



MEDIA STATEMENT

For immediate release

Industry responds to proposed OpenNet-CityNet-SingTel consolidation

Singapore, 25 September 2013 – Key stakeholders of the Next Generation Nationwide Broadband Network (Next Gen NBN) today submitted a joint response calling for IDA to reject the consolidation request by OpenNet, NetLink Trust, CityNet and SingTel.

The unprecedented show of solidarity demonstrates the grave concerns the industry has over the competition issues raised by the proposed consolidation, including the potential of discriminatory treatment and a lack of independence by CityNet/OpenNet.

If approved, the proposed consolidation would see SingTel becoming the 100% beneficial owner of the only other nationwide fixed telecommunications network in Singapore, apart from SingTel's own network. Moreover, the business trust used in this proposed consolidation has statutory and contractual obligations to act in SingTel's interests.

The proposed consolidation would extend SingTel's divestment deadline of the NetLink Trust (the business trust holding the entities' assets) from 2014 to 2018. This would expand SingTel's control over Singapore's only ubiquitous networks and further entrench its incumbent position.

The proposed consolidation also fails to address how it would deal with the unresolved and escalating problems the industry faces or how this would benefit end-users. This is especially troubling given OpenNet's history of rollout delays, missed appointments, and inadequate quality of service.

In the event that IDA decides to approve the consolidation request, the industry called for stronger safeguards to ensure that CityNet/OpenNet offers services on a truly non-discriminatory basis, independent of any SingTel influence.

The response set out a range of measures to meet this objective, including the appointment of Government and industry representatives to the boards of CityNet/OpenNet and requiring SingTel to abide by its original commitment to sell down its stake in NetLink Trust to less than 25% by 2014. The response also called for the removal of the existing “relief” clauses used by OpenNet to absolve it of its delivery obligations, and for real penalties to be set for any non-performance by OpenNet.

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