

20 March 2006

Mr Andrew Haire
Assistant Director-General (Telecoms)
Info-communications Development Authority of Singapore

Dear Mr Haire

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. Singapore Telecommunications Limited (**SingTel**) refers to the direction issued by the Info-communications Development Authority of Singapore (**IDA**) on 8 March 2006 (**Direction**) requiring SingTel to propose modifications to its Reference Interconnection Offer ().
2. SingTel has carefully reviewed the Minister's decision in SingTel's appeal against the IDA's decision dated 8 August 2005 (**Decision on Reconsideration**) issued on 9 February 2006 (**Minister's Decision**) and the Direction. SingTel considers that there is an inconsistency between the Direction 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. Therefore, SingTel requests the IDA reconsider certain aspects of the Direction pursuant to section 69(1) of the Telecommunications Act (Cap. 323) (**Act**) and sub-section 11.9.1(a)(i) of the Code of Practice for Competition in the provision of Telecommunication Services 2005 (**Code**).
3. Section 69(1) of the Act and sub-section 11.9.1(a)(i) of the Code provides that a Licensee that is aggrieved by a direction may within 14 days of the date of the direction request that the IDA reconsider its direction (**Reconsideration Request**). SingTel is a Licensee and is aggrieved by the Direction.

Minister's Decision

4. The Minister's Decision is as follows:

"a. SingTel is to comply with IDA's Decision on Reconsideration except as varied in (i) and (ii) below:

(i) SingTel is not required to provide Requesting Licensees ("RLs") with the relevant Unbundled Network Elements ("UNE") or Mandated Wholesale Services ("MWS") when these are used as inputs to a telecommunications ("telecom") product or service for the RL's private internal use where the RL has no intention of offering that telecom product or service to non-affiliated third party customers.

(ii) In relation to the RL's acquisition of Local Loops/Sub Loops, Line Sharing and Internal Wiring as inputs to a telecom product or service for the RL's private internal use, clauses 1.1 and 1.2 of Schedules 3A, 3B and 3C of the RIO are to be amended to give effect to (i);

b. In respect of the provision of Tail Local Leased Circuits ("LLCs") and Full LLCs for the RL's own private internal use, SingTel's appeal against the IDA's Decision on Reconsideration pertaining to clauses 1.1 and 1.2 of Schedules 7A and 7B of the RIO is rejected as these clauses were not raised in SingTel's Reconsideration Request of 17 June 2005 to IDA. However, IDA may wish to review clauses 1.1 and 1.2 of Schedules 7A and 7B of the RIO to ensure their consistency with the Minister's decision in (i) and (ii)."

IDA Direction

5. The IDA Direction provides in paragraph 3 that SingTel must propose the following modifications:

"a. amendments to Clauses 1.1 and 1.2 of Schedules 3A, 3B, 3C, 7A and 7B to allow Requesting Licensees ("RLs") to obtain the relevant service under each of these schedules from SingTel as inputs for the RL's provision of telecommunication services to itself and its affiliates, provided that the RL offers or intends to offer similar telecommunication services to any non-affiliated third party customer in relation to such use (for example, an RL must be able to obtain full local loops from SingTel

under Schedule 3A to provide direct exchange line ("DEL") services to itself and its affiliates, provided that the RL also offers or intends to offer DEL services to any non-affiliated third party customer); and

b. amendments to Clauses 1.1, 3.1(m) and 11.7(i) of Schedule 5C to fully comply with IDA's required modifications to the same, as specified in IDA's Direction dated 3 June 2005."

Inconsistency between the Minister's Decision and the IDA Direction

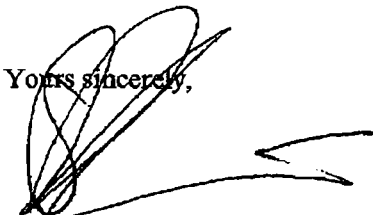
6. As noted above, SingTel believes there is an inconsistency between the Direction and the Minister's Decision in respect of the use of UNE and MWS for the Requesting Licensee's own private internal use.
7. The Minister's Decision explicitly notes that SingTel is *not* required to provide Requesting 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.
8. The Direction, on the other hand, 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.
9. SingTel therefore requests that the IDA reconsider the Direction.

Modification to RIO

10. The Direction required SingTel to submit to the IDA for approval SingTel's proposed modifications to the RIO for the purposes of giving effect to the Decision on Reconsideration, as varied by the Minister's Decision.

11. Given the apparent inconsistency between the Direction and the Minister's Decision, SingTel has carefully reviewed the Minister's Decision and has made all modifications to the RIO in accordance with the Minister's Decision (**RIO Modifications**) (see enclosed). This includes consequential modifications to relevant clauses in the various schedules that set out the circumstances in which a request for the service to which that schedule relates may be rejected, and when a licence for that service may be terminated.
12. SingTel requests that:
 - (a) the IDA reconsider its Direction requiring SingTel to propose amendments to Clauses 1.1 and 1.2 of Schedules 3A, 3B, 3C, 7A and 7B of the RIO; and
 - (b) the IDA review SingTel's RIO Modifications as complying with the Minister's Decision.
13. Please do not hesitate to contact us if you have any queries or clarifications.

Yours sincerely,



Sean Slattery
Vice President
Regulatory & Interconnect Strategy
Singapore Telecommunications Ltd
Company Registration No.: 199201624D

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