

23 August 2004

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

Attention: Mr. Lee Hsien Yang
Chief Executive Officer

Dear Sir

DIRECTION OF THE INFO-COMMUNICATIONS DEVELOPMENT AUTHORITY OF SINGAPORE: MODIFICATION OF REFERENCE INTERCONNECTION OFFER ("RIO") TO INCORPORATE WHOLESALE LOCAL LEASED CIRCUITS ("LLCs")

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) and Condition 34.1 of the Licence to Provide Facilities-Based Operations issued to Singapore Telecommunications Limited ("SingTel") on 1 April 1992, hereby issues this Direction to SingTel.
2. On 5 July 2004, IDA issued a direction requiring SingTel to submit for IDA's approval, its proposed modification to its RIO to include LLCs as a mandated wholesale service ("Proposed RIO Modification"). Following SingTel's submission to IDA of its Proposed RIO Modification, IDA issued a consultation paper on 27 July 2004, titled "Proposed Modification to Singapore Telecommunications Limited's Reference Interconnection Offer to Offer Local Leased Circuits as a Mandated Wholesale Service", inviting public comments. At the close of the public consultation on 11 August 2004, IDA received comments from the following operators: AT&T Worldwide Telecommunications Services Singapore Pte Ltd, BT Singapore Pte Ltd, Cable & Wireless Global Pte Ltd, MCI Worldcom Asia Pte Ltd, Pacific Internet Corporation Pte Ltd, Reach International Telecom (Singapore) Pte Ltd, StarHub Pte Ltd and T-Systems Singapore Pte Ltd.
3. Having carefully reviewed SingTel's Proposed RIO Modification and taking into consideration the comments received from the industry, IDA has concluded that SingTel's Proposed RIO Modification requires substantial amendments to ensure that:
 - (a) the RIO modification fully complies with the requirements of the Telecom Competition Code ("Code"), in particular, the requirements specified in paragraph 7 of Appendix Two of the Code in relation to SingTel's obligation to offer LLCs as a mandated wholesale service.

SingTel has failed to implement the Code's requirements in a significant number of material respects in its Proposed RIO Modification (please refer to Annexes 1 and 2 of this Direction for a description of the non-compliances). In this respect, IDA expresses dissatisfaction with SingTel for proposing amendments that have the effect of negating the policy intent of IDA's 16 December 2003 decision (as upheld by the Minister on 2 July 2004) to designate SingTel's LLCs as a mandated wholesale service and tail LLCs as an Interconnection Related Service¹ ("LLC Decision"); and

- (b) the terms and conditions governing SingTel's offer of LLCs as a mandated wholesale service pursuant to its RIO are fair, reasonable and non-discriminatory, and ensures effective implementation of the LLC Decision.

4. Therefore, IDA hereby directs SingTel as follows:

- (a) Within 14 calendar days from the date of this Direction, SingTel must submit to IDA for review and approval, SingTel's revised Proposed RIO Modification incorporating IDA's required amendments as specified in the following Annexes to this Direction:
 - (i) Annex 1 – describes IDA's general requirements for which SingTel must give effect to, in revising its Proposed RIO Modification; and
 - (ii) Annex 2 – comprises 7 separate Appendices. Each Appendix describes, by way of annotation to the relevant clauses in the proposed RIO documents, IDA's specific requirements that SingTel must incorporate, in revising these respective clauses:
 - (1) Appendix 1 – IDA's annotations in relation to SingTel's proposed modification to the Main Body of SingTel's RIO;
 - (2) Appendix 2 – IDA's annotations in relation to SingTel's proposed new Schedule 7A of SingTel's RIO;
 - (3) Appendix 3 – IDA's annotations in relation to SingTel's proposed new Schedule 7B of SingTel's RIO;
 - (4) Appendix 4 – IDA's annotations in relation to SingTel's proposed modification to Schedule 8 of SingTel's RIO;
 - (5) Appendix 5 – IDA's annotations in relation to SingTel's proposed new Schedule 8E of SingTel's RIO;

¹ The designation of SingTel's tail LLCs as an IRS under the Code will take effect only upon expiry of the specified availability period of SingTel's LLCs as a mandated wholesale service.

- (6) Appendix 6 – IDA’s annotations in relation to SingTel’s proposed modification to Schedule 9 of SingTel’s RIO; and
 - (7) Appendix 7 – IDA’s annotations in relation to SingTel’s proposed modification to Schedule 12 of SingTel’s RIO.
 - (b) To the extent that any ancillary or consequential modification to any provision in SingTel’s RIO and/or in SingTel’s Proposed RIO Modification is necessary in order to give effect to this Direction, IDA requires SingTel to propose such modification for IDA’s approval.
 - (c) In revising its Proposed RIO Modification to give effect to this Direction, IDA reminds SingTel that:
 - (i) to the extent that any of SingTel’s revised Proposed RIO Modification fails to give full effect to IDA’s required amendments or, in IDA’s view, is not acceptable, IDA may direct SingTel to adopt specific drafting language; and
 - (ii) IDA will reject any additional modification proposed by SingTel to its RIO that is not for the purpose of giving effect to IDA’s required amendments set out in this Direction.
 - (d) SingTel must submit to IDA one hardcopy and one softcopy, both in clean and marked-up versions, of its revised Proposed RIO Modification. The marked-up version must clearly identify each modification made by SingTel to its RIO. The softcopy submission should preferably be in Microsoft Word format and emailed to liau_chie_kiong@ida.gov.sg, at the same time that SingTel submits to IDA the hardcopy of its revised Proposed RIO Modification.
5. For the purposes of giving effect to the LLC Decision², IDA further directs SingTel as follows:
- (a) In the event that any Requesting Licensee wishes to terminate the provision of any existing circuit obtained from SingTel under the parties’ existing LLC agreement (by giving notice of termination in accordance with the terms of such agreement) and “migrate” the provision of that circuit to the RIO, SingTel must facilitate such “migration” of service by ensuring that there is a continuity of service provisioning of that circuit and that no service disruption results to End Users during the process of “service migration”; and

² Please refer to paragraph 21 of the explanatory memorandum to the LLC Decision, wherein IDA stated its policy position on “migration” of service provisioning of existing LLCs obtained under SingTel’s retail LLCs offering to the RIO.

- (b) SingTel must facilitate the Requesting Licensee to “migrate” service in an efficient and expeditious manner. The “service migration” to the RIO must be effected immediately upon the expiry of the notice period of termination of the existing circuit.
6. Any clarification required on this Direction must be made in writing and marked for the attention of our Mr Andrew J. Haire (Senior Director, Policy and Competition Development) and faxed to 6211 2116. Please note that any query directed by SingTel to IDA for clarification shall not affect SingTel’s obligation to comply fully with this Direction (including the timelines stipulated).

Yours faithfully



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