

10 September 2004

Mr Leong Keng Thai  
Deputy Chief Executive and Director-General (Telecoms)  
Info-communications Development Authority of Singapore

Dear Mr Leong

**MODIFICATION OF SINGTEL'S REFERENCE INTERCONNECTION OFFER (RIO) TO INCORPORATE WHOLESALE LOCAL LEASED CIRCUITS**

1. We refer to the IDA letter of 23 August 2004 regarding SingTel's proposed modifications to the RIO to incorporate the designation of SingTel's local leased circuits as a mandated wholesale service under the Code.
2. Paragraph 4 of the letter of 23 August 2004 directed SingTel to submit amendments to its initial proposed modifications to the RIO. SingTel was granted an extension of time until 10 September 2004 to submit its amendments.
3. SingTel's response to the IDA's Direction is structured as follows:
  - (a) SingTel's overall comments in response to the IDA's letter of 23 August 2004; and
  - (b) SingTel's responses and amendments regarding the IDA's specific comments on those parts of the RIO affected by the IDA's Direction. Those parts are numbered as:

Appendix 1: RIO Main Body

Appendix 2: Schedule 7A

Appendix 3: Schedule 7B

Appendix 4: Schedule 8

Appendix 5: Schedule 8B

Appendix 6: Schedule 8 Attachments

Appendix 7: Schedule 9

Appendix 8: Dictionary

Yours sincerely

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Encl.

**DIRECTION OF THE INFO COMMUNICATIONS DEVELOPMENT AUTHORITY  
OF SINGAPORE: MODIFICATION OF REFERENCE INTERCONNECTION  
OFFER (RIO) TO INCORPORATE WHOLESALE LOCAL LEASED CIRCUITS  
(LLCs): SINGTEL OVERALL COMMENTS IN RESPONSE**

**1. INTRODUCTION**

- 1.1 These comments are provided in addition to the annotations in the accompanying Appendices.
- 1.2 In its letter of 23 August 2004, the IDA asserted that SingTel had deliberately tried to negate the effect of LLCs being mandated as a wholesale service under the Code.
- 1.3 SingTel does not agree with the suggestion that its proposed terms and conditions governing the LLCs were not fair, reasonable and non-discriminatory, or otherwise not in accordance with the Code.
- 1.4 Nevertheless, SingTel has made revisions to its initial proposed modifications to the RIO. These revised additional modifications give effect to the IDA's required amendments set out in its Direction and are consistent with the Code.
- 1.5 SingTel's comments on the IDA's Direction cover the following four areas:
  - (a) the IDA selectively specifying retail terms to be included in the RIO while ignoring other retail terms;
  - (b) the IDA's suggestions that certain parts of the RIO, that have operated effectively without amendment since 2001 and are not LLCs-specific, should now be changed for unsubstantiated reasons; and

- (c) those amendments which are based on the IDA’s interpretation of the Code (rather than the practical application of the Code) and the IDA’s unfounded objections to the structure of the RIO.

## 2. **COMPARISON WITH RETAIL TERMS**

- 2.1 SingTel submits that the IDA has been highly selective in its criticism that SingTel must not impose requirements for wholesale LLCs under the RIO that are “generally worse off” compared to SingTel’s retail offering.
- 2.2 In several instances, the IDA has insisted on amendments to make the RIO terms the same as the retail offering. However, on the other hand, the IDA has required certain terms and conditions contained in the RIO to be deleted – despite the fact that those terms and conditions are based on retail LLCs terms (for example, as noted in the modifications to clause 7.2 of Schedule 7A).
- 2.3 SingTel has sought to ensure that the RIO terms and conditions applicable to the LLCs are consistent with the retail terms, to the extent that the retail and wholesale services and processes are equivalent. SingTel submits that proposed RIO amendments meet the test of providing LLCs in a “timely and non-discriminatory manner”.
- 2.4 SingTel also reiterates that, the LLC service is an input, wholesale service and is inherently different to the retail offering. The retail offering does not require all the steps associated with the wholesale service, such as project studies. The mere fact that the wholesale LLCs terms under the RIO are different to the retail LLC offering is no basis to conclude that Requesting Licensees will be worse off under the RIO. SingTel comments specifically in the Schedules to justify the inclusion of certain terms and conditions on this basis.

- 2.5 In summary, SingTel submits that it is not reasonable for the IDA to insist that only some parts of the RIO be the same as the retail LLCs offering, while at the same time requiring the deletion of other parts of the RIO that are actually consistent with the retail LLC terms. Also, some aspects of the retail LLCs offering are not applicable to the wholesale environment, such as service levels and some alternative processes that are required to support the wholesale services, as justified in the attachments.

### 3. **UNSUBSTANTIATED REQUIREMENTS FOR AMENDMENT**

- 3.1 SingTel notes that in several places, the IDA has required SingTel to change terms and conditions which have been in the RIO since 2001 and which have not caused any difficulties whatsoever for Requesting Licensees. For example, the IDA required several amendments to Schedule 8 which have not been questioned since 2001 and have operated effectively since that time.
- 3.2 Furthermore, the retention of SingTel's original proposal of a new Schedule 8E would have made it easier to delineate the purpose of co-location and assist the process of providing co-location. The IDA's requirement for assimilation into Schedule 8B will produce no benefit for Requesting Licensees. Nevertheless, SingTel has agreed to merge Schedule 8E with Schedule 8B.

### 4. **INCORRECT INTERPRETATION OF THE CODE**

- 4.1 The IDA asserts that SingTel must enable Requesting Licensees to "migrate" the provision of circuits from an existing LLCs agreement to the RIO. The IDA submits that SingTel must also facilitate that "migration" in an "efficient and expeditious manner".<sup>1</sup>

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<sup>1</sup> IDA letter 23 August 2004, pages 4 and 5.

- 4.2 This part of the IDA Direction is based on the IDA’s “Explanatory Memorandum to the LLC Decision”.<sup>2</sup> However, the issue of service migration reflects only the IDA’s interpretation of SingTel’s obligations under the Code. There is no provision in the Code that requires SingTel to devise and implement service migration for LLCs from existing agreements to the RIO. The IDA states that Requesting Licensees must have the four options at its election when deciding whether to acquire wholesale LLCs under the RIO.<sup>3</sup> Again, there is no requirement in the Code for SingTel to provide such options. To the contrary, SingTel submits that the IDA’s contention is inconsistent with sections 4.5 and 5.4 of the Code. Those sections confirm the validity of existing agreements and the option of interconnection pursuant to individualised agreements.
- 4.3 SingTel is therefore prepared to remove the requirement for a Requesting Licensee to give notice of its intention to terminate an existing agreement in respect of LLCs. SingTel has also added a new clause 2.1A to the Main Body (Part 1) to enable a Requesting Licensee to acquire LLCs under an agreement of its choice, rather than exclusively under the RIO.
- 4.4 In relation to detailed processes for service migration, SingTel undertakes to provide processes for service migration after the expiry of the relevant Central and Non-Central Terms.<sup>4</sup> SingTel notes the IDA’s statement that the process of service migration is intended to avoid service disruption. The IDA should be aware that it is not in SingTel’s interests for service disruption to be caused by the contractual status of itself and the Requesting Licensee. SingTel believes that there is no need for IDA to impose drafting requirements for factors that are unknown and not necessary at this time, namely service migration. SingTel is prepared to address this issue fully when the time arises.

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<sup>2</sup> Explanatory Memorandum issued by the Info-Communications Development Authority of Singapore – Designation of Singapore Telecommunications Limited’s Local Leased Circuits as a Mandated Wholesale Service, 16 December 2003 at para 21.

<sup>3</sup> For example, IDA comments at clause 2.1 of the Main Body.

<sup>4</sup> See SingTel comments on clause 14.1 in Schedule 7A and clause 14.1 in Schedule 7B.

5. **CONCLUSION**

- 5.1 SingTel's disagrees with the IDA's assessment of the initial modifications to the RIO to accommodate wholesale LLCs. Nevertheless, SingTel has amended the relevant parts of the RIO to address many of the IDA's concerns.
- 5.2 SingTel submits that the modified RIO fulfils all the necessary criteria under the Code in relation to the supply of LLCs as wholesale services.
- 5.3 SingTel will provide a conformed copy of the RIO as soon as practicable, in accordance with the IDA's direction on such timing.