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FIXED TELECOMMUNICATION NETWORK SERVICES LICENCE
TELECOMMUNICATION ORDINANCE (Chapter 106)

In accordance with General Condition 21 of the Fixed Telecommunication Network Services Licence, Reach Networks Hong Kong Limited hereby publishes the revised tariffs and the terms and conditions under which it will provide the following telecommunication services with effect from 7th February 2002.

International Private Leased Circuit (IPLC) Service

(I) General Rules (Paragraph 1) for the Guidance Notes for IPLC DDS Wholesale Discount Plan B (Appendix IPLC_Px.I.I.3) is amended to read as follows:

1. General Rules

All full time use of the Digital Data Service (DDS) duplex circuits at speed 56Kbps and above will qualify for the IPLC DDS Wholesale Discount Plan (B) (here below called "Plan B").

The customer may choose and apply this Plan B for his IPLC DDS network with circuit speed at 56Kbps and above. Customers may have their IPLC circuits currently provided under other existing IPLC DDS Discount Plans taken into account for a Bandwidth Growth Option under Plan B (Appendix IPLC Px.I.I.4).

All DDS Discount Plan's incentive will be applied to the Monthly Basic Rentals. The calculation of discounts is on a discount-on-discount basis. i.e. $\text{Monthly Basic Rental} \times \{1 - \text{Discount A}\} \times \{1 - \text{Discount B}\} \dots = \text{Net Discounted Amount}$.

(II) Appendix IPLC_Px.I.I.4 is added

Appendix IPLC Px I. I.4

IPLC Wholesale Discount Plan (B) - Bandwidth Growth Option

Bandwidth Growth Option (BGO) is an option in Plan B. It allows Customers to have circuits under an existing IPLC DDS Discount Plan (Non-B Plan) taken into account in a BGO under Plan B.

The plan rules:

- 1) The Minimum Committed Period of each IPLC DDS circuit subscribed to a Non-B Plan, after being taken into account under a BGO will remain unchanged (i.e. the unexpired term will remain the same).
- 2) Customers can have any of their IPLC DDS circuits in a Non-B Plan taken into account under a BGO at anytime, in one or more batch. In the first 12 months after start of the BGO, the total monthly Rental of each batch of (i) IPLC DDS circuits taken into account under the BGO (Non-B Circuits) and (ii) any IPLC DDS circuits subscribed to Plan B after start of the BGO (New Circuits), is set at an amount equal to the higher of (a) and (b) below:

(a) $N \times \text{Original Monthly Budget}$

Where (i) "Original Monthly Budget" refers to the total of the monthly Rental for all Non-B Circuits calculated based on Non-B Plans before being taken into account under the BGO and (ii) N is any number ranges from 1 to 5 at the Customers' choice.

(b) Monthly Rental for all (i) Non-B circuits and (ii) New Circuits, calculated based on Plan B (Appendix IPLC Px.I.I.1, Appendix IPLC Px.I.I.2 and Appendix IPLC Px.I.I.3) plus an Regional Hubbing Discount determined as per (c) below.

(c) Regional Hubbing Discount = 0 if customers choose N = 1.

Regional Hubbing Discount will be determined in accordance to Table A if customers choose N at value greater than 1 and not exceeding 5.

Table A

Circuits subscribed	Regional Hubbing Discount (RHD)
For Non-B Circuits :	$RHD = \text{Zone Discount} \times (N-1) / 4$
For any New Circuit : If the amount of 2(b) calculated after including this New Circuit (assuming Regional Hubbing Discount is applicable) is not greater than the amount of 2(a).	$RHD = \text{Zone Discount} \times (N-1) / 4$
For any New Circuit : If the amount of 2(b) calculated after including this New Circuit (assuming Regional Hubbing Discount is applicable) is greater than the amount of 2(a).	$RHD = 0$

Zone Discount
Zone 1 = 45 %
Zone 2 = 55 %
Zone 3 = 55 %
Zone 4 = 35 %
Zone 5 = 40 %
Zone 6 = 60 %

- 3) Whilst a Non-B circuit is being taken into account under a BGO, it will not be separately charged or taken into account for charging purposes under its Non-B Plan (which it will continue to be supplied under).
- 4) From the 13th month onwards, the monthly Rental for all (i) Non-B Circuits will be calculated under their Non-B Plan and (ii) New Circuits, shall be calculated based on Appendix IPLC Px.II.1, Appendix IPLC Px.II.2 and Appendix IPLC Px.II.3 of Plan B and Regional Hubbing Discount will not be applicable.
- 5) In the event that the Customer cancels any Non-B Circuits (including whilst they are being taken into account under a BGO) before the Minimum Committed Period expires, the Customer is liable for a Cancellation Charge calculated under its Non-B Plan
- 6) In the event that the Customer cancels any New Circuits before the Minimum Committed Period expires, the Customer is liable for the Cancellation Charge per Clause 3.1.2 in Appendix IPLC_Px.II.3.