

7 February 2013

Ms Aileen Chia
Deputy Director-General (Telecoms & Post)
Infocomm Development Authority of Singapore
10 Pasir Panjang Road
#10-01 Mapletree Business City
Singapore 117438

STRICTLY CONFIDENTIAL

(sent via email to ida_ilo@ida.gov.sg)

Dear Ms Chia

**DIRECTION OF THE INFO-COMMUNICATIONS DEVELOPMENT AUTHORITY OF SINGAPORE
MADE PURSUANT TO SECTION 27 OF THE TELECOMMUNICATIONS ACT (CHAPTER 323) IN
RESPECT OF THE REVIEW OF NUCLEUS CONNECT PTE LTD'S INTERCONNECTION OFFER FOR
THE PROVISION OF SERVICES OVER THE NEXT GENERATION NATIONWIDE BROADBAND
NETWORK**

We refer to IDA's letter dated 31 December 2012 and 25 January 2013 on the above.

Nucleus Connect is pleased to submit the Further Proposed Modifications to our Interconnection Offer to IDA for its review and approval.

In relation to IDA's Required Modifications to paragraph 8.1 of the General Service Terms and Conditions, we note that IDA has agreed with an industry respondent that there is no reason to tie the deactivation of the Basic Mandated Services to the retrieval of the NC Equipment. However, as explained to IDA during our meeting on 16 January 2013, based on Nucleus Connect's experience since the launch of our ICO, Nucleus Connect has faced challenges in retrieving our ONT from End Users. This is despite having gone the extra mile of reminding the End Users prior to the ONT collection appointment. Further, RSPs have not been co-operative in assisting Nucleus Connect in ensuring that appointments or re-appointments (in cases where the first attempt at collection fails) for ONT collection are made in a timely manner (if at all). This creates significant operational problems, inefficiencies and financial impact for Nucleus Connect.

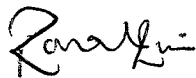
We would therefore request that IDA re-consider its position for the following reasons:

- As explained above, Nucleus Connect needs the co-operation of RSPs to facilitate ONT collection. Once a service is deactivated, there is little incentive for RSPs to assist Nucleus Connect.
- In initiating the changes, Nucleus Connect has been fair to RSPs. Currently, when an RSP deactivates a connection, Nucleus Connect would bill the RSPs till the 35th day after receipt of the deactivation order. This is independent of when Nucleus Connect actually collects the ONT. The proposed changes benefit the RSPs as Nucleus Connect will bill the RSPs only up to 1 Business Day after ONT collection. This can be less than the current 35 days, and is within the control of the RSP. It also provides an incentive to the RSP to ensure that it co-operates with Nucleus Connect to facilitate the ONT collection. Further, we would note that we have proposed that where a failed ONT collection is the fault of Nucleus Connect, the RSP would not be penalized.
- The practice we are advocating is in line with industry practice. We note that when a StarHub cable modem customer wishes to terminate his broadband service, StarHub requires the customer to return his cable modem before his service is terminated. Subscription charges for the service also only stops when the cable modem is received.
- While we note that the ICO allows Nucleus Connect to recover the cost of the ONT (i.e. treat the non-retrieval of the ONT as a lost ONT) from the RSP, it is not possible to enforce this right in a competitive environment. For example, while our ICO gives us the right to impose No Fault Found charges, we have not done so as Nucleus Connect operates in a competitive environment.

Nucleus Connect has revised our proposal to address the concerns raised by IDA. However, for reasons highlighted, we submit that if IDA requires Nucleus Connect to deactivate a connection within 1 Business Day (regardless of ONT collection), it would pose significant operational challenges for Nucleus Connect. We assure IDA that in initiating the changes to our ICO, Nucleus Connect has not been frivolous but has ensured that our proposal is reflective of industry practice, balanced against Nucleus Connect's operational requirements.

We thank IDA for its consideration of our request. Please feel free to contact the undersigned should IDA require any clarification.

Yours sincerely
For and on behalf of
Nucleus Connect Pte Ltd



Ronald Lim
Head (Regulatory)

