

5 July 2004

Singapore Telecommunications Limited
31 Exeter Road
#18-00 Comcentre
Singapore 239732

Attention: BG Lee Hsien Yang, Chief Executive Officer

Dear Sir,

**DIRECTION OF THE INFO-COMMUNICATIONS DEVELOPMENT AUTHORITY
OF SINGAPORE - MODIFICATION OF REFERENCE INTERCONNECTION
OFFER**

1. The Info-communications Development Authority of Singapore ("**IDA**"), pursuant to the Info-communications Development Authority of Singapore Act (Chapter 137A), Section 27(1) of the Telecommunications Act (Chapter 323)("Act") and Condition 34.1 of the Licence to Provide Facilities-based Operations granted to Singapore Telecommunications Limited ("**SingTel**") on 1 April 1992, hereby issues this Direction to SingTel.
2. Please refer to the following:
 - (a) IDA's notification dated 16 December 2003 of its decision ("**IDA Decision**") to designate SingTel's local leased circuits ("**LLCs**") as a mandated wholesale service under the Code of Practice for Competition in the Provision of Telecommunication Services ("**Code**"); and
 - (b) the Minister's decision dated 2 July 2004 on SingTel's appeal against the IDA Decision, wherein the Minister affirmed the IDA Decision subject to such variation as set out in the Minister's decision ("**Ministerial Decision**").

3. For the purposes of giving effect to the IDA Decision, as varied by the Ministerial Decision:
 - (a) IDA will proceed to amend the Code by inserting a new paragraph 7 of Appendix Two of the Code to designate SingTel's LLCs as a mandated wholesale service ("**Code Amendments**"); and
 - (b) IDA will require SingTel to make corresponding modification to its Reference Interconnection Offer ("**SingTel RIO**") to include its offer of LLCs as a mandated wholesale service.

4. In this connection, IDA hereby directs SingTel, within 21 days from the date of this Direction, to submit to IDA for approval, SingTel's proposed modification to the SingTel RIO to include its offer of LLCs as a mandated wholesale service, to give effect to the IDA Decision, as varied by the Ministerial Decision.
 - (a) Specifically, SingTel must make the following modification to the SingTel RIO:
 - (i) develop a new Schedule 7 specifying the terms and conditions under which SingTel will provide LLCs, as a mandated wholesale service, to any Facilities-based Requesting Licensee ("Requesting Licensee");
 - (ii) amend Clause 3.1(b) of Schedule 8B to include the offer of Co-location Space to any Requesting Licensee at the SingTel Exchanges listed in Annex 8B.1 of Schedule 8B, for the purposes of accessing LLCs under the new Schedule 7;
 - (iii) amend Clauses 7.5(d) and 7.5(e) of Schedule 8B to include the use of Co-Location Equipment for connection to LLCs; and
 - (iv) develop a section under Schedule 9 to specify the applicable charges and other price-related provisions in relation to SingTel's offer of LLCs under the new Schedule 7.
 - (b) Notwithstanding the specific clauses of the SingTel RIO identified in paragraph 4(a) above, to the extent that additional or consequential modification to any provision of the SingTel RIO is necessary in order to include its offer of LLCs as a mandated wholesale service to Requesting Licensees, IDA requires SingTel to propose such modification for IDA's approval.

5. Please be informed that IDA will conduct an industry consultation on SingTel's proposed modification to the SingTel RIO. Where IDA is not satisfied with SingTel's proposed modification, IDA may direct SingTel to incorporate specific drafting language in order to give effect to the IDA Decision, as varied by the Ministerial Decision. The proposed modification to the SingTel RIO will take immediate effect upon approval by IDA¹.
6. IDA reminds SingTel that any non-compliance with this Direction constitutes a contravention of Section 8 of the Act and IDA will not hesitate to take strong enforcement action for such contravention.
7. Any clarification on this Direction must be made in writing and marked for the attention of our Mr Andrew Haire, Senior Director (Policy and Competition Development) and faxed to 62112116. Please note that any queries directed to IDA for clarification shall not affect your obligation to comply with this Direction.

Yours faithfully,



Leong Keng Thai
Deputy Chief Executive / Director-General (Telecoms)

¹ For the avoidance of doubt, the proposed modification to the SingTel RIO will not take effect until after the Code Amendments have come into force.