

Singapore promotes greater competition in international services

The Infocomm Development Authority of Singapore (IDA) announced on 10 September 2004 that telecommunications operators would have more flexible access to submarine cable capacity connected to SingTel's landing stations. IDA argues that private partnerships are increasingly building submarine cables with the objective of leasing their capacity to international carriers. Therefore, it is no longer the case requiring carriers to own capacity in a submarine cable in order to access it.

Currently in Singapore, operators must own capacity on a submarine cable connected to SingTel's landing stations in order to access it. However, IDA's decision would allow any operator to access capacity leased on a long-term basis on any submarine cable connected to a SingTel landing station. It will also allow any operator to access capacity owned or leased by a third party, in order to offer them backhaul and transit services.

The regulatory decision seeks to encourage greater participation and competition in international services to ensure greater choice and competitive prices for end-users. SingTel argues that the proposed direction will deter it from investing in submarine cable facilities, and is contrary to the Government's established policy of encouraging facilities-based competition. However, IDA argues that flexible access will permit submarine cable owners to provide competitive services without having to incur artificially higher costs for the right to land and connect circuits in Singapore. In addition, it will enable facilities-based operators to more efficiently use their backhaul facilities and submarine cable capacity, encouraging greater use of Singapore as a telecommunications hub. IDA has asked SingTel to propose amendments to its Reference Interconnection Arrangement (RIO), which defines prices, terms and conditions for other operators to access its network.

Source:

IDA Increases Competition in International Telecoms Services (Media Release -10 September 2004)

<http://www.ida.gov.sg/idaweb/media/infopage.jsp?infopagecategory=telecoms.mr:media&versionid=4&infopageid=I3028>