that the express provisioning was offered to the FBO at commercial prices.

- 2.8 The Explanatory Memorandum to the IDA's Direction notes that "*SingTel has included the option of express provisioning in the TLLC request form*", however, "*that SingTel omitted to provide in Schedule 4C itself the applicable terms for express provisioning*". This is simply not correct. It has never been SingTel's intention to offer a retail value-added service in the provision of the cost-based IRS Tail Circuit Service. The option to elect for express provisioning should have been removed from the Tail Circuit Activation Request (TCAR) form. We do not expect IDA to attempt to leverage on a genuine error. For example, SingTel notes the IDA did not delete "A-end" and "B-end" from the TLLC Service Application Request (TLAR) under Schedule 7B in its recent Direction dated 24 February 2006 requiring SingTel to incorporate the IDA's specified directed amendments – SingTel did not attempt to use this to argue that IDA's intention was to keep the concept of "A-end" and "B-end" in Schedule 7B.
- 2.9 For the reasons set out above, SingTel requests that the IDA not require express provisioning for SingTel's offer of the IRS Tail Circuit Service. SingTel therefore requests that the IDA reconsider this aspect of the Direction.

3 RESPONSE TO SPECIFIC DRAFTING AMENDMENTS IN THE DIRECTION

Annexure 2 – Required modifications to proposed Schedule 4C of SingTel's RIO

Clause 1.4

- 3.1 The Direction requires SingTel to clarify that the list of Excluded Sites in Annex 4C.2 is exhaustive. SingTel submits that it has never been the intention that the list in Annex 4C.2 be an exhaustive list of Excluded Sites – from a practical perspective it is simply not possible to identify or foresee every possible such site. Rather, Annex 4C.2 is included in the RIO to facilitate an

understanding of the IRS Tail Circuit Services and to expedite SingTel's order processing.

- 3.2 The concept of Excluded Sites was adapted from Schedules 7A and 7B of the RIO. In these Schedules, the examples of the Excluded Sites were provided in Clause 1.4 of the Schedules so as to provide guidance to Requesting Licensees in formulating their requests for Full Local Leased Circuits (FLLC) and TLLC. This was approved by the IDA.
- 3.3 Similarly, Annex 4C.2, as proposed in Schedule 4C, gives guidance to Requesting Licensees in formulating their requests for IRS Tail Circuit Services by providing an up-front indication of the common and currently-foreseeable types of sites that are Excluded Sites. Therefore, Annex 4C.2 makes Requesting Licensees aware, even before they have submitted a request for an IRS Tail Circuit Service, that, if they request a IRS Tail Circuit Service in respect of any of these sites, the application will be rejected. Whilst it is not possible to provide an exhaustive list of Excluded Sites, SingTel considers that it is beneficial (and efficient) to provide to Requesting Licensees with as much guidance as possible in relation to the examples of Excluded Sites.
- 3.4 It should also be noted that the words '*including but not limited to*' are required because SingTel must be able to refuse to terminate the IRS Tail Circuit Service at any premise that is not used for the purposes set out in Clauses 1.1 to 1.3.
- 3.5 Further, the Code, as well as the IDA's LLC decision dated 16 December 2003 does not provide an exhaustive list of Excluded Sites. Therefore, it is unreasonable for the IDA to expect and request that SingTel modify the RIO to provide that the list of Excluded Sites given in Annex 4C.2 is exhaustive.
- 3.6 In light of the reasons set out above, SingTel requests that the IDA approve Clause 1.4 as originally drafted by SingTel. SingTel therefore requests that the IDA reconsider this aspect of the Direction.

Clause 3

- 3.7 The Direction requires SingTel to provide certain information to a Requesting Licensee under the application procedure within one (1) business day, and other information within four (4) business days. From a practical and operational perspective the requirements of the Direction are not feasible and unrealistic.
- 3.8 It is simply not feasible for SingTel to provide, in one (1) business day, much of the information nominated in the Direction to be provided in this timeframe. For example, in respect of determining whether all the information in the TCAR is incorrect or inaccurate, SingTel can only be satisfied of some parts of this in one (1) business day. For example, whether the installation address is correct can only be determined when SingTel actually conducts a site survey or installs the IRS Tail Circuit Service at the installation address. In the same way, SingTel is only able to determine whether the nominated site is an Excluded Site, such as a Mobile Base Station Site, upon site survey or installation. SingTel can only determine these aspects where SingTel has actual knowledge. For all cases, SingTel must have the ability to reject the application during the installation process as and when the relevant information becomes known. Therefore, it is impossible to provide certain information in one (1) business day as required in the Direction.
- 3.9 Similarly, it is unrealistic and unreasonable for SingTel to provide, in four (4) business days, much of the information specified by the Direction. For example, in respect of SingTel determining whether SingTel has any IRS Tail Circuit Service in the area which is the subject of the TCAR, SingTel must conduct availability checks on *all the required resources* to determine if a requested IRS Tail Circuit Service can be provided and this entails site visits as well as system checks. This process can (and often does) take longer than four (4) business days. Also, when assessing the availability of the IRS Tail Circuit Service, SingTel may need to check any security and confidentiality requirements or restrictions imposed on SingTel by Governmental Agencies, and this information may not be readily available until after the installation phase.

- 3.10 As a general comment, SingTel also considers that if it is required to divide up the processing of individual applications as envisaged by the Direction, this will ultimately result in inefficiency. Timeframes are more likely to be extended rather than shortened and the provision of each IRS Tail Circuit Service will incur higher costs. Ultimately, Requesting Licensees must compensate SingTel for the cost for the extra processing and administrative works. Even assuming that the timeframes set out in the Direction could be met (which they cannot), considerable resources would need to be dedicated to ensuring that the timeframes of one (1) and four (4) business days respectively are met and that there is the required notification to the Requesting Licensee at each individual stage of the process.
- 3.11 In addition, SingTel's work order system does not cater for a four (4) day reporting of progress report. A significant modification on the work order system would be necessary, which has not been included in SingTel's One-Time System Set-Up Charge.
- 3.12 In light of the reasons outlined above, SingTel has reviewed its work processes for the provision of the IRS Tail Circuit Service and proposes the following:
- (a) within one (1) business day from the Request Date, SingTel must notify the Requesting Licensee whether its application is rejected for the following reasons:
- (i) the Requesting Licensee is not an FBO;
 - (ii) the TCAR is not in the prescribed form;
 - (iii) the TCAR does not contain all the required information; or
 - (iv) SingTel has plans or otherwise proposes to decommission the IRS Tail Circuit Service within 6 months of the date of the TCAR.
- (b) within five (5) business days from the Request Date, SingTel must complete its desk study and notify the Requesting Licensee whether its application is rejected for the following reasons:

- (i) the IRS Tail Circuit Service is unavailable as determined from SingTel's desk study under the criteria in Clause 3.2 (except that the consideration on decommissioning shall not apply);
 - (ii) SingTel has reasonably determined from its desk study that it does not have any IRS Tail Circuit Service in the area which is the subject of the TCAR; or
 - (iii) the Co-Location Equipment installed under Schedule 8B will not be operational by the time of SingTel's physical provisioning of the IRS Tail Circuit Service.
- (c) within ten (10) business days from the Request Date, SingTel must complete its Project Study and notify the Requesting Licensee of its final approval or rejection of the TCAR. If SingTel informs the Requesting Licensee of its final approval, it must also specify the activation date of the IRS Tail Circuit Service.
- (d) for the avoidance of doubt, if SingTel has evidence to substantiate a reasonably held belief to suggest that the end points do not conform to the IRS Tail Circuit Service as set out in Clauses 1.1 to 1.4, SingTel reserves the right to refuse to install or supply the IRS Tail Circuit Service. In such an event, SingTel shall provide a written response to the Requesting Licensee explaining the basis of its belief and the evidence it has relied upon.
- 3.13 SingTel will modify its work order system to implement the above new considerations upon approval by the IDA.
- 3.14 In light of the above, SingTel has not made amendments to Clause 3 as required by the Direction and requests that the IDA reconsider this part of the Direction as well as SingTel's alternative proposal as set out above.

Clause 3.2(a) and 3.2(b)

- 3.15 The Direction required SingTel to delete Clauses 3.2(a) and 3.2(b) from the RIO as the IDA did not believe that SingTel should be able to reserve capacity for its reasonably anticipated requirements. This is not reasonable or acceptable – the

IRS Tail Circuit Service is provided using SingTel's infrastructure and SingTel has the right to use that infrastructure to meet its own anticipated requirements.

- 3.16 The removal of Clauses 3.2(a) and 3.2(b) from Schedules 4C is inconsistent with the terms and conditions of the RIO. Schedules 3A, 3D, 3E, 5A, 5B, 5C, 8A, 8B and 8D as approved by the IDA in its latest review of the RIO, provide that SingTel may have regard to its reasonably anticipated requirements in the next one (1) year for the relevant IRS for the provision to itself and its Customers as well as for operations and maintenance purposes. There is no valid or reasonable basis for the IDA to adopt a different and inconsistent position in respect to the IRS Tail Circuit Service. The same conditions should similarly be applicable to the Tail Circuit Service under Schedule 4C as any other IRS.
- 3.17 In light of the above, SingTel therefore requests that the IDA reconsider this aspect of the Direction and retain Clauses 3.2(a) and 3.2(b) as originally drafted.

Clause 3.2(c)

- 3.18 The Direction required SingTel to delete the reference to itself in Clause 3.2(c). This is unreasonable and not acceptable.
- 3.19 SingTel requests that the IDA reconsider this part of the Direction as SingTel considers it is appropriate for SingTel to have regard to both its requirements which have been ordered but not yet delivered or which have been provided, as well as those of the Requesting Licensee and other Licensees.
- 3.20 To remove SingTel from Clause 3.2(c) would be to in effect discriminate against SingTel's retail customers to convey a benefit on the customers of Requesting Licensees and other Licensees. SingTel does not understand why Requesting Licensees should be given priority under this clause.
- 3.21 Section 6.3.3.3 (i) of the Code provides that the RIO must contain "*a list and description of any reasonable restriction or condition that the Dominant Licensee intends to impose on the terms of the offer contained in the RIO — including any situations in which capacity, technical or operational constraints*

will limit the ability of the Dominant Licensee to meet requests for Interconnection Related Services and Mandated Wholesale Services, and any situation in which a Dominant Licensee will not offer (or will limit or condition an offer of) interconnection to a Licensee or class of Licensees”.

3.22 SingTel cannot be expected to reject (or withdraw) its own retail customers' requests which have been ordered (or provided) and use the “released” resources to provide the IRS Tail Circuit Service to the Requesting Licensee instead. This is clearly unreasonable and inappropriate. Further, such a requirement is discriminatory to SingTel's retail customers and contrary to the Code which provides that SingTel may impose reasonable restrictions on the terms of the offer contained in the RIO including any situations in which capacity will limit SingTel's ability to meet requests for Interconnection Related Services. It follows that it is reasonable that SingTel may have regard to its own requirements (including for operations and maintenance purposes) which have been ordered but not yet delivered or which have been provided when assessing the availability of the IRS Tail Circuit Service during the processing of each TCAR.

3.23 In light of the above, SingTel therefore requests that the IDA reconsider this aspect of the Direction and retain Clause 3.2(c) as originally drafted.

Clause 3.3(i)

3.24 The Direction states that Clause 3.3(i) is superfluous (given subparagraph (h)) and should be deleted. This is not correct. SingTel notes that subparagraphs (i) and (h) deal with fundamentally different issues.

3.25 Subparagraph (h) is concerned with whether there is the *physical* infrastructure in the area which is the subject of the TCAR. In contrast, subparagraph (i) is concerned with whether the physical infrastructure in that area is *actually* available, as opposed to whether or not it exists. Contrary to IDA's understanding – they are two different concepts. Existing infrastructure may be unavailable for a number of reasons, for example and as provided in Clause 3.2, because of security and confidentiality requirements or restrictions; or whether

SingTel has plans or otherwise proposes to decommission the network equipment for the provision of the IRS Tail Circuit Service.

- 3.26 SingTel therefore requests that the IDA reconsider this aspect of the Direction and retain Clause 3.3 (i) as originally drafted.

Clauses 4.5(a) and 7.2(f)

- 3.27 The Direction requires SingTel to delete Clause 4.5(a) and Clause 7.2(f) from Schedule 4C. Clause 4.5(a) requires the Requesting Licensee to ensure that its officers are present at the Requesting Licensee's customer site and the Co-Location Space for the installation of the IRS Tail Circuit Service. Clause 7.2(f) requires the Requesting Licensee to ensure that its officers are present at the Requesting Licensee's customer site and Co-Location Space during any fault reporting procedure to provide access to, and identification of, equipment. Clause 4.5(a) and Clause 7.2(f) are necessary.

- 3.28 When considering Clauses 4.5(a) and 7.2(f) of Schedule 4C, it is important to note that the IRS Tail Circuit Service is provided by SingTel to the Requesting Licensee as an IRS under the RIO. SingTel is *not* providing any service to the End User i.e. the Requesting Licensee's customer. SingTel will only deal with the Requesting licensee. SingTel will not (nor should it) communicate directly with the Requesting Licensee's customers. It is the Requesting Licensee that is providing the retail service to its customer and who is responsible and accountable to its customer in terms of provisioning and fault reporting.

- 3.29 Clause 7.2(g) of Schedule 4C provides that the Requesting Licensee must *"assume sole responsibility for liaising with End Users for all faults reported or enquiries raised by them, and shall not refer those End Users to SingTel (acknowledging that SingTel assumes no responsibility for and will not interface nor liaise with the End Users)"*. The Requesting Licensee is responsible for its own customer service. In the derivation of the cost-based prices for the IRS Tail Circuit Service, the IDA would note that account management and End User-related services are not included (nor should they be). Given these considerations, the Requesting Licensee must be present during the installation of the IRS Tail Circuit Service to acknowledge and accept the provision of the

IRS Tail Circuit Service as well as during any fault reporting procedure to acknowledge and accept the outcome of the fault reporting procedure.

- 3.30 Furthermore, Clause 8.1(a) of Schedule 4C of the RIO provides that *“Where an end of the IRS Tail Circuit Service is to be or is located at an End User site, the Requesting Licensee must obtain the permission of the End User to allow SingTel to physically access the site and deal with the equipment.”* Therefore it is properly the responsibility of the Requesting Licensee to ensure that the Requesting Licensee’s customer premises can be accessed by SingTel and SingTel should not be responsible for any delay in commissioning or fault maintenance if access to the required premises cannot be gained. This requires the Requesting Licensee’s officers to be present.
- 3.31 In terms of the installation of the IRS Tail Circuit Service, for example, during installation the Requesting Licensee must: where equipment racks are locked, provide access to equipment; provide installation instructions (such as the exact installation location as this is not always possible to do on the request form, and wiring instructions); handover of equipment (such as NTU) and wiring; and, where necessary, provide information regarding their equipment. As specified in Clause 7.2(j), the Requesting Licensee must also provide and maintain the facilities and resources whatsoever necessary for the proper installation, operation and maintenance of the IRS Tail Circuit Service and all SingTel equipment. These facilities and resources include, but are not limited to, power points, electricity, conduits, pipes and appropriate access, licence, way-leave, or easement rights. Again, in all these circumstances, SingTel will not be responsible for any delay in commissioning of a service if the Requesting Licensee did not acquire the necessary access to the required premises as well as the required facilities and resources. It follows that the Requesting Licensee’s officers must be present.
- 3.32 In respect of fault reporting, for example, the Requesting Licensee may have to provide access, identify the equipment location and the exact equipment that is faulty, as there may be multiple IRS Tail Circuit Services in a Server Room and the Requesting Licensee will need to physically identify which IRS Tail Circuit Service is the faulty one which it reported to SingTel.

- 3.33 Further, when installation is complete, the Requesting Licensee must endorse the Service Report form to acknowledge that the Tail Circuit has been provisioned successfully. A similar process is followed for fault rectification – the Requesting Licensee must verify and endorse that the circuit has been reinstated or that no fault was found.
- 3.34 The fact is, if SingTel is required to install and rectify faults without appropriate participation by the Requesting Licensee to which SingTel is providing the IRS Tail Circuit Service, (a) timeframes for installation and fault rectification will be extended as the Requesting Licensee will not be present to deal with questions and issues that arise that must be dealt with before the service can be installed or rectified; and (b) SingTel will be required to divert increased resources to dealing with installation and fault rectification which will ultimately increase the cost of providing the service.
- 3.35 SingTel also submits that the practices in Clauses 4.5(a) and 7.2(f) have already been carried out in practice under the Schedules 7A and 7B. For example, for each FLLC which has been activated by SingTel for a Requesting Licensee to date, the Requesting Licensee’s officers have been present at the Requesting Licensee’s customer installation site and have endorsed the Service Report form to acknowledge that the FLLC Service has been provisioned successfully. There is no valid reason why this practice should not be maintained for the IRS Tail Circuit Service.
- 3.36 SingTel therefore requests that the IDA reconsider this aspect of the Direction and retain Clause 4.5(a) and Clause 7.2(f) in Schedule 4C.

Clause 5.4

- 3.37 The Direction requires SingTel to amend the RIO so that, following a request from a Requesting Licensee relating to a change of bandwidth, it is not possible for SingTel to proceed to initiate the process for de-activation of a current service and then subsequently inform the Requesting Licensee that its bandwidth request cannot be fulfilled, resulting in service disruption to the Requesting Licensee’s customer.

3.38 SingTel notes that the scenario the IDA has put forward is unlikely to arise in practice. This is because the date of the circuit activation (with new bandwidth) and the date of the circuit de-activation (that is, the existing bandwidth) are managed by the Requesting Licensee itself. Therefore, unless the Requesting Licensee specifically requested that the service be de-activated prior to the new bandwidth request being activated (which is unlikely), the Requesting Licensee's customer would not experience unnecessary disruptions.

3.39 Therefore, SingTel requests that the IDA reconsider this part of the Direction.

Clause 5.5(a)

3.40 The Direction notes that the IDA considers the process of a Tie-Cable change to be a relatively straight-forward one and, as such, directs SingTel to modify the RIO to provide that this process be completed within five (5) business days as opposed to fifteen (15) business days.

3.41 There are a number of processes that SingTel must undertake in order to effect a Tie-Cable change. These include: order processing, billing, provision of new jumpers and recovery of old jumpers, conduct of circuit tests, update of records and co-ordination. It is unreasonable to expect SingTel to complete these works within five (5) business days. SingTel does not have manpower and resources "on standby" which are available to carry out Tie-Cable changes as soon as orders are received

3.42 Notwithstanding the above, SingTel has reviewed its work processes and submits that it should be able to complete the necessary works within ten (10) business days. As such, SingTel proposes that Schedule 4C be modified to provide that Requesting Licensee must provide the request for a Tie-Cable change no less than ten (10) business days prior to the requested date of Tie-Cable change for the IRS Tail Circuit Service.

Clause 15.1

3.43 The Direction requires a modification to the RIO such that Requesting Licensees are required to submit to SingTel the IRS Tail Circuit Migration

Request no less than five (5) business days prior to the expiry of the TLLC Central/Non-Central Term. Clause 15.1 currently provides this time period to be fifteen (15) business days. The IDA notes that it considers the IRS Tail Circuit Service migration process to be a straight-forward 'paper' migration process and therefore, a period of five (5) business days for Requesting Licensees to submit the IRS Tail Circuit Migration Request is appropriate.

- 3.44 Whilst SingTel agrees that the IRS Tail Circuit Migration will not require significant resources in terms of physical provisioning, a significant amount of time and effort is still required to process and implement each IRS Tail Circuit Service Migration Request. The processes that must be carried out in respect of each request include: order processing; circuit verification; change of billing; updating of system records; and co-ordination.
- 3.45 Further, SingTel notes that the IRS Tail Circuit Service Migration only comes into effect on two specific dates – on the expiry of the TLLC Central Term and the TLLC Non-Central Term, that is, on 15 April 2006 and 15 October 2006. In only allowing five (5) business days for requests to be processed, SingTel would effectively be required to process *all* of the IRS Tail Circuit Service Migration Requests for *all* of the active TLLCs supplied under the TLLC Central Term and the TLLC Non-Central Term within five (5) business days in April and October respectively. Given the importance of the migration being performed smoothly so as to minimise any possible end-user interruption or inconvenience, it is important that SingTel is given adequate time in which to perform the migration.
- 3.46 Finally, SingTel would also note that requiring Requesting Licensees to submit the IRS Tail Circuit Service Migration Requests not less than fifteen (15) business days prior to the expiry of the TLLC Central Term/Non-Central Term would not appear to impose any additional burden on the Requesting Licensees. In fact, all Requesting Licensees would be well aware of the expiry dates of the TLLC Central Term and Non-Central Term. It is inconceivable that the Requesting Licensee would only know of the need to migrate five (5) business days before the expiry of each term. SingTel submits that it is necessary to give both the Requesting Licensee and SingTel reasonable time in which to effect the

migration. The IDA decision has imposed an impractical and unnecessary responsibility onto SingTel.

- 3.47 Therefore, SingTel requests that the IDA reconsider this aspect of the Direction and require Requesting Licensees to submit to SingTel the IRS Tail Circuit Migration Request no less than fifteen (15) business days prior to the expiry of the TLLC Central/Non-Central Term.

Proposed new clause: Timeframe in which a request for the IRS Tail Circuit Service may be submitted

- 3.48 From SingTel's experience in its offer and operation of Schedules 7A and 7B, SingTel considers that it is important to place some limitations around the time at which a Requesting Licensee may submit a request for an IRS Tail Circuit Service.
- 3.49 Currently, a Requesting Licensee may submit a request for a TLLC some time before SingTel is required to physically provision the service. SingTel has ten (10) business days in which to respond to the Requesting Licensee, on whether the request is accepted or rejected. However, once the request has been accepted, this results in SingTel being required to reserve the resources for the request until physical provisioning commences – which, depending on the Requesting Licensee's request may be some time away.
- 3.50 SingTel is not compensated when resources are reserved in this way and SingTel forgoes potential revenue that could have been obtained if the resources were instead diverted to the provisioning of another circuit that was going to be put in use either immediately or prior to the service for which the resources were reserved.
- 3.51 Therefore, SingTel proposes an amendment to Clause 2.3, and the insertion of a new sub-paragraph (k) in Clause 3.3, which will provide that orders for the IRS Tail Circuit Service may not be submitted more than twenty-five (25) business days from the requested Date of Activation.

Annexure 4 – Required modifications to Schedule 9 of SingTel’s RIO

Clause 4.5.10

- 3.52 Clause 4.5.10 provides that the Requesting Licensee shall pay to SingTel a No-Fault-Found Charge for each fault report which SingTel determines not to be due to SingTel.
- 3.53 The Direction requires SingTel to either propose a mechanism by which faults reported may be objectively evaluated or to delete this clause.
- 3.54 SingTel notes that Annex 4C.6 of Schedule 4C establishes the Fault Reporting Procedures for the IRS Tail Circuit Service. For each fault reported, the Requesting Licensee’s officers would be present (as required by Clause 7.2(f)) to identify the equipment location and the reported faulty IRS Tail Circuit Service, as well as to verify and endorse that either:
- (a) the reported fault was due to SingTel and the IRS Tail Circuit Service has been reinstated; or
 - (b) there was no fault with the SingTel network, that is, No-Fault-Found.
- 3.55 The practices noted above have already been established under the MWS provision of TLLCs and SingTel sees no valid reason why they should not be maintained in these circumstances.
- 3.56 As the IDA can appreciate, it is indeed necessary for the Requesting Licensee (as the customer who acquires the IRS Tail Circuit Service from SingTel) to be present during the fault reporting procedure. Complexities and, potentially, disputes will arise if the Requesting Licensee’s officers are not required to be present during fault reporting.
- 3.57 As the IDA would further appreciate, SingTel expends considerable resources to maintain its network as well as to respond to faults. SingTel would be concerned if the Requesting Licensee requires SingTel to maintain the same standard of service for the IRS Tail Circuit Services as under its retail provision

of the service, which include service level agreements for maintenance, whilst not being able to recover its costs for a No-Fault-Found scenario.

- 3.58 Further, in the event that the Requesting Licensee was not responsible for No-Fault-Found Charge, this leaves open the possibility that Requesting Licensees may take advantage of SingTel's fault reporting service. Ultimately this could result in the diversion of resources such that genuine faults are not attended to as promptly as they otherwise would be, thereby lowering the overall quality of the Tail Circuits as well as retail LLCs.
- 3.59 SingTel submits that the same concept of imposing a No-Fault-Found Charge is also found in Schedules 3A, 3B and 3C of the RIO, as approved by the IDA. There is no reason why the IRS Tail Circuit Service should be any different.
- 3.60 Therefore, SingTel requests that the IDA reconsider this aspect of the Direction and retain Clause 4.5.10.

Clause 4.5.11

- 3.61 Clause 4.5.11 provides that the Requesting Licensee shall pay to SingTel a One-Time System Set-up Charge when it acquires the IRS Tail Circuit Service Schedule 4C.
- 3.62 The Direction requires SingTel to either justify why this charge is appropriate or to delete the clause.
- 3.63 In this regard, SingTel refers to the *Direction of the IDA: Modification of References Interconnection Offer to incorporate Wholesale Local Leased Circuits*, dated 4 October 2004. The IDA annotations to Clause 1.4 of the Main Body of the RIO stated:

"This is a new provision proposed by SingTel for recovery of a "System Setup Charge". SingTel has explained that the charge is necessary to enable SingTel to recover its cost for developing and setting up a new ordering and billing system for processing requests for mandated wholesale LLCs. IDA rejects SingTel's explanation. IDA's pricing methodology for mandated wholesale

LLCs is a "retail-minus". In relation to SingTel's retail LLCs offering, SingTel would have incurred similar costs for developing and setting up its ordering and billing system, and recovered such costs from the installation and/or recurring lease charges for the circuits. In this respect, SingTel has not provided IDA with any satisfactory justification why this position should be any different for mandated wholesale LLCs. In the absence of such satisfactory justification, IDA's assessment is that such costs would have been recovered by SingTel from the installation and/or recurring lease charges for the mandated wholesale circuits. Accordingly, IDA rejects this proposed new clause."

- 3.64 SingTel notes that the basis for rejecting the imposition of the "System Setup Charge" was that the pricing methodology for mandated wholesale LLCs is "retail-minus".
- 3.65 SingTel submits that, subject to the outcome of SingTel's appeal to the Minister dated 22 December 2005 in relation to the cost methodology for Local Leased Circuits (Tail Circuits) as an IRS, the cost methodology for the IRS Tail Circuit Service is cost-based, as stipulated by sub-section 6.3.4 of the Code.
- 3.66 In this regard, SingTel also notes the Minister's Decision on Wholesale Local Leased Circuits dated 2 July 2004 (**Minister's LLC Decision**), which states:

"Recovery of additional costs of setting up systems

SingTel claimed that there are a number of additional costs that SingTel will incur as a result of the IDA's Decision and the IDA does not provide for these costs to be recovered. The Minister considered that SingTel already provides retail LLC services, and minimum price, bulk and volume discounts of these LLC services as wholesale LLC services, and is of the view that SingTel will incur minimal costs, if any, as a result of the IDA's Decision. The Minister notes that should additional resources be required, SingTel has the opportunity to identify them when proposing amendments to its RIO to give effect to the Minister's Decision."

- 3.67 SingTel submits that the cost of developing and modifying SingTel's ordering and billing system (including the creation of new job queues and work flows

which are unique to the IRS Tail Circuit Service as well as new billing components for the One-Time and Recurring Charges which are also unique to the IRS Tail Circuit Service) for the provision of the IRS Tail Circuit Service is additional, and would not be incurred if not for the IDA's decision dated 16 December 2003 designating SingTel's LLCs as an IRS.

- 3.68 Without the development and modification of SingTel's ordering and billing system, SingTel will be unable to comply with the IDA's decision dated 16 December 2003 to provide the IRS Tail Circuit Service with effect from 15 April 2006.
- 3.69 Therefore, SingTel requests that the IDA reconsider this aspect of the Direction and allow SingTel to recover a One-Time System Set-up Charge from the Requesting Licensee when it acquires the IRS Tail Circuit Service from SingTel, as granted by the Minister in the Minister's LLC Decision.