

IDA's reference: IDA.INTC.050012
(Please quote this in all correspondence on this matter)

4 May 2012

Nucleus Connect Pte Ltd
3 Tai Seng Drive #04-01
Singapore 535216

Attention: Mr David Storrie
Chief Executive Officer

Dear Sirs

FURTHER DIRECTION OF THE INFOCOMM DEVELOPMENT AUTHORITY OF SINGAPORE MADE PURSUANT TO SECTION 27 OF THE TELECOMMUNICATIONS ACT IN RESPECT OF NUCLEUS CONNECT PTE LTD'S MANDATED SERVICES INFORMATION

1. Please refer to the following documents:-
 - a. Further Direction of the Infocomm Development Authority of Singapore ("**IDA**") dated 28 February 2012 made pursuant to Section 27 of the Telecommunications Act (Cap. 323) (the "**Act**") in respect of Nucleus Connect Pte Ltd's ("**Nucleus Connect**") Mandated Services Information ("**MSI**") ("**Further Direction**"); and
 - b. Nucleus Connect's letter dated 13 March 2012 submitting its proposed modifications to the General Service Terms and Conditions ("**Proposed ICO Modifications**") of Nucleus Connect's Interconnection Offer ("**ICO**") and requesting IDA to reconsider certain aspects of the Further Direction ("**Reconsideration Request**").

For the avoidance of doubt, capitalised terms not specifically defined herein shall have the meanings ascribed to them in the Further Direction and the Explanatory Memorandum to the Further Direction.

2. This direction incorporates two (2) sections. The first section relates to the direction to Nucleus Connect to incorporate specific drafting language to its Proposed ICO Modifications. The second section relates to IDA's decision on Nucleus Connect's Reconsideration Request.

Direction on Directed Amendments to Proposed ICO Modifications

3. Having carefully reviewed Nucleus Connect's Proposed ICO Modifications, IDA views that certain portions of Nucleus Connect's Proposed ICO Modifications have failed to give full effect to IDA's required modifications.
4. Accordingly, pursuant to Section 27(1) of the Act, IDA hereby directs Nucleus Connect to modify its Proposed ICO Modifications to incorporate the specific

drafting language set out in the enclosed Appendix – Directed Amendments to General Service Terms and Conditions (the “**Directed Amendments**”) (the “**Direction on Directed Amendments**”). The grounds for IDA’s determination of the Directed Amendments are annotated in the Appendix.

5. IDA hereby approves Nucleus Connect’s revised General Terms and Condition to its ICO incorporating the Directed Amendments (the “**Approved Revised ICO Amendments**”) with effect from the date of this Direction on Directed Amendments.
6. In connection with the above, IDA further directs Nucleus Connect to submit to IDA, for posting on IDA’s website, one (1) clean softcopy of the General Service Terms and Conditions of its ICO incorporating the Approved Revised ICO Amendments within **three (3) working days** from the date of this Direction on Directed Amendments. The softcopy submission must be in Microsoft Word format and emailed to IDA_ILO@ida.gov.sg.
7. In submitting its Approved Revised ICO Amendments to IDA for posting on IDA’s website, Nucleus Connect must make all necessary editorial corrections for possible typographical, cross referencing and pagination errors.

Decision on Reconsideration Request

8. Pursuant to Section 69(6) of the Act, IDA hereby issues its decision on Nucleus Connect’s Reconsideration Request (“**Reconsideration Decision**”).
9. In arriving at the Reconsideration Decision, IDA has carefully considered the issues that Nucleus Connect has raised in the Reconsideration Request. IDA’s Reconsideration Decision and the grounds for the decision are set out in the attached Explanatory Memorandum.
10. Nucleus Connect is reminded of its obligation to comply with IDA’s direction under Section 27(5) of the Act.
11. If you should require any clarification, please direct your queries in writing to our Ms Aileen Chia (Deputy Director-General (Telecoms & Post)). Please note that any query or clarification from Nucleus Connect shall not affect Nucleus Connect’s obligation to comply fully with the Direction on Directed Amendments.

Yours faithfully



Leong Keng Thai
Deputy Chief Executive Officer and Director-General (Telecoms & Post)

EXPLANATORY MEMORANDUM

1. This Explanatory Memorandum is issued by IDA to set out its decision on the Reconsideration Request submitted by Nucleus Connect on 13 March 2012 in respect of IDA's Further Direction of 28 February 2012 which applies to Nucleus Connect's MSI.
2. In arriving at the Reconsideration Decision, IDA has carefully considered the issues raised by Nucleus Connect in the Reconsideration Request. The following sections in the Explanatory Memorandum set out IDA's grounds for the Reconsideration Decision.
3. Unless specifically defined herein, all capitalised terms used in this Explanatory Memorandum shall have the meanings ascribed to them in the Further Direction and the Explanatory Memorandum to the Further Direction.

Nucleus Connect's Submission and IDA's Response

SAP Start Date for a Revised Order

4. Nucleus Connect submitted that IDA's requirement that Nucleus Connect shall commence the SAP Start Date from the date when Nucleus Connect receives the original service order from its Contracting QP would lead to many cases where Nucleus Connect would have to compensate the Contracting QP for failing to meet its committed SAP for residential premises given that OpenNet's MSI error remedy framework did not specify the timeframe and/or process for OpenNet to discover the error, provision the affected service orders and revise the service order, and that OpenNet may discover the MSI error long after the service order is submitted in the event that there is a backlog in OpenNet's service order processing. As such, Nucleus Connect requested IDA to reconsider Nucleus Connect's original proposal to commence the SAP Start Date from the date when Nucleus Connect receives a revised service order from the Contracting QP.
5. IDA has imposed a similar obligation on OpenNet to compensate its Requesting Licensees for any delay in service activation date due to an error or inaccuracy in OpenNet's MSI starting from the date of the original service order submitted by its Requesting Licensee. In this regard, Nucleus Connect's concern about a lack of a back-to-back arrangement from OpenNet is unfounded. IDA, however, agrees with Nucleus Connect that OpenNet's current MSI error remedy framework could be improved to specify such an obligation to do so more clearly. IDA will require OpenNet to revise its MSI error remedy framework to enhance the clarity of the said obligation. With regard to Nucleus Connect's concern about the lack of details in OpenNet's MSI error remedy framework with respect to the timelines and processes for OpenNet to discover MSI errors, as well as to provision and revise orders affected by MSI errors, IDA is of the view that it is not necessary to specify such operational details in the ICO given that OpenNet's MSI error remedy

framework and Nucleus Connect's proposed MSI error framework only set out the remedies to be provided by each party to its respective customers. Such remedies are not dependent on the operational details of how the MSI errors or inaccuracies will be implemented within each party. Moreover, the service level guarantee will apply from the date the Requesting Licensee submits the original service order should there be any delay in service provisioning.

Concern Regarding Notifying All Contracting QPs of MSI Errors or Inaccuracies

6. Nucleus Connect submitted that IDA's requirement on Nucleus Connect to notify all its Contracting QPs of errors or inaccuracies in its MSI within one (1) Business Day of OpenNet confirming the existence of the error or inaccuracy in the MSI might not be fair and might give rise to unintended consequences. In particular, Nucleus Connect explained that a retail service provider which was prospecting an end-user would be unhappy that a competing retail service provider would learn of the specific end-user premise that it was prospecting through the said notification by Nucleus Connect.
7. IDA is of the view that Nucleus Connect has failed to substantiate its concerns. IDA understands that an error or inaccuracy in OpenNet's MSI is generally discovered when OpenNet visits a site to patch a fibre connection or conduct a site survey after OpenNet receives a service order from its Requesting Licensee. In this regard, the retail service provider would already have secured an order from the end-user. Therefore, the likelihood of an end-user switching to another retail service provider who prospects him after it learns of the MSI error or inaccuracy from Nucleus Connect is low.

Further Opportunity to Review and Revise Nucleus Connect's ICO MSI Error Remedy Framework

8. Nucleus Connect submitted that OpenNet had not disclosed the operational details of how OpenNet had implemented OpenNet's ICO MSI error remedy framework on OpenNet's automated service platform. Nucleus Connect indicated that such a lack of operational details would add complexity and uncertainty to the ability of Nucleus Connect's automated service platform to support seamless service provisioning when an error or inaccuracy occurred in OpenNet's MSI. As an example, Nucleus Connect said that its ability to support a revision in an order due to an error in the classification of a premise type would depend on OpenNet's ability to support the same order revision in its system. Nucleus Connect also submitted that OpenNet had not introduced its MSI error remedy framework for erroneously failing to include a covered site in its MSI. In light of the aforementioned, Nucleus Connect requested IDA to allow Nucleus Connect to review and revise its MSI remedy framework after OpenNet had (i) provided to Nucleus Connect sufficient operational details of OpenNet's MSI error remedy framework and (ii) finalised its MSI error remedy framework.
9. As explained in paragraph 5 above, OpenNet's MSI error remedy framework and Nucleus Connect's proposed MSI error framework only set out the

remedies to be provided by each party to its respective customers. Such remedies are not dependent on the operational details of how the MSI errors or inaccuracies will be implemented on each party's automated service platform. It is therefore unlikely that the operational details of how OpenNet implements its MSI error remedy framework on its automated service platform will affect Nucleus Connect's MSI error remedy framework. Furthermore, as it is envisaged that the parties might require some time to rectify the error or inaccuracy in the MSI database due to their backend processes, the obligation on OpenNet and Nucleus Connect is to rectify any error or inaccuracy in their MSI as soon as reasonably practicable if the parties are unable to do so immediately. In this regard, it is likely that service provisioning will take place before the MSI error or inaccuracy is rectified. In the meantime, the parties are expected to discuss and manually provision the service orders affected by the MSI errors in order not to delay their obligation to provision services.

10. Separately, while OpenNet has requested IDA to reconsider IDA's decision on its MSI error remedy framework for erroneously failing to include a covered site in its MSI, the said remedy framework has come into effect on 25 February 2012. If IDA's reconsideration decision leads to a variation of the said framework, Nucleus Connect may then request IDA to allow Nucleus Connect to review and revise its MSI error remedy framework in response to the variation, where applicable.