

## **SINGAPORE TELECOMMUNICATIONS LIMITED**

### **RESPONSE TO PUBLIC CONSULTATION – DECOMMISSIONING OF CO-LOCATION SITES OFFERED UNDER SINGAPORE TELECOMMUNICATIONS LIMITED’S REFERENCE INTERCONNECTION OFFER**

#### **1. INTRODUCTION**

1.1 Singapore Telecommunications Limited (**SingTel**) refers to the Info-communications Development Authority of Singapore’s (**IDA**) consultation paper dated 25 January 2007 in relation to the decommissioning of Co-Location Sites offered under SingTel’s Reference Interconnection Offer (**RIO**) (**Consultation Paper**).

1.2 SingTel welcomes the opportunity to provide its comments and views on the issues raised in the Consultation Paper.

1.3 SingTel’s submission is structured as follows:

Section 1 – Introduction;

Section 2 – Executive Summary; and

Section 3 – Detailed Response.

#### **2. EXECUTIVE SUMMARY**

2.1 The main points made by SingTel in this submission are as follows:

- (a) In considering submissions as to whether existing decommissioning timeframes would affect a Requesting Licensee’s network deployment plans, the IDA should only have regard to those submissions that provide details of actual network deployment plans that have been completed or commenced. Submissions that are purely theoretical or which do not include details of actual network deployment plans should be disregarded by the IDA.

- (b) In considering whether existing network investment will need to be written-off by Requesting Licensees when SingTel decommissions an exchange, the IDA should have regard to whether the relevant infrastructure is already being utilised for purposes other than connection to SingTel's exchanges as well as the ability of Requesting Licensees to redeploy the infrastructure to other parts of their networks.
- (c) The consolidation of exchange buildings represents an inevitable consequence of technological change and the move towards 'next generation networks'. These developments provide significant benefits for operators and consumers alike. Regulation should not artificially prevent or delay SingTel's ability to upgrade or modify its network.
- (d) SingTel considers that the current 6 month notice period for co-location space decommissioning is appropriate. An 18 month notice period is too long, as decommissioning timeframes are usually less than 18 months. If the IDA's proposal was accepted, SingTel would need to submit full justifications on nearly every occasion it seeks to decommission a co-location site. This would impose a burden on SingTel that is disproportionate to any benefit that would accrue to Requesting Licensees from such a lengthy notice period.
- (e) Notwithstanding the fact that the current 6 month notification period is sufficient, SingTel is prepared to consider a 12 month notice period for exchange decommissioning for each exchange.
- (f) SingTel notes that several aspects of the Consultation Paper are directed towards Requesting Licensees and their views on SingTel's existing decommissioning obligations under the RIO. To ensure that the IDA has the opportunity to consider SingTel's views on the issues raised by Requesting Licensees in their responses to the Consultation Paper before considering changes to the regulatory framework, SingTel requests that the IDA provide SingTel with an opportunity to respond to the issues raised during the consultation process.

### 3. DETAILED RESPONSE

#### Question 1

*Do you agree that SingTel's Announcement to consolidate its exchanges without specific details identifying the exchanges and the decommissioning timeframes would significantly affect your network deployment plans to co-locate in SingTel's exchanges? Please state your views clearly and explain why and how it will/will not affect your network deployment plans, taking into account the existing requirement of at least 6 months' written notice period.*

- 3.1 SingTel notes that Question 1 above is directed towards Requesting Licensees.
- 3.2 In substantiating their claims that SingTel's Announcement would significantly affect their network deployment plans to co-locate in SingTel's exchanges, SingTel considers that Requesting Licensees should provide details of their actual network deployment plans. At the minimum, such plans should identify the SingTel exchanges in which they plan to co-locate their equipment.
- 3.3 In SingTel's view, any Requesting Licensee which claims to be affected by SingTel's Announcement, should have already completed, commenced the execution of, or, at the very least, planned for the actual deployment of equipment in SingTel's exchanges. Purely theoretical submissions, unsubstantiated forward-looking statements, estimates or projections should be disregarded by the IDA.
- 3.4 Where a Requesting Licensee cannot provide specific evidence of their actual deployment plans and how the current 6 month notice requirement directly affects such plans, such a submission should be disregarded by the IDA.
- 3.5 In addition, the IDA states in paragraph 4 of the Consultation Paper that it has received feedback from several licensees that:

*“any investment in network deployment by an RL to an exchange would have to be written off if that exchange is decommissioned shortly after the RL has completed its rollout to that exchange” (our emphasis).*

- 3.6 Investment in network infrastructure by Requesting Licensees to SingTel's exchanges could potentially include transmission equipment, ducts and fibre.
- 3.7 In forming a view as to whether an investment in network infrastructure by Requesting Licensees would be written-off upon the closure of a SingTel exchange, the IDA should have regard to:
- (a) the existing levels of facilities-based investment by the Requesting Licensee;
  - (b) whether the relevant infrastructure is already being utilised for purposes other than connection to SingTel's exchanges, and
  - (c) the ability for Requesting Licensees to minimise the possibility of write-offs through the redeployment of the relevant infrastructure into other parts of their own networks or into other SingTel co-location facilities (e.g. the absorbing exchange).
- 3.8 SingTel considers that the IDA should disregard submissions by Requesting Licensees that do not recognise the legitimate role of cost minimisation, or which do not accept that the Requesting Licensee can use the relevant infrastructure in other parts of their network (e.g. in the provision of services to their customers) or in other SingTel co-location facilities.

**Question 2**

*What are your views regarding the proposed approach? Is the information to be provided by SingTel sufficient? What other information will be necessary? Please explain and justify your views clearly.*

- 3.9 SingTel believes the information specified in paragraph 6 of the Consultation Paper is sufficient for the IDA to review SingTel's proposed amendments to the RIO in relation to the decommissioning of its exchange.

**Question 3**

*Is the notification period of at least 18 months reasonable? Please explain and justify your views clearly.*

- 3.10 SingTel submits that the proposed notification period of at least 18 months is excessive. SingTel considers that the current notification period of at least 6 months is reasonable and provides Requesting Licensees with considerable certainty.
- 3.11 The consolidation of exchange buildings is a development associated with technological change and represents an inevitable part of the movement towards 'next generation networks'.
- 3.12 The upgrading of telecommunication networks provides significant benefits for both operators and consumers alike. Regulation should not unfairly prevent or delay SingTel's ability to upgrade or modify its network.
- 3.13 SingTel also understands that the existing 6 month notice period is consistent with international practice. In the IDA's letter to the Office of the United States Trade Representative dated 16 January 2007, the IDA also acknowledged that the current notification period of at least 6 months is no different from many other benchmark jurisdictions' practice, including the United States.<sup>1</sup>
- 3.14 In any case, SingTel considers that an 18 month notice period for decommissioning is likely to raise practical difficulties. From SingTel's experience, the decommissioning timeframe for exchanges is usually less than 18 months.
- 3.15 If the IDA's proposal in paragraph 8 of the Consultation Paper was accepted, SingTel would be required to submit full justifications to the IDA in nearly all instances where it wished to decommission an exchange. This requirement could potentially apply even where a Requesting Licensee has little or no network equipment co-located in an exchange and where the co-located equipment could be readily redeployed into other parts of the network. Such a

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<sup>1</sup> IDA, Letter to the Office of the United States Trade Representative re. "Section 1377 Review of Telecommunications Trade Agreements, 2007", 16 January 2007.

requirement would impose a burden on SingTel that is disproportionate to any benefit that would accrue to Requesting Licensees from such a notice period.

- 3.16 Further, as the IDA would appreciate, the timeframes and activities for the decommissioning of an exchange are subject to change. Various factors, such as the time taken to obtain approvals from authorities, the implementation of outside plant and the migration of customer circuits, can all affect decommissioning periods. Therefore, the longer the notification period, the more uncertainty there will be with regard to the decommissioning timeframe of each exchange.
- 3.17 Notwithstanding that SingTel considers that the current notification period of at least 6 months is reasonable, SingTel is willing to consider a notification period of at least 12 months. SingTel believes that this proposal strikes a reasonable balance between the needs of Requesting Licensees and the need for SingTel to upgrade its network in an appropriate manner.

**Question 4**

*Are there any other considerations relating to this review that IDA should consider, over and above those mentioned in the above questions?*

- 3.18 As noted above, several aspects of the Consultation Paper are directed towards Requesting Licensees and their views on SingTel's existing decommissioning obligations under the RIO.
- 3.19 To ensure that the IDA has the opportunity to consider SingTel's views on the issues raised by Requesting Licensees in their responses to the Consultation Paper before considering changes to the regulatory framework, SingTel requests that the IDA provide SingTel with an opportunity to respond to the issues raised during the consultation process.
- 3.20 SingTel believes this request is reasonable, given that this Consultation Paper and any consequential changes to the regulatory framework would affect SingTel's exchange decommissioning plans as well as SingTel's obligations under its RIO.