

8 May 2003

Ms Aileen Chia
Director (Economic Regulation)
Infocomm Development Authority of Singapore
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Fax: (65) 6211 2116

Dear Ms Aileen Chia

Re : Public Consultation on request of Singapore Telecommunications Limited (“SingTel”) for exemption from Dominant Licensee obligations with respect to the International Telephone Services (“ITS”) Market Pursuant to Section 2.6.1 of the code of practice for competition in the provision of Telecommunications services (“CODE”)

SunPage appreciates the opportunity to comment on SingTel’s above exemption request. SunPage is of the view that continued application of the Dominant Licensee obligations is still necessary to protect end users and to preserve effective competition amongst Licensees for the reasons submitted below.

1. SingTel still a very dominant player

After 3 years of liberalisation, SingTel still command a very high dominant position with regards to DEL market (99.7%¹), domestic leased circuit market and payphone market. All these are major access techniques and necessary facilities needed by other ITS providers to provide ITS services in Singapore.

2. SingTel dominant Market Share

As stated in SingTel’s Announcement for the year ended 31 March 2003, SingTel still command a market share of 82%¹ of total outgoing international and transit minutes. This left the remaining 18% to be shared amongst hundred of FBOs and SBOs providing the ITS services.

3. Pricing abuse and other abuse

Exemption of Dominant licensee obligations may create the opportunity for the dominant licensee to engage itself in anti-competitive pricing such as predatory prices, price squeezes and cross-subsidisation. This will have the adverse effect of restricting competition in the Singapore Telecommunication Market. We are highly concerned that in the absence of regulatory control on the Dominant licensee, market forces may not

¹ Reported in SingTel’s Announcement - Unaudited results for the quarter and year ended 31 March 2003 - Management discussion and analysis of unaudited Financial conditions and results of operation

necessarily come into play in bringing checks and balances on pricing and availability of services provided by dominant licensee in Singapore Telecommunication Market.

SunPage would like to reiterate our concern that exemption on the dominant licensee may create room for abuse. SunPage would further like to suggest to IDA to apply a market test for dominance in the payphone market, DEL market, domestic leased circuit market with a view to determine their impact on other ITS providers' services in Singapore, by analysing availability and strength of alternative suppliers in DEL, payphone and domestic leased circuit markets, before making any decision on SingTel's request for exemption from Dominant Licensee obligations.

Thank you

Yours sincerely

Thern Ching Aik
Director (Carrier & Regulatory)
SunPage Communications Pte Ltd