

Case Reference	R/E/I/004
Title	Connection Services and Co-location Services at Changi and Tuas Cable Landing Stations
Case Opened	28 March 2001
Case Closed	28 August 2001
Complainant	StarHub Pte Ltd (“StarHub”)
Respondent	Singapore Telecommunications Limited (“SingTel”)
Case Summary	<p>SingTel and StarHub entered into the following Connection Services Agreements (“CSA”):</p> <p>(i) Agreement for connection services at Changi Cable Landing Station pursuant to which SingTel provides StarHub with connection to the APCN submarine cable; and</p> <p>(ii) Agreement for connection services at Tuas Cable Landing Station pursuant to which SingTel provides StarHub with connection to the SEA-ME-WE 3 submarine cable.</p> <p>The CSA contained restrictions preventing StarHub from providing competitive backhaul services. StarHub alleged that these restrictions and the prices charged by SingTel contravened the following provisions of the Telecom Competition Code (“Code”):</p> <ul style="list-style-type: none"> • Section 5.5.1 “Duty to Negotiate in Good Faith With Any Licensee Requesting Interconnection” • Section 5.5.2.3 “Initiation of Negotiations” • Section 7.2 “Abuse of Dominant Position in the Singapore Market” • Section 7.2.1 “Pricing Abuses” • Section 7.4 “Unfair Methods of Competition” • Section 7.4.2 “Degradation of Service Availability or Quality”
IDA’s Determination	<p>DA determined that:</p> <p>a) SingTel breached Section 7.2 of the Code. SingTel has abused its dominant position in the backhaul services market, in particular, its monopoly in the provision of connection services to APCN and SEA-ME-WE 3 submarine cables, by its refusal to lift the restrictions in the CSA to allow StarHub to carry third party traffic under the CSA and this has unreasonably restricted competition in the backhaul services market by effectively preventing StarHub from competing with SingTel.</p> <p>b) SingTel breached Section 7.4 of the Code. SingTel, by restricting</p>

StarHub's ability under the CSA to carry third party traffic, has improperly prevented StarHub from competing with SingTel in the provision of backhaul services for the APCN and SEA-ME-WE 3 submarine cables. The restrictions are not related to the availability, price or quality of the connection services provided by SingTel as SingTel has not imposed similar restrictions under its wholesale connection services tariff.

- c) SingTel breached Section 7.4.2 of the Code. SingTel, by restricting StarHub's ability under the CSA to carry third party traffic, has degraded the availability of StarHub's telecommunication services, in that StarHub is prevented from providing backhaul services for the APCN and SEA-ME-WE 3 submarine cables. There is no legitimate business, operational or technical justification for the restrictions imposed by SingTel as SingTel has not imposed similar restrictions under its wholesale connection services tariff.
- d) In relation to the prices charged by SingTel under the CSA, SingTel breached Section 7.4.2 of the Code. By charging these prices, SingTel has raised StarHub's costs of providing telecommunication services, in that StarHub is required to pay a higher price for connection services under the CSA as compared to the prices offered by SingTel for similar services under its wholesale connection services tariff. There is no legitimate business, operational or technical justification for the price disparity under the CSA and SingTel's wholesale connection services tariff.

In the circumstances, IDA found SingTel to be in breach of Sections 7.2, 7.4 and 7.4.2 of the Code. IDA directed SingTel to:

- a) allow StarHub to carry third party traffic under the CSA in order that StarHub may provide backhaul services for the APCN and SEA-ME-WE 3 submarine cables; and
- b) to align the prices charged under the CSA with the prices offered by SingTel under its wholesale connection services tariff.

As IDA found SingTel to be in breach of Sections 7.2, 7.4 and 7.4.2 of the Code and that these findings were sufficient to dispose of the case, IDA did not proceed to consider whether SingTel had also breached Sections 5.5.1 and 5.5.2.3 of the Code.

Note:

StarHub had also alleged that SingTel's enforcement of similar restrictions contained in its Changi Cable Station Co-location Agreement and Tuas Cable Station Co-location Agreement constitute a breach by SingTel of the Code. However, as these Co-Location Agreements did not fall within the scope of the

	<p>Code, IDA did not proceed to consider these allegations. Instead, IDA required both SingTel and StarHub to co-operate in good faith to ensure that there will be no service disruption to StarHub's provision of telecommunication services if StarHub should decide to terminate these Co-Location Agreements and to accept SingTel's Reference Interconnection Offer for co-location at the Changi and Tuas Cable Landing Stations.</p>
--	--