
PROPOSED AMENDMENTS TO SINGAPORE TELECOMMUNICATIONS LIMITED'S REFERENCE INTERCONNECTION OFFER TO OFFER LOCAL LEASED CIRCUITS AS A WHOLESALE SERVICE

**Submission by the StarHub Group to the Info-
communications Development Authority of Singapore**

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A. Executive Summary

StarHub applauds the IDA for designating SingTel's local leased circuit ("LLC") service as a mandated wholesale service. This is a key step in further facilitating the development of competition in the telecommunications industry.

As StarHub had highlighted in our submission, in response to IDA's Second Consultation on the Proposed Telecom Competition Code, unreasonable prices, terms and conditions offered by SingTel will deter licensees from taking up such services and will eventually render IDA's decision ineffective. It is therefore critical that IDA be decisive in its final decision in ensuring that the procedures adopted for the service are functional and do not add unnecessary cost burdens on Requesting Licensees ("RLs"). Even after approval of the amendments and where, in implementing the procedures, it is found that there are gaps or ambiguities, we would also encourage IDA to intervene swiftly to clarify its intent.

As the licence term for the mandated wholesale services only last between 18 and 24 months, swift intervention is crucial as each moment of delay will only shorten the useful life of these services.

The true test of success of this decision taken by IDA will be in the number of FBOs that take up this service and the level of increased competition in the telecoms market resulting from this decision.

StarHub submits that some of the key areas that need to be taken into consideration are :

- *Provisioning timeframes are too long* – SingTel appears to have substantially increased the provisioning timeframes compared with what it presently offers its retail and wholesale customers. This is not acceptable and provisioning timeframes for wholesale customers should, in fact, be much shorter than those for retail customers as RLs will generally purchase larger volumes of circuits, offer lower credit risks, and will need to add SingTel's provisioning timeframes to their own.
- *Service Level Agreements ("SLA") are inadequate* – SingTel's proposed SLAs/QoS standards are grossly inadequate. As this is an upstream service, and a key input into the services of downstream operators, there is a need for SLAs/QoS standards for this service to be better than or equal to that which IDA imposes for retail services and which SingTel provides to its own retail customers. Without such requirements, SingTel will already start off with a critical non-price related advantage over its competitors.

- *Prices (including discounts) are still not available* – It is still unclear to RLs what the tariffs for this service are and how the relevant discounts will apply. As pricing can have a huge impact on the acceptability of the proposed terms and conditions, IDA may need to consider allowing further feedback after Schedule 9 is released. Further, it is not clear how prices for the wholesale service will be adjusted in response to any price changes to SingTel’s retail LLC services. This is a critical issue as there is a need to minimize any window of opportunity that SingTel can exploit to restrict competition.
- *The need to police SingTel's behaviour in the market* – There is a need to police SingTel’s behaviour in the market to ensure that wholesale customers are not discriminated against especially in terms of provisioning timeframes and quality of service. IDA must be prepared to intervene should there be any suspicion that such incidents occur. Some tactics that have been adopted by incumbents in other regimes have been a deliberate “drop” in quality of services to wholesale customers or to offer deep discounts off retail LLCs so that RLs only enjoy “list” LLC prices. Such steps would render IDA’s 16 Dec 2003 decision ineffective.
- *Duration of wholesale service should begin from date of availability of the service* – SingTel has backdated the commencement date for the service to 20 July 2004. This is illogical given the fact that the service is not even available. It will also give SingTel every incentive to delay the availability of the service. Further, this is contrary to the Government Gazette dated 20 July 2004 which states that the Commencement date would be a date specified by IDA. StarHub would submit that the start date for the service should only apply on the date the service is available.
- *Need for procedures to ensure smooth migration of services from present commercial arrangements to the RIO* – There is a need to address issues of migration where RLs who are currently obtaining wholesale LLC services from SingTel on commercial terms opt to migrate the same circuits to the RIO. SingTel must not be allowed to charge excessive migration or unnecessary application fees as there is, in reality, no physical change to the circuits and therefore does not require additional work by SingTel.
- *SingTel should report QoS for the mandated wholesale service separately* – In order to ensure that wholesale customers are not discriminated against, StarHub submits that QoS for wholesale services be reported and published separately from SingTel’s retail LLC service.
- *Need to harmonise between Schedule 7 and 8* – Schedule 8E and 7B are inter-dependent schedules. As such, there is a need to “co-ordinate” both of these schedules to ensure that, for example, the required co-location

space is available and the licence does not expire as long as the space is used for provision of services under Schedule 7B.

- *Need for clarity on how to transition to long term “cost based” solution* – Procedures for transition of the LLCs from the interim arrangement to the long term “cost based” solution need to be addressed as soon as possible. This will provide RLs with certainty and therefore enable licensees to similarly give assurances to their End Users.
- *Unnecessary ordering/forecasting processes should be removed* – We note that SingTel has sought to impose detailed and unnecessary ordering/planning/forecasting procedures on RLs. As these procedures are not imposed on SingTel’s retail customers, we cannot accept them being imposed on RLs.
- *Remove prohibition on Resale* – The prohibition on resale set out in the RIO amendment would limit competition and directly contradict IDA’s Direction. This prohibition should be removed.

B. Statement of Interest

- 1.1 StarHub Pte Ltd is a Facilities Based Operator (“FBO”) in Singapore, having been awarded a licence to provide public basic telecommunication services (“PBTS”) by the Telecommunications Authority of Singapore (“TAS”) (the predecessor to IDA) on 5 May 1998.
- 1.2 StarHub Mobile Pte Ltd is a wholly-owned subsidiary of StarHub Pte Ltd. StarHub Mobile Pte Ltd was issued a licence to provide public cellular mobile telephone services (“PCMTS”) by the TAS on 5 May 1998. StarHub launched its commercial PBTS and PCMTS services on 1 April 2000.
- 1.3 StarHub acquired CyberWay (now StarHub Internet Pte Ltd) for the provision of Public Internet Access Services in Singapore on 21 January 1999. In July 2002, StarHub completed a merger with Singapore Cable Vision to form StarHub Cable Vision Ltd (“SCV”). SCV holds a FBO licence and offers broadband and cable TV services.
- 1.4 This submission represents the views of the StarHub group of companies, namely, StarHub Pte Ltd, StarHub Mobile Pte Ltd, StarHub Internet Pte Ltd and StarHub Cable Vision Ltd.

C. Detailed Comments

Schedule 7A and 7B

Clause 1.2 (Schedule 7A)

StarHub submits that there should not be a requirement that the End User's site/location and the RLs' network site have a "valid legal address". For example, banks typically install Automated Teller Machines at locations that do not have a "valid legal address". With this restriction, RLs will not be able to provide services to customers such as banks and therefore SingTel will remain as the monopoly service provider to such markets. This clearly does not achieve IDA's objectives for designating LLCs as an IRS nor promote the development of competition.

Clause 1.4 (Schedule 7A & B)

SingTel has provided a list of Excluded Sites where it will not allow RLs to request termination of LLCs at. In accordance with IDA's decision dated 16 Dec 2003, there should not be such a prohibition. The Excluded Sites proposed by SingTel are "normal" areas where FBOs would request connectivity to as part of their network rollout. It is therefore unreasonable for SingTel to exclude such sites as it will limit the extent of SingTel's obligations to provide wholesale LLCs and restrict the amount of flexibility that FBOs can exercise when planning their networks. StarHub therefore submits that such restrictions be deleted in its entirety.

Further, StarHub submits that SingTel must accept any Pre-Notified site that has been notified to SingTel at least seven (7) Calendar Days prior to submission of the FLAR.

Clause 1.7 (Schedule 7A & B)

SingTel has imposed strict timeframes, terms and conditions on RLs for use of this wholesale LLC service. SingTel should therefore be similarly committed to timeframes agreed to under this agreement. Clearly, where SingTel has committed to certain timeframes/service level agreements ("SLAs")/RFS dates in this agreement, it must meet such timeframes/SLAs/RFS dates, failing which SingTel must be required to compensate the RL.

Any delays caused by SingTel will cascade downstream and in the end, it will be the customer that suffers. This is clearly detrimental to customer confidence and experience in the long run. Without such commitment from SingTel and without the ability to independently verify the reasons for any delay, StarHub submits that this is a loophole that can be exploited to achieve anti-competitive objectives.

StarHub further proposes that Clause 1.7(a) be modified from “SingTel may extend these timeframes ...” to “SingTel will extend these timeframes ...”.

Clause 1.8 (Schedule 7A & B)

In addition to the comments to Clause 1.7 above, it must also be noted that RLs will be exposed to financial risks from their own End Users as a result of SingTel’s delays.

Further, StarHub proposes that where continued failure by SingTel occurs more than twice within a month, RLs should be entitled to additional compensation from SingTel.

Clause 2.2 (Schedule 7A) & Clause 2.3 (Schedule 7B)

StarHub submits that the requirement to submit the FLAR/TLAR thirty (30) Business Days prior to the requested date of activation is too long. Even today, SingTel is typically able to provide the requested LLCs within 7 – 15 Business Days (depending on the speed of the circuit(s) requested).

As StarHub has mentioned earlier, since this is a wholesale service, IDA must ensure that the timeframes provided by SingTel are equal to or more favourable than those SingTel provides to its own retail customers, as there is a need to take into consideration the timeframes required by RLs provisioning of services on their own networks. Without more stringent timeframes on such wholesale services, RLs will be disadvantaged. This will render IDA’s decision to mandate wholesale LLCs as an IRS ineffective. StarHub would therefore propose that SingTel be obliged to provide the requested LLC within 10 Business Days of the request.

Bearing the 7 – 16 Business Days timeframes in mind, SingTel will consequently need to revert with an RFS date by the next Business Day. Again, this timeframe is industry standard and the expectation of End Users.

Clause 2.4 (Schedule 7A) & Clause 2.5 (Schedule 7B)

StarHub submits that this clause should be deleted and that SingTel should accept FLARs as long as the term for FLLCs/TLLCs have not expired. StarHub further submits that IDA should require SingTel to ensure and facilitate smooth and seamless transition of “active” FLLCs/TLLCs to commercial agreements (upon expiry of the respective FLLC terms), or to the long-term cost-based solution (for TLLCs) and that SingTel should propose terms for transition of such circuits for public consultation.

Clause 3.4(b) should be accordingly deleted.

Clause 2.6 (Schedule 7A) & Clause 2.7 (Schedule 7B)

The limit that SingTel has imposed for processing of FLARs and TLARs is unrealistically low, especially considering that the limit takes into consideration total FLARs and TLARs from all RLs. Such a limit will create a backlog of applications and delay the provision of services to End Users. It also creates greater uncertainty as SingTel has the right to reject applications for various reasons that are not within the control of RLs. StarHub therefore strongly submits that all such limits be deleted. We would note that SingTel does not impose such constraints on its retail customers, and therefore imposing them on wholesale customers would simply be discriminatory and anti-competitive.

Clause 3.1 (Schedule 7A & B)

StarHub submits that a Project Study is unnecessary. As mentioned earlier, SingTel has typically been able to respond within much shorter timeframes and with much more information than it is presently proposing under these Schedules. Further, there is no reason for the Project Study to commence only ten (10) Business Days after the Processing Date. Such unreasonable requirements will only lead to delays and ultimately affect the competitiveness of RLs.

In addition, StarHub is aware that SingTel is able to provision its retail service within much shorter timeframes than SingTel is currently proposing.

StarHub therefore submits that IDA simply stipulate the maximum amount of time that SingTel is allowed to take from receipt of FLAR/TLAR to RFS date. SingTel should also be required to compensate RLs for failure to meet such timeframes.

The "Project Study" references should be deleted.

Clause 3.2 (Schedule 7A & B)

StarHub submits that this Clause should include wordings to the effect that "RLs have the right to request that IDA audits and verifies SingTel's stated reason(s) for rejection".

Clause 3.2(a) (Schedule 7A & B)

It is not acceptable for SingTel to use its "anticipated requirements in the next two (2) years" as a basis for rejection. SingTel has proposed that the minimum term for a circuit be one (1) year and therefore this clause would effectively prevent RLs who only require the LLCs for one (1) year from purchasing the LLC, if SingTel "anticipates that it will require the LLC for its own use".

A more reasonable timeframe would be three (3) months as it is a more realistic planning horizon.

Clause 3.2(b) (Schedule 7A & B)

This again is not an acceptable reason and should be deleted in its entirety.

Clause 3.2(c) (Schedule 7A & B)

StarHub submits that the words “including for operations and maintenance purposes” be deleted. These terms are vague, subjective, and open to broad misinterpretation.

Clause 3.2(e) (Schedule 7A & B)

Clause 3.2(e) should be modified so that SingTel can only reject a request for FLLCs/TLLCs which have been earmarked for decommissioning if such decommissioning will occur with a reasonable time frame from the date of the request.

StarHub would propose that such timeframe be set at three (3) months.

Clause 3.4 (Schedule 7A & B)

All reasons for rejection must be clearly stated by SingTel, and open to challenge by RLs.

Clause 3.4(a) (Schedule 7A & B)

This reason for rejection should be deleted as there should not be any Excluded Site.

Clause 3.4(f) (Schedule 7A) and Clause 3.4 (d) (Schedule 7B)

SingTel should not have any reason to reject a FLAR/TLAR at this stage as it should already have assessed whether there is sufficient information when it accepts the request. Therefore this clause should be deleted.

Clause 3.4(g) (Schedule 7A) and Clause 3.4(e) (Schedule 7B)

SingTel must define “normal provisioning”. StarHub would propose that this definition must match that used for SingTel’s retail customers.

Clause 3.4(i) (Schedule 7A) and Clause 34(h) (Schedule 7B)

Where this reason is used as a basis for rejection, it must also be established that SingTel is also unable to provide its own retail LLC service (or variations of its LLC service) to the same site. Such a condition is required to avoid situations where SingTel does not provide wholesale LLC services but is however able to provide its own retail LLC service to the same location.

Section 3.5 (Schedule 7A & B)

As mentioned earlier, any RFS date agreed between the RL and SingTel should be binding.

Clause 4.1 (Schedule 7A & B)

This Clause should be deleted with respect to StarHub comments on Clause 3.1.

Clause 4.2 (ii) (Schedule 7A & B)

StarHub submits that a more reasonable timeframe for deferment of the RFS date should be sixty (60) Calendar days, rather than thirty (30) Calendar days. There are situations which are not within the control of the RL or the End User (for example, delay in equipment arrival) and which can result in a need to defer the RFS date and it would not be reasonable to therefore deem the FLAR/TLAR as cancelled; and require RLs to submit a new FLAR/TLAR and be subject to application and processing charges.

Further, the RFS Deferment fee should be based on the administrative and processing costs incurred by SingTel. It is unreasonable to base such fees on Installation Charges and is also out of line with industry practice.

Clause 5.1 and 5.2 (Schedule 7A & B)

Notification by SingTel when there is a need to re-route the FLLC cannot be on a best endeavour basis. RLs are answerable to their End Users and it is industry practice to notify End Users at least 14 days in advance of any such works. As a wholesale supplier, SingTel should therefore provide RLs with at least 21 days prior notification. This will ensure that RLs have enough time to inform their End Users as well as take any necessary action(s) at their end.

Further, SingTel should also inform RLs whether the disruptions are service affecting or not, taking all necessary steps to ensure that the disruptions are NOT service affecting.

StarHub submits that such standards should not only apply to re-routing works but to all similar works taken by SingTel. This is required to enable RLs to

provide certainty and ensure minimal service disruption to their End Users and therefore provide a truly competitive service to End Users.

Clause 5.3 (Schedule 7A & B)

StarHub submits that there is a need to ensure smooth transition of services in such situations. Clearly, the situation cited contemplates a modification of the present request/service. It is therefore unreasonable and unnecessary to terminate and re-activate the service. Such requirements only serve to drive up costs and create disruption. This is detrimental to competition and will only cause inconvenience to End Users. Clearly, such requirements do not serve public interests. StarHub therefore submits that this Clause should be deleted.

Clause 6.1 (Schedule 7A & B)

StarHub submits that ten (10) Business Days is a more reasonable timeframe within which to submit FLDRs. As FLDR are to request service deactivation, there is no requirement for any complicated studies which SingTel needs to carry out. Further, as stated earlier, if SingTel is able to meet RFS dates of within 16 days from receipt of FLARs/TLARs, there is clearly no need for longer timeframes given that the process for deactivation is much simpler. Clause 6.2(iii) should be accordingly amended.

Clause 6.2 (Schedule 7A & B)

The timeframe for SingTel to respond should also be reduced to the next Business Day so that RLs can revert to their End Users within a reasonable timeframe.

Further, there is a need to clarify that, should SingTel reject any FLDR, RLs should only be required to re-submit the corrected forms and should not be required to observe the timeframe as stipulated in Clause 6.1 all over again. If this amendment is not made, further delays in provisioning and delivery of services to customers will result.

Clause 7.2(j) (Schedule 7A & B)

SingTel must stipulate upfront what the “operating conditions and specifications” are.

Clause 7.2(k) (Schedule 7A & B)

It is unreasonable to expect RLs to “keep” SingTel’s equipment in good working condition. This Clause should be clarified to refer only to equipment that RLs have access to and use. SingTel must also be required to provide a reason and basis for requiring RLs to “disconnect or cease to use ... equipment”.

Clause 7.2(m) (Schedule 7A & B)

Such “notices, instructions, or directions” must be reasonable and RLs must be given a reasonable amount of time for compliance.

Clause 7.2(n) (Schedule 7A & B)

RLs should not be required to pay SingTel any charges/fees where this has arisen from a fault caused by or attributed to SingTel. Therefore this Clause should be amended to require SingTel to prove that such charges have been incurred as a result of a fault caused by the RL, failing which there should not be any requirement for RLs to compensate SingTel.

All SingTel charges must be clearly set out in the document. These charges should be comparable to those paid by SingTel’s retail customers.

Clause 7.3(a) (Schedule 7A & B)

The prohibition on resale is contrary to IDA’s Direction and should be deleted.

Clause 7.4 (Clause 7A & B)

SingTel must define “normal provisioning”. StarHub would propose that this definition must match that used for SingTel’s retail customers.

Clause 9.2 (Schedule 7A & B)

SingTel must provide notification of any change in Standard Operating Procedures at least 14 days prior to implementation of the new procedures. Further, such changes should be subject to the approval of IDA. These procedures should also apply to SingTel’s retail customers.

Clause 11 (Schedule 7A & B)

StarHub notes that SingTel has stated that the start date of the service is 20 July 2004. This is unreasonable since the service is clearly not available on this date. Also, this will shorten the period of availability of this service especially since it is as yet not clear when this service will be approved and made available. Clearly, a more reasonable start date would be the date on which the amendments are accepted and approved by IDA, and the service is available.

Clause 12 (Schedule 7A & B)

Except for emergency situations, SingTel must be required to provide RLs with at least 21 Calendar Days prior notice. Further, the following standards must be adhered to :

- a) There must not be more than one (1) planned outage per month for the same circuit;
- b) Each outage should not last longer than three (3) hours;
- c) Planned outages cannot be carried out during working hours; and
- d) Planned outages for RLs must be no worse than those experienced by SingTel's retail customers.

Clause 14 (Schedule 7A & B)

There is need to ensure that cost-based LLC tail circuits are available before expiry of the interim solution. Further, there is a need to ensure that there are procedures in place to allow RLs to migrate active LLCs, under the interim solution, to the cost-based LLC circuits. There should be no disruption of services unless absolutely necessary, nor should there be a need for unnecessary re-submissions of applications or payments.

Clause 14.1 (Schedule 7A)

StarHub submits that the timeframe for RLs to discontinue use of FLLC service should be within five (5) Business Days of expiry or termination rather than three (3) Business Days. This will ensure that RLs have sufficient time to work with their End Users as well.

Annex 7A-6 & 7B-5

Section 2 Average Service Restoration

The Wholesale LLC service is a key infrastructure service that will be used by FBOs to provide telecommunications services to their End Users. As such, SLAs for this service must be at least equal to those which SingTel provides to its retail customers, as well as be in line with common industry practice. As a minimum, SLAs for the wholesale LLC service must be better than the Quality of Service ("QoS") standards stipulated by IDA.

StarHub submits that SingTel must provide the following minimum SLAs for this service :

- a) Service Availability at least 99.7% per circuit/month
- b) Mean Time to Restoration less than 2.3 hours per incident/month

There should not be a different standard for High Loss and Transmission/Fibre Discontinuity; or Office and Non-office Hours outages. Further, there must be a clear compensation framework which stipulates the amount of compensation to be paid to RLs should SingTel fail to meet the SLAs.

StarHub would also suggest that SingTel be required to report to IDA the SLAs/QoS for this service separately from its retail LLC service. This requirement will facilitate monitoring and ensure that FBOs using the wholesale LLCs are not discriminated against in favour of SingTel's other customers.

Section 3 Checklist for Fault Reporting

StarHub submits that it is insufficient for SingTel to provide only a single contact number for its Fault Management Centre. StarHub has experienced numerous instances when calls to such a number are not answered. This results in delays in investigation and restoration of the affected services and do not serve public interests.

As such StarHub submits that SingTel must provide the following :

- e) Clear fault escalation procedures including contact persons and their contact numbers.
- f) A commitment on the response times to answer calls, carry out investigations etc.
- g) The reasons for any outages ("RFO") within three (3) Calendar Days of the outage.
- h) Regular updates to the RL until service is restored followed by an investigation report.

SingTel must also ensure that its Fault Management Centre telephones are manned 24 hours x 7 days-a-week.

Section 4 Found No Fault

It is common industry practice that before a service provider is allowed to recover its costs under the "Found No Fault" scenario, it must prove that it had investigated the fault docket and had really found no fault at its end.

As it is presently phrased, SingTel need not provide such proof. This is not in line with industry best practice as it will not encourage SingTel to carry out a thorough investigation of any fault escalated to it. Further, StarHub has experienced occasions when SingTel has reverted that it had "Found No Fault" on its network and although StarHub had not taken any other action to rectify the fault, the fault had been mysteriously resolved and the service restored. In such a situation, StarHub would be charged SingTel's Call Out Rates. This is clearly unacceptable.

Requiring SingTel to provide proof will therefore deter it from exploiting any loopholes that will enable it to avoid compensating RLs for not meeting SLAs.

Annex 7A-7 & 7B-6

StarHub would suggest that only the Central Zone codes need to be defined and the rest would then be deemed to be Non-Central Zone.

In addition, StarHub believes that the following zones should be designated as Non-Central Zone rather than Central Zone, given their geographic location :

- a) 10 - Science Park/Telok Blangah
- b) 11 - Alexandra
- c) 13 - Dover / Buona Vista
- d) 14 - Commonwealth
- e) 27 - Ghim Moh / Holland

Schedule 8E

Clause 1.6 and 1.7

Please refer to comments on Clauses 1.7 and 1.8 (Schedule 7A & B).

Clause 2.1 (a)

Section 5.3.5.5.3 of the Telecom Competition Code prevents a dominant licensee from denying availability on the basis that excess capacity has been “reserved” for future use. The dominant licensee must also “*demonstrate that it will need to use a portion of currently unused space in order to achieve reasonably projected rates of growth over a 2 year period*”.

Should IDA deem that there is a justifiable reason for SingTel to reserve such space, then StarHub submits that a timeframe of three (3) months is reasonable.

Clause 2.1(b)

StarHub submits that this Clause should be deleted in its entirety as there is no justification to reserve space for this reason.

Clause 2.1 (c)

StarHub proposes that the words “including for operation and maintenance purposes” be deleted.

Clause 2.1(e)

Clause 2.1(e) should be modified so that SingTel can only reject a request for Co-location Space which has been earmarked for decommissioning if such decommissioning will occur with a defined time frame (such as 3 months) from the date of the request. There may be scope for co-location space to be used by the RL prior to such decommissioning occurring.

Clauses 3 & 4

The Ordering/Provisioning Procedure should be merged with the Project Study. It is unreasonable that a Project Study can only commence after SingTel's preliminary acceptance of Co-Location Request. Such an approach delays the ordering and provisioning process. Clauses 3 and 4 should be modified accordingly. As stated, the ordering/provisioning process for wholesale customers should be no worse than those for SingTel's retail customers.

Clause 3.1(i)

There should not be a requirement to provide coaxial/fibre Tie Cables in multiples of eight (8) as this poses additional and unnecessary costs burden on RLs. Annex 8E.2 will also need to be amended to allow Tie Cables in any denomination.

Clause 3.4(f)

Where this reason is used as a basis for rejection, SingTel should provide the “technical or engineering issues” which have given rise to the rejection, and a process for reviewing SingTel’s decision.

Clause 3.5

RLs should be allowed to use their existing co-location space and equipment (including those at points-of-interconnection) for provisioning of tail circuits. This will allow RLs to efficiently use equipment and infrastructure that are installed within the co-location sites. It also ensures that co-location space within the specified sites are efficiently utilized and therefore create greater opportunity for use by other RLs. Further, this will ensure that unnecessary costs are minimized which will ultimately benefit End Users. RLs should not be prohibited from using existing spaces, as this would cause duplication, inefficiency and additional costs.

Clause 4

Based on SingTel’s proposal it would take up to twenty (20) Business Days from preliminary acceptance to completion of Project Study. This is equivalent to one (1) Calendar month, which is too long a timeframe. StarHub proposes that the timeframe be shortened to ten (10) Business Days for the entire process, inline with SingTel’s provisioning times to its retail customers.

Clause 5.1

The scope of Site Preparation Work should be provided to RLs together with the estimated Charges.

Clause 5.2

SingTel should be required to complete the Site Preparation Work within a specified timeframe. There are two potential timeframes. A maximum timeframe of 3 weeks should apply where no renovations are required. A maximum timeframe of 6 weeks should apply where renovations are required. The concept of “renovations” should be clearly defined by reference to such matters as

installation of air conditioning and raising of floor levels. A failure by SingTel to comply with these timeframes should trigger appropriate compensation to the RL.

SingTel should also provide a detailed project schedule in relation to the site preparation works. This should include, for example, all electrical, cable tray, tie cable installation, and lead-in pipe construction. Such a schedule enables each RLs to plan and allocate resources to follow-up works.

Clause 7.5

Various provisions of clause 7.4 should be subject to a requirement that SingTel give a 7 day “cure notice” prior to exercising a right of termination. This will ensure that the RL is provided with time to correct any breaches. This obligation is particularly important given the severe consequences of termination. Provisions of clause 7.4 which should be subject to a “cure notice” include clauses 7.4(b), (c), (d), (e), and (g).

SingTel should only be permitted to exercise a right of termination in relation to a *material* breach. The right of termination is a draconian right which should only be exercised in the worst circumstances, particularly given the severe consequences of termination identified above. SingTel should not be permitted to exercise a right of termination for any breach, no matter how technical or minor.

IDA previously recognised this issue at page 4 of Schedule A of IDA’s 2000 Notification in which IDA commented:

“IDA recognises that SingTel has the right to suspend or terminate a RIO Agreement in the event that the RL materially breaches or fails to satisfy a material condition. However, as currently drafted, the proposed RIO contains numerous provisions that would allow SingTel to terminate the RIO Agreement for trivial or inappropriate reasons. SingTel must eliminate all such provisions”.

Annex 8E.1

SingTel’s Sembawang Exchange has been left out of the list and should be included. This is an important exchange, and its exclusion could have the effect of denying services to customers in that area.

Schedule 9

It is difficult to assess the impact of SingTel's proposed terms and conditions as described in Schedules 7A, 7B and 8E without full visibility of the proposed tariffs for the service. As such, StarHub submits that IDA should allow for further submission of comments after the release of the tariffs.

Price Adjustment Mechanism

There is a need to prescribe the mechanism for tariffs for the wholesale services to be adjusted in response to any changes in tariffs for SingTel's retail services. At present, no such mechanism has been included in the proposed Schedules. Such mechanism should also include procedures for notifying RLs.

Finally, changes in such tariffs should take place before, or as soon as practicable after, SingTel is allowed to revise its retail tariffs.

Schedule 7.1.2

StarHub believes that this Clause should read "The Application Charge shall be waived if the Service requested in the application (after having received SingTel's in-principle approval) is NOT provisioned".

D. Conclusion

StarHub strongly supports IDA's decision to designate SingTel's Local Leased Circuits as a mandated wholesale service. As correctly recognized by IDA, LLCs form an important component of telecommunications used by operators to provide services to their End Users.

StarHub believes that, being a wholesale service, this service must be subject to more stringent terms, conditions and SLAs than that which SingTel provides to its own retail End Users.

Further, there must be clear price adjustment mechanisms to ensure that tariffs for this service are adjusted as SingTel adjusts its retail tariffs in response to competition.

As this is only an interim measure, there is a need for FBOs to have a clear understanding of IDA's intentions for the long term cost-based solution and how IDA envisages that the present arrangements be transitioned to the cost-based solution.

StarHub welcomes the opportunity to comment on the Proposed Amendments, and would welcome the opportunity to provide any elaboration or clarification of this submission that IDA requires.