

# Media Briefing - Next Generation National Broadband Network for Singapore (Next Gen NBN)

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11 December 2007

# Programme

**A. 5:00pm – 5:10pm**

**Opening Remarks by Dr Lee Boon Yang,  
Minister for Information,  
Communications and the Arts**

**B. 5:10pm – 5.25pm**

**Presentation by Mr Khoong Hock Yun,  
Assistant Chief Executive  
(Infrastructure Development Group), IDA**

**C. 5:25pm – 5:50pm**

**Question & Answer Session**

# A

**Opening Remarks by**

**Dr Lee Boon Yang**

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**Minister for Information, Communications and  
the Arts**

B

**A Presentation by**

**Mr Khoong Hock Yun**

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**Assistant Chief Executive**

**(Infrastructure Development Group), IDA**

# Outline of Presentation

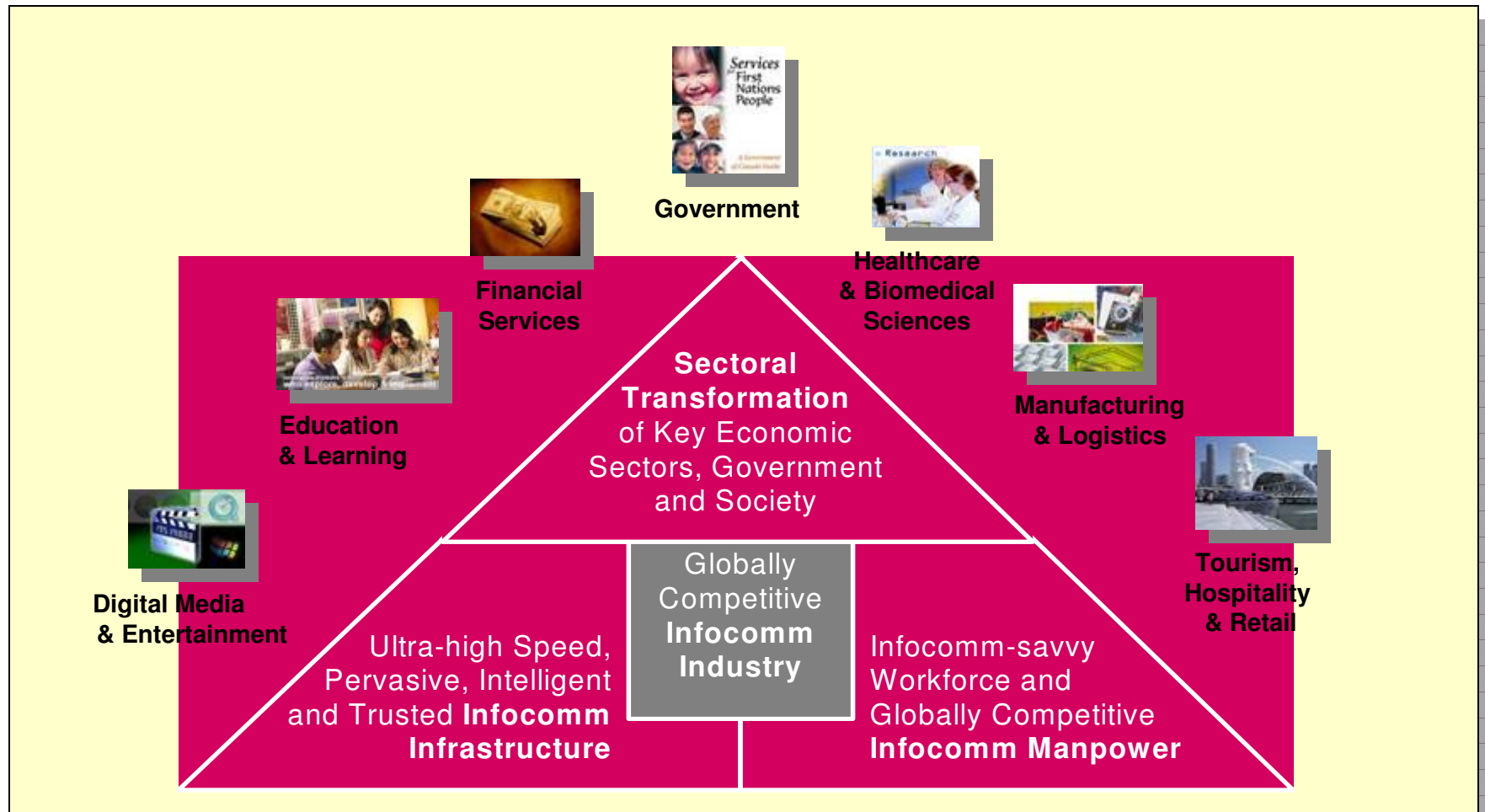
- 1. Overview of iN2015 and Strategic Objectives of Next Gen NBN**
- 2. Update on Next Gen NBN Developments**
- 3. Next Gen NBN Industry Structure**
- 4. Key Next Gen NBN Project Parameters**
- 5. Procurement Process & Timeline**

# 1

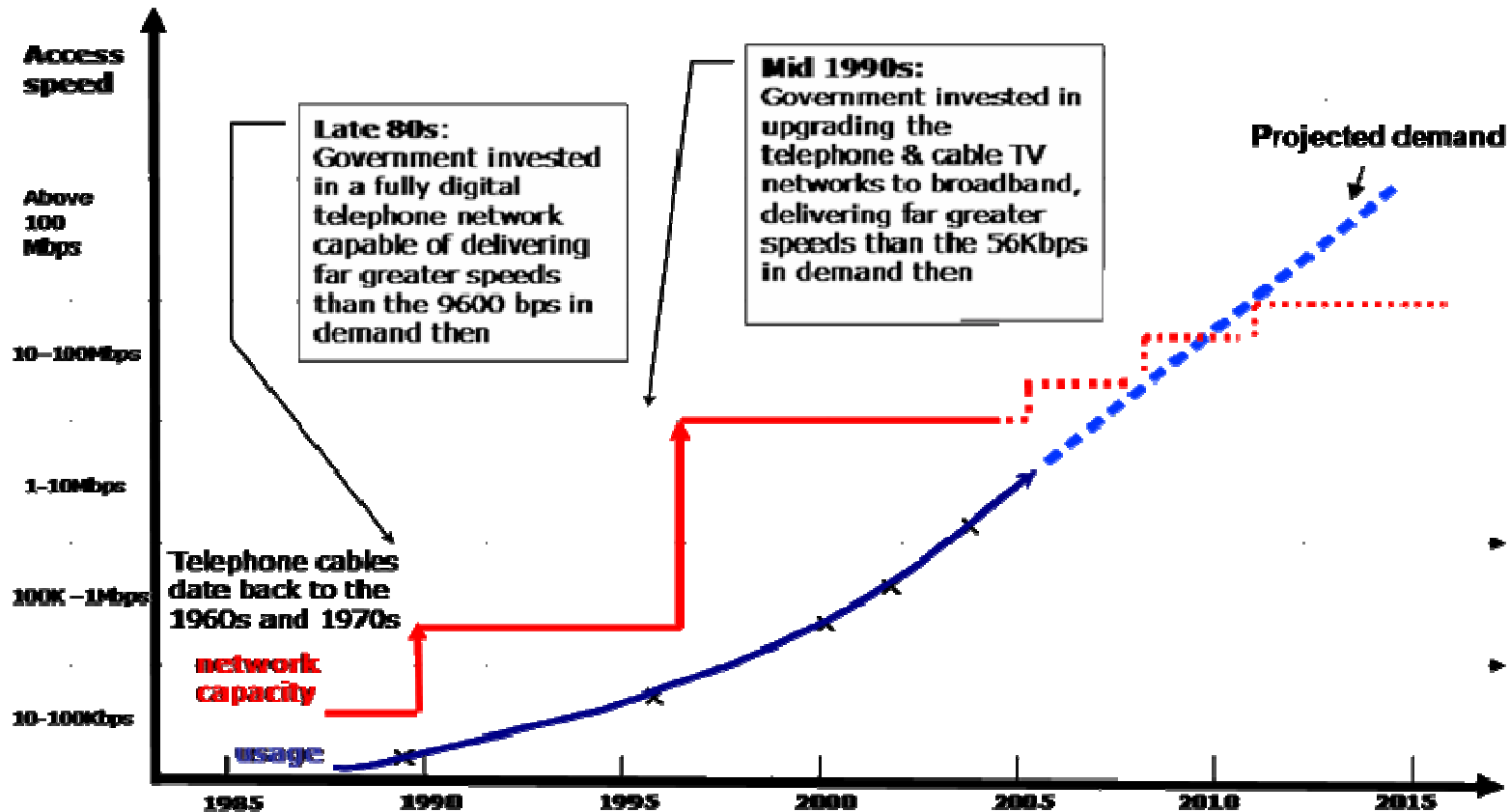
## **Overview of iN2015 and Strategic Objectives of Next Gen NBN**

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# iN2015 Masterplan : Our Digital Vision for Singapore

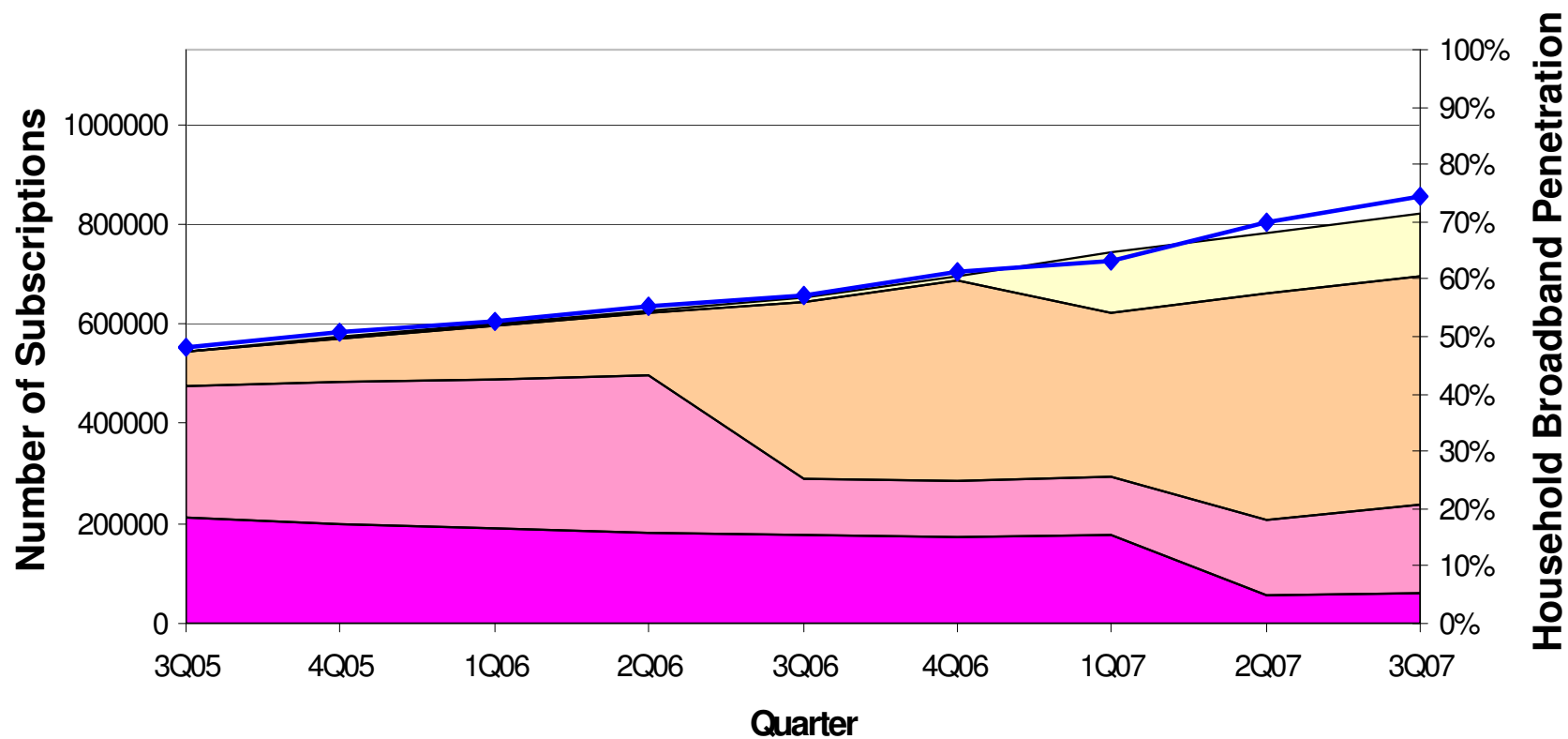


# Infrastructure leadership has been critical to Singapore's competitiveness





# Increasing Demand for Broadband and Demand for Higher Speeds



■ 256 to 512 Kbps (inclusive) 
 ■ > 512 Kbps to 2 Mbps 
 ■ > 2 Mbps to 10 Mbps 
 ■ > 10 Mbps 
 ◆ Household Broadband Penetration

# Mainstream Services Increasingly Offered Online

**Working from Home**



**Online Banking**



**Online Travel Bookings**



**Online Shopping**



**Online Chatting**



**Online Job Search**



**Video Conferencing**



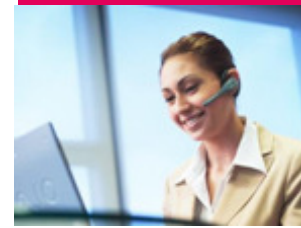
**Online Stock Trading**



**Global Collaboration**



**Filing e-Taxes**



**Online Gaming**



**E-mail**



**Online Healthcare**



**E-Learning**



**Video Streaming**



# 2

## Update on Next Gen NBN Developments

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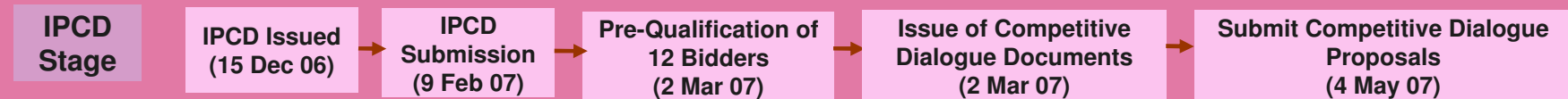
# Extensive Industry Consultation & Dialogue

A horizontal timeline on a magenta background showing three key events. Each event is represented by a grey box with a date and a corresponding photograph of a man in a suit.

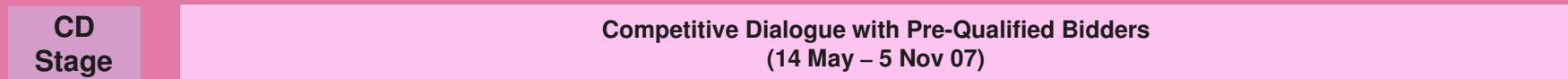
- Budget 2006 Speech**  
17 Feb 2006
- Committee of Supply**  
3 Mar 2006
- Request for Concept (RFC)**  
Mar 2006

## Phase 1

### Invitation to Participate in Pre-Qualification and Competitive Dialogue (IPCD)

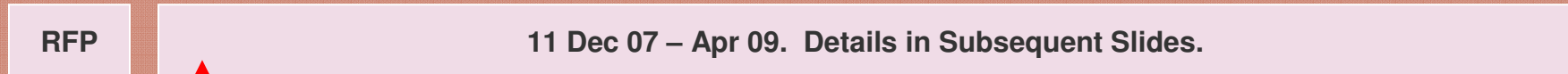


### Competitive Dialogue & Internal Project Approvals



## Phase 2

### NGNBN Request for Proposals (RFP)



We are here

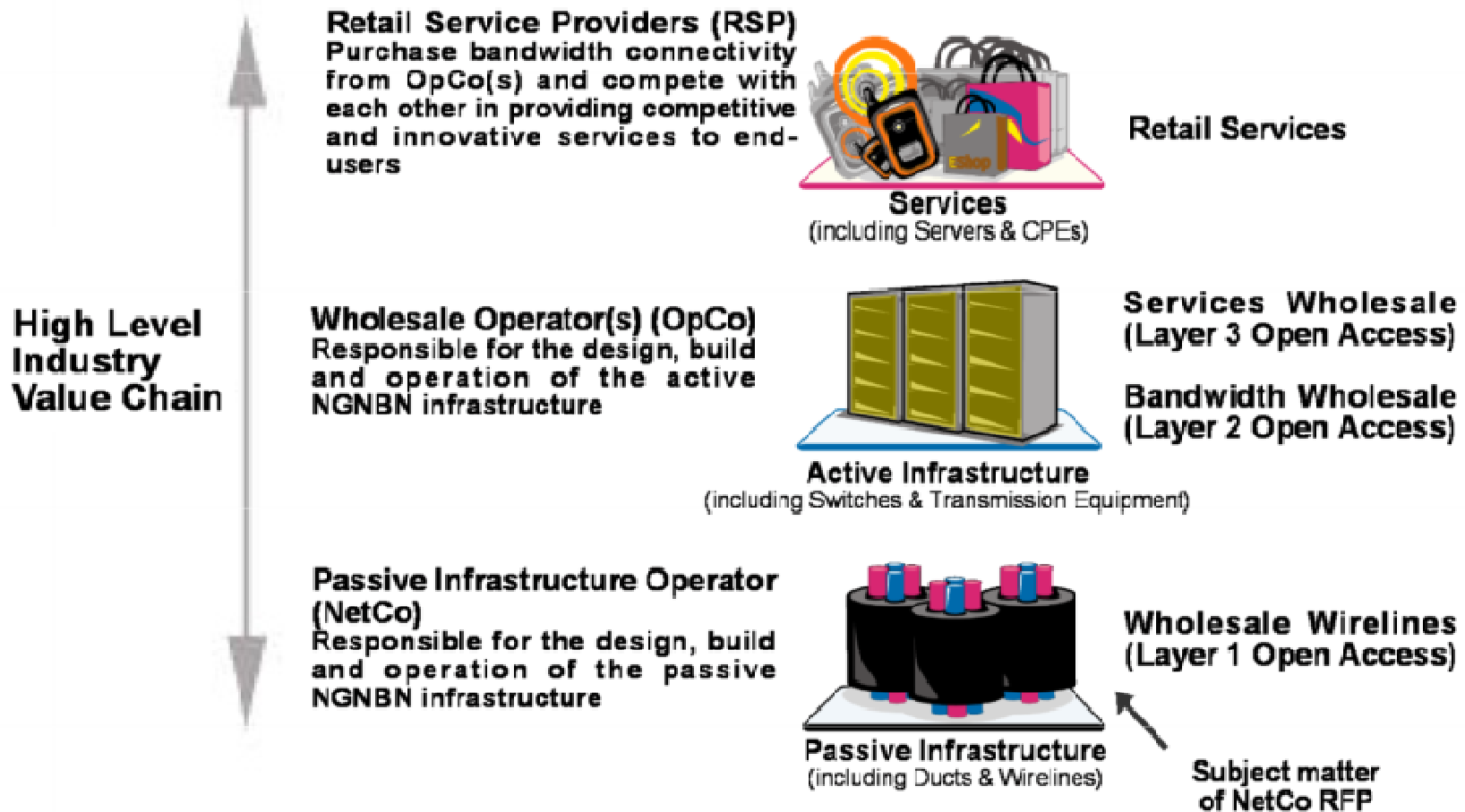


# 3

## Next Gen NBN Industry Structure

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# Next Gen NBN Concept Layers



# Types of Separation Considered Between Upstream and Downstream Operators to Achieve Effective Open Access

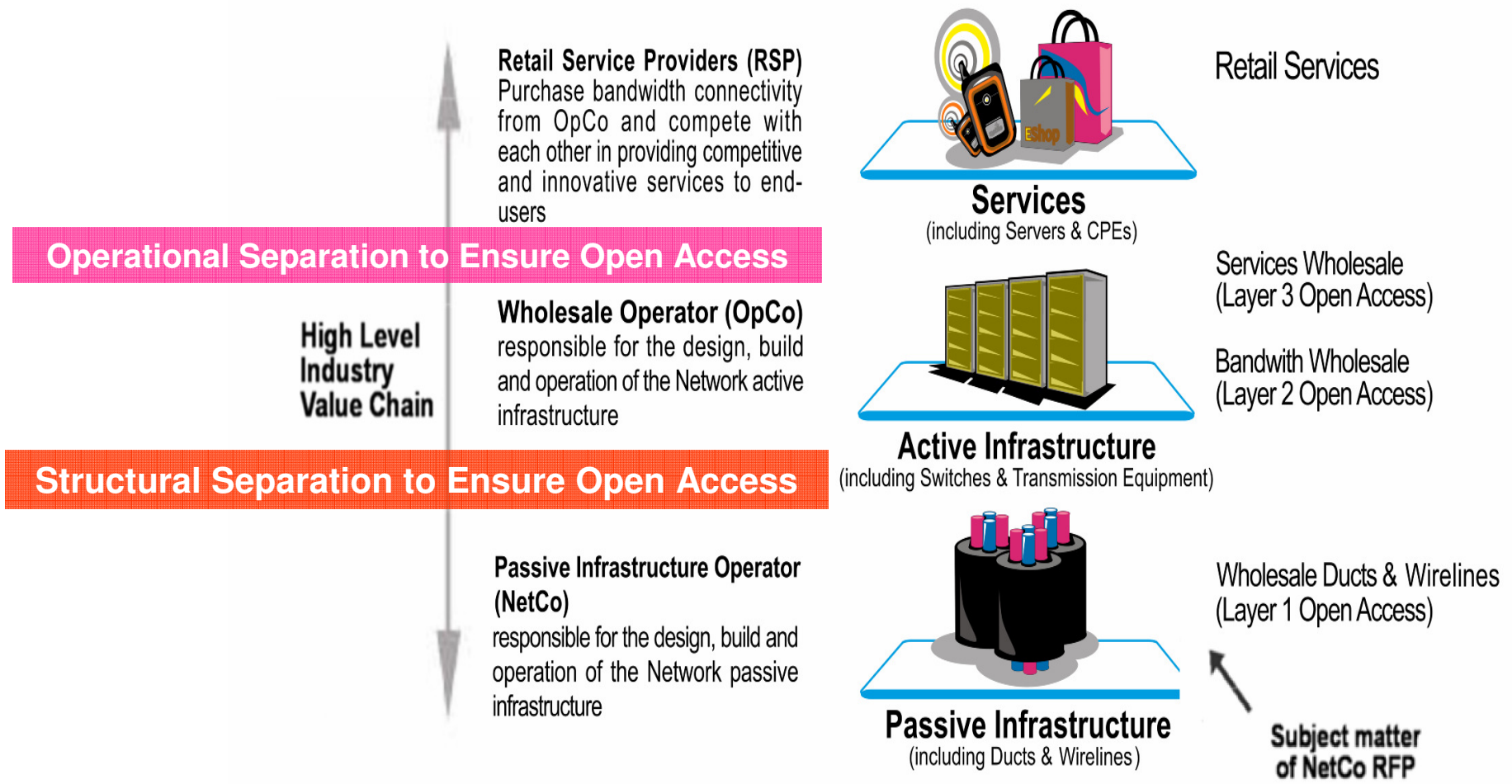
## >Structural Separation

- Defined as “No Effective Control”
- Stricter form of separation
- For all intents and purposes, they are separate entities with fully autonomous decision-making considerations
- No Effective Control means that Entity A have no control over the management and major operating decisions of Entity B, and vice versa.
- One assessment factor is level of cross-shareholding, amongst others

## >Operational Separation

- Less stringent form of separation
- Allows the upstream entity to retain full shareholding ownership of its downstream operating units
- Required to set up a separate business entity for its operations
- Including separate branding, physical premises and Board of Directors

# Next Gen NBN Industry Structure



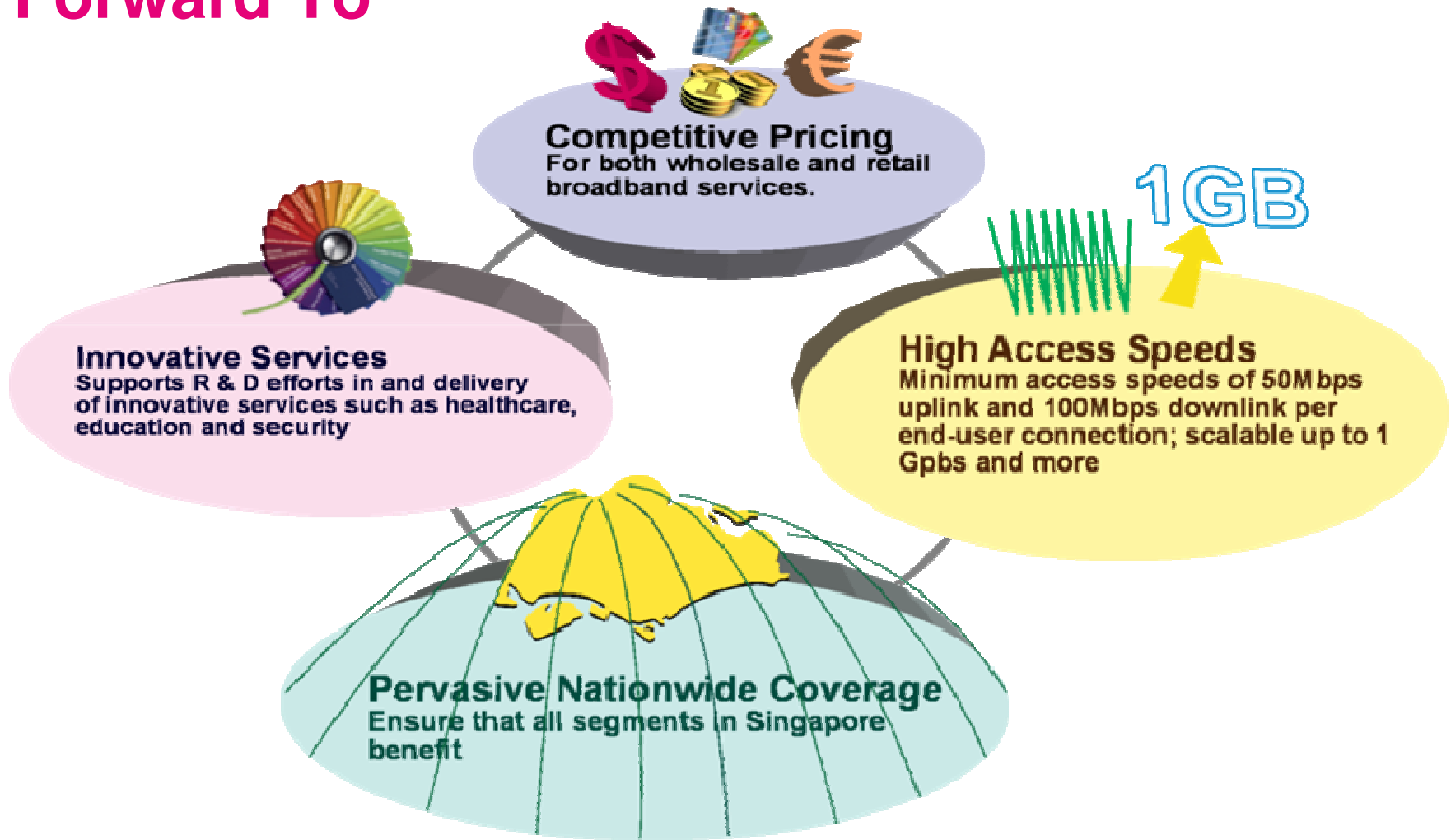


# 4

## Key Next Gen NBN Project Parameters

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# Exciting Benefits End-Users Can Look Forward To



# Key Bidding Parameters

## Parameter 1

Maximum Level of Government Grants

Grant Amount

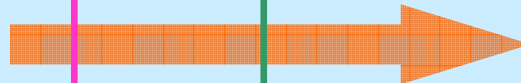


## Parameter 2

Minimum Level of Coverage of Physical Addresses

2012

2015



X%\*

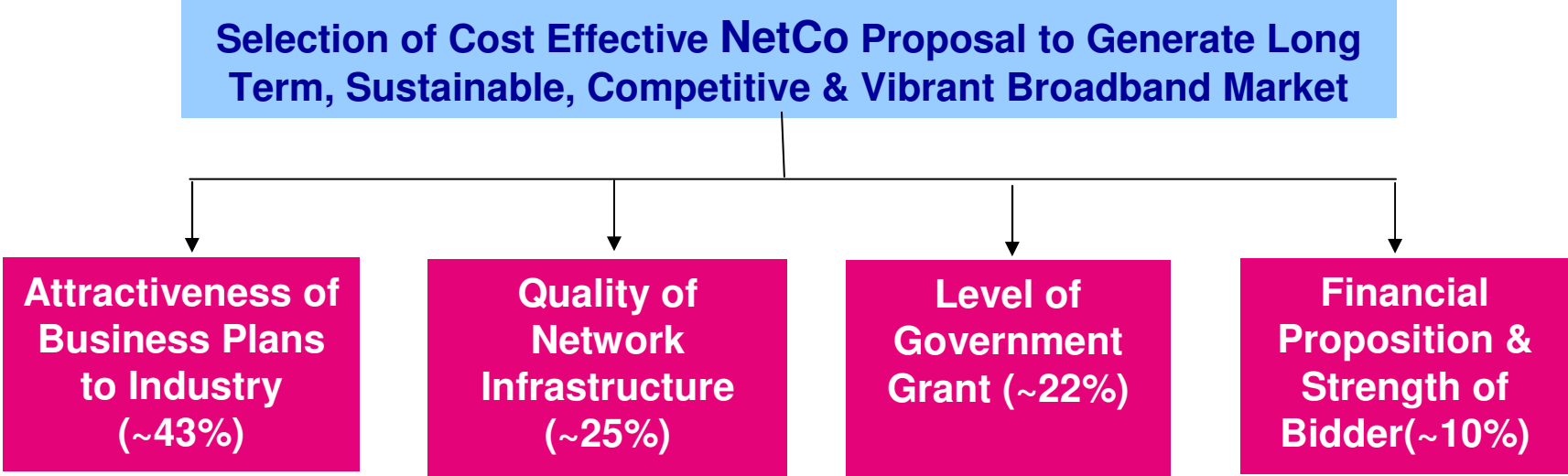
Universal Service Obligation (USO)

Where X% shall be more than 50%

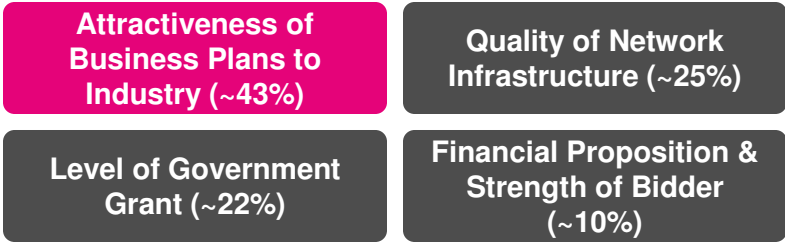
## Parameter 3

Level of Wholesale Prices for Residential & Commercial Segments

# Evaluation Criteria for Next Gen NBN NetCo RFP



# Business Aspects



## Attractiveness of Business Plans to Industry (~43%)

**Attractiveness of Wholesale Prices (~20%)**

- Factors include:
- Residential
  - Non-Residential Prices
  - Non-Building Address Points
  - Internal Equity Rates of Return (IRR) for Price Review

The wholesale prices offered by NGNBN NetCo.

**Attractiveness of Interconnection Offer (ICO) (~15%)**

- Factors include:
- Basic Product Offering and Terms & Conditions
  - Adaptability of Service Offerings

The diversity of product offerings and their ability to support multiple OpCos.

**Level of Independence (~5%)**

Level of independence in which the NGNBN NetCo delivers services to downstream operators.

**Benefits of Business Plan (~3%)**

Plans that bring about other economic benefits to Singapore would be viewed favourably, e.g. establishment of R&D centre.



# Technical Aspects

Attractiveness of Business Plans to Industry (~43%)

Quality of Network Infrastructure (~25%)

Level of Government Grant (~22%)

Financial Proposition & Strength of Bidder (~10%)

## Quality of Network Infrastructure (~25%)

Quality of Network Design and Operations (~15%)

Factors include:

- Network Quality
- Network Scalability
- Network Resilience and Redundancy

These factors relate to the quality of the network.

Extent of Network Coverage (~5%)

The extent of coverage proposed.

Innovations to Minimise Roll-out Disruptions (~5%)

Factors Include:

- Outside Plant
- In-Building Cabling

The criteria to be considered include level of disruption caused, and impact on environment.

# Financial Aspects

Attractiveness of Business Plans to Industry (~43%)

Quality of Network Infrastructure (~25%)

Level of Government Grant (~22%)

Financial Proposition & Strength of Bidder (~10%)

## Level of Government Grant (~22%)

The level of government grant will be capped at \$750 Million.

# Bidder Credibility

Attractiveness of  
Business Plans to  
Industry (~43%)

Quality of Network  
Infrastructure (~25%)

Level of Government  
Grant (~22%)

**Financial Proposition &  
Strength of Bidder  
(~10%)**

## Financial Proposition & Strength of Bidder (~10%)

**Financial Proposition of Bidder  
(~5%)**

Factors include:

- Profitability
- Leverage

Factors to be considered will include equity, debt structure, etc.

**Bidder's Track Record & Management  
Expertise  
(~5%)**

Factors include:

- Technical Track Record
- Financial Track Record
- Management Team

The track record of the bidder in similar projects (scope and scale), as well as the strength of the team that they will assign to Singapore for the project.



# 5

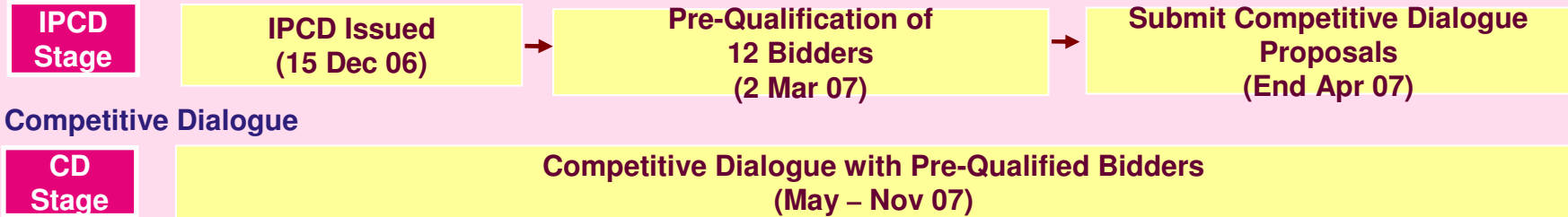
## Procurement Process & Timeline

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# Project Timeline

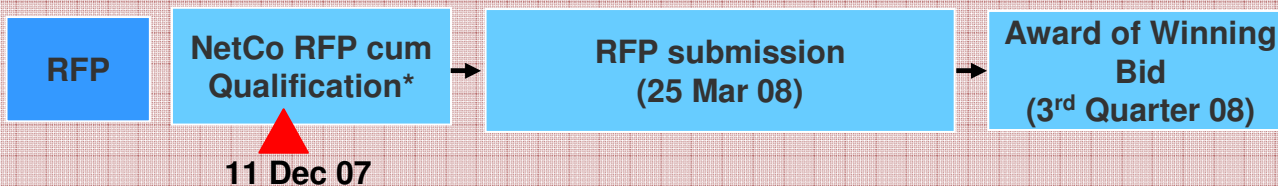
## Phase 1

Invitation to Participate in Pre-Qualification and Competitive Dialogue (IPCD)

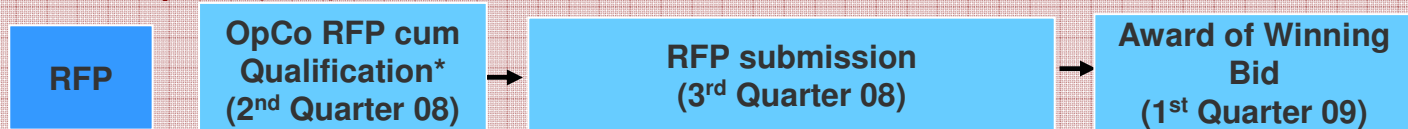


## Phase 2

NGNBN NetCo Request for Proposal (RFP)



NGNBN OpCo Request for Proposal (RFP)



*\* 21 days window for new bidders to submit qualifications. If new bidders are qualified or new consortium leads appointed, IDA will extend tender closing for all bidders by 40 days, or on the next working day.*

C

## Q & A Session

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