

21 April 2006

Mr Sean Slattery
Vice-President, Regulatory & Interconnect Strategy
Singapore Telecommunications Ltd

Dear Mr Slattery,

CONFIRMATION OF EXEMPTION ON SINGTEL'S NEW INTERNATIONAL CAPACITY SERVICE ("ICS") – SINGTEL'S MARITIME VERY SMALL APERTURE TERMINAL SERVICE

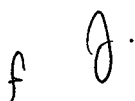
We refer to your letter and your Ms Nadia's email clarification of 27 February and 14 March 2006 on the above.

- 2 IDA has assessed SingTel's request for confirmation that the exemption granted to SingTel under the Telecommunications (Exemption from Dominant Licensee Provisions in Telecom Competition Code 2005 — International Capacity Services) Notification 2005 (the "ICS Notification") in relation to the Very Small Aperture Terminal ("VSAT") market may be applied to its new product offering known as "Maritime Very Small Aperture Terminal" ("MVSAT") service.
- 3 IDA notes that SingTel's new M-VSAT service offers similar features to the product offerings exempted under the ICS Notification, notwithstanding that the remote site for MVSAT is a maritime vessel, instead of a land-based location. SingTel's new MVSAT is another satellite-based service that enables ship-to-shore communications (such as VoIP, email, IP fax and Internet surfing) via an IP hub (where the IP traffic is then compressed and transmitted via satellite simultaneously) to VSAT installed on maritime vessels plying in Asia Pacific region. IDA further notes SingTel's claim that it does not enjoy any competitive advantage in the MVSAT service as it is already competing with global service providers (who need not be based in Singapore) such as Stratos Global and Telenor who are already offering similar services. Singapore-based customers may choose to purchase satellite services from global competitors instead of from SingTel. There is also no entry barrier preventing any interested operators from offering similar services since the necessary satellite facilities and Internet connectivity can be easily acquired.
- 4 Given the above, IDA hereby confirms that the new MVSAT service is a product within the VSAT market and will be subject to the same exemption granted under the ICS Notification. For the avoidance of doubt, SingTel's MVSAT service shall be exempted from the following Dominant Licensee obligations:

- (a) subsection 4.2.1.1 (Duty to Provide Service at Just and Reasonable Prices, Terms and Conditions);
- (b) subsection 4.2.1.2 (Duty to Provide Service on a Non-discriminatory Basis);
- (c) subsection 4.2.1.3 (Duty to Provide Unbundled Telecommunication Services);
- (d) subsection 4.2.2.1 (Duty to Provide Service on Reasonable Request);
- (e) subsection 4.2.2.2 (Duty to Allow Resale of End User Telecommunication Services);
- (f) subsection 4.2.2.3 (Duty to Allow Sales Agency);
- (g) subsection 4.3 (Wholesale Services);
- (h) subsection 4.4 (Tariffing);
- (i) subsection 4.5 (Duty to Publish Tariffs);
- (j) subsection 4.6 (Duty to Provide Service Consistent with Effective Tariffs);
and
- (k) subsection 8.2 (Abuse of Dominant Position in the Singapore Market).

5 In accordance with IDA's direction to SingTel dated 12 April 2005 and the ICS Notification, the exemption for SingTel's MVSAT service shall take effect on the date of publication of IDA's notice in the Gazette.

Yours sincerely,



Andrew Haire
Assistant Director-General (Telecoms)
TY/CM