

3 August 2007

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**Fax No 6211-2116
& By Post**

**ATTN: Mr. Andrew Haire
Deputy Director-General (Telecoms)**

Dear Andrew,

**PROPOSED REGULATORY FRAMEWORK FOR TELEPHONY SERVICES OVER
WIRELESS BROADBAND ACCESS NETWORKS AND INTERCONNECTION
FRAMEWORK FOR TELEPHONY SERVICES**

Pacific Internet welcomes the opportunity to comment on the very important issues raised in the IDA's consultation. This is a very wide ranging consultation with some questions concerned with the long term implications of new technologies and some that have more immediate concern, for existing WBA operators for instance.

Concerning the questions asking for views on the long term impacts of technology, the increasing deployment of IP-based networks and its impact on interconnect, we do not really feel ourselves in a position to give any definitive answers at this stage. These involve complex issues, which are currently being debated around the world. We would therefore suggest that the best way to tackle these issues would be to organize an industry wide forum or workshop to address them.

There are some questions in the consultation that have a more immediate impact on existing operators which we are happy to make a contribution at the present time.

IDA invites views and comments on IDA's proposed conditions for the allocation of each number level in the light of industry trends. In particular, for convergent services offered over multiple platforms, do you agree that the numbers allocation conditions can be met as long as the service, as a whole, fulfills the number allocation criteria?

IDA invites views and comments on IDA's proposal to allocate number levels '3', '6', '8' and '9' to WBA operators for the provision of telephony services. In particular, do you agree that there is no need to include a requirement for "mobility" as a criteria for the allocation of level '8' and '9' numbers? If you propose to include the requirement for "mobility", please assist by defining "mobility", and determining when the requirement is met or unmet.

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We agree with the IDA that if an operator meets the criteria to apply for a particular number range then there should be nothing to preclude it for applying for those numbers. Therefore a WBA should be allowed to apply for level '8' or '9' numbers as long as it meets the criteria.

We do believe however, that there is a public perception when subscribing to a service provided with a level '8' or '9' number that it can be used while mobile, including in a car or on the MRT which may cause confusion if it is not adhered to. Some broadband wireless technologies such as WiMAX can provide mobility and so should not provide a problem for operators who wish to offer level '8' or '9'. Some wireless technologies only have a fixed application and so, we believe, that these should not be associated with '8' or '9', but there is sufficient flexibility within the numbering plan for an operator using such a technology to apply for a level '3' or '6' number instead.

The settlement arrangements under the Extended Interim Framework should be maintained for interconnection arrangements involving level 3

We do not believe that the settlement regime should be purely based on the numbering regime used, but also some account should be taken of the cost characteristics of the individual operator's network. If for example, an operator with a WBA network wants to offer level 3 numbers this should not preclude it from charging an interconnect payment for calls terminating on its network.

It is not necessarily true, as suggested by the IDA, that the costs for such an operator are automatically going to be insignificant and would therefore need, to be recovered in some way. If these costs have to be recovered from the operators own customers, this will be done by either higher rental prices or charging more for outgoing calls. Both these options may have the effect of undermining that company's competitiveness. An alternative would be for the company to charge its own customers for receiving the call, as happens at present with mobile operators. As these customers may be expecting a sort of fixed service where it is well established that the calling party pays, this may also be detrimental to the company's competitiveness.

The cost of opening up new number levels should be borne according to a "BAK" arrangement, i.e. each operator bears its own cost of opening up a new number level, except in the case of opening of access codes e.g. 00x, 15xx, 1800.

We agree with the IDA's proposal that each network operator should bear its own cost of opening up new number levels because as the IDA rightly points out new and existing operators benefit from interconnection. The high cost charged by the incumbent operators for opening up level 3 numbers have created a significant barrier to entry for smaller operators wishing to offer IP telephony services and encouraged them rather to obtain level 6 numbers from the incumbent operators. This, we believe, is opposite to the IDA's vision when it released the level 3 numbers to encourage VoIP operators to offer IP telephony services without having to meet the obligations incurred by level 6 numbers.

We also agree however, that an exception to this rule is made for the opening up of access codes because as the IDA pointed out calls are uni-directional.

IDA invites views and comments on the proposed POI Interconnection Arrangement, i.e., that each licensee designates a POI for the origination and termination services it provides, and licensees are responsible for all costs on their side of that point of interconnection, including the costs of interconnection links.

We agree with the IDA's proposal that where there is no commercial agreement between two operators for interconnect, there should be a framework to still allow for interconnection to take place. It is a fair solution that, in this instance, the terminating operator should designate the point of interconnect and be responsible for the links behind it.

Please do not hesitate to contact Mr. Simon Smith at 6771-0400, our regulatory affairs person if you have any queries.

Yours faithfully



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