

<b>Case Reference</b>	R/E/I/026
<b>Title</b>	SingTel's Pricing for its Wholesale B-Access (L2TP) Service Scheme
<b>Case Opened</b>	26 June 2002
<b>Case Closed</b>	10 March 2003
<b>Complainant</b>	Pacific Internet Ltd ("PacNet")
<b>Respondent</b>	Singapore Telecommunications Ltd ("SingTel")
<b>Case Summary</b>	<p>PacNet alleged that SingTel had breached Sections 7.2.1 "Pricing Abuses" and 7.2.1.2 "Price Squeezes" of the Telecom Competition Code ("Code") in relation to SingTel's pricing of its Wholesale B-Access (L2TP) Service Scheme ("L2TP Service"). PacNet alleged that the pricing of SingTel's L2TP Service was so high that it was unlikely that downstream service providers could sell the broadband access service profitably by using the L2TP Service as an input and passing the cost to residential customers. PacNet claimed that the L2TP Service was necessary for downstream service providers to offer differentiated and innovative broadband Internet access products and management of services, which SingTel's standard wholesale B-Access Service Scheme could not provide.</p>
<b>IDA's Determination</b>	<p>IDA's investigation showed that SingNet (SingTel's downstream affiliate) did not offer any broadband access products using SingTel's L2TP Service. SingTel also did not discriminate against PacNet by offering favourable treatment or terms to SingNet under the standard wholesale B-Access Service Scheme that has enabled SingNet to offer differentiated broadband access services. IDA's independent audit showed that SingTel's standard wholesale B-Access Service Scheme allowed downstream service providers to offer differentiated broadband services to end-users in terms of access speeds and value-added services. As such, SingTel has not provided an input (i.e., the L2TP Service) at a price that was so high that SingTel's downstream affiliate (i.e., SingNet) could not profitably sell its products if it were to pass on to its customers the full retail price of the L2TP Service.</p> <p>IDA concluded that SingTel did not breach Section 7.2.1.2 of the Code. There was also insufficient evidence to conclude that SingTel's L2TP Service was priced at a level that was likely to unreasonably restrict competition, thereby contravening Section 7.2.1 of the Code.</p>