



**Suruhanjaya Komunikasi dan Multimedia Malaysia**  
Malaysian Communications and Multimedia Commission

# Universal Service Provision in Malaysia

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**7 September 2007**

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## Agenda

- **Introduction - Brief Facts on Malaysia**
- **MCMC – Acts, Powers & Functions**
- **Universal Service Provision (USP)**
- **Looking Ahead**

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## Introduction - Brief Facts on Malaysia

- ❖ Population – 27.04 million
- ❖ Penetration rate:
  - ◆ Cellular phone = 77% (per 100 population)
  - ◆ Internet dial-up = 14.0% (per 100 population)
  - ◆ Fixed line = 16.1% (per 100 population)

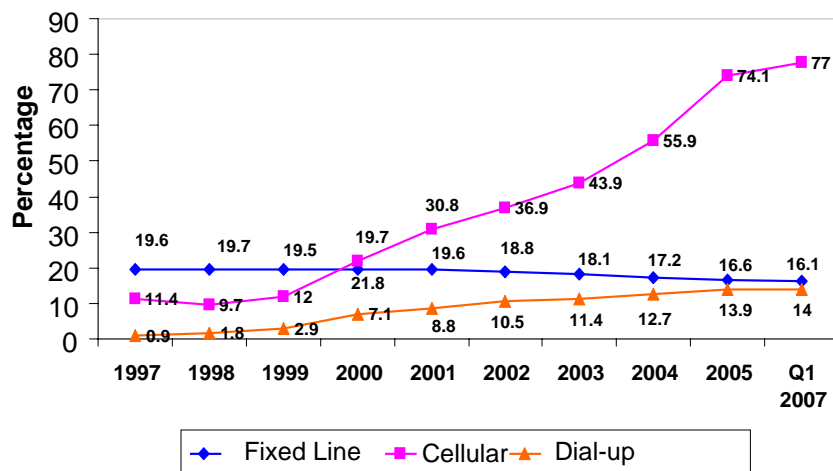
\*Broadband = 11.7% (per 100 households)

*Note: Q1 2007 figures*

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### Penetration Rate - Malaysia




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## About MCMC

The Malaysian Commission and Multimedia Commission (MCMC) was formed as part of the government's K-Economy strategy



**Why the Malaysian Communications and Multimedia Commission came into being**


**Vision 2020** – to make Malaysia a developed nation

**Knowledge is the driver** of the New Economy

Government wanted to **leapfrog economic** growth in the early 1990s

**C&M related activities** would be at the core of the new engine of growth.

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## Role of MCMC

**MCMC has a dual role in the C&M sector**

Regulatory (Conformance)	Developmental (Performance)
Present	Future

The Commission plays a leadership role in promoting growth to C&M industry guided by the 10 National Policy objectives.

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## The 10 National Policy Objectives for C&M

**Developing industry capabilities**

**Building a civil society**

**Long-term benefits of end-users**

**Nurturing user-confidence**

**Promoting access and equity**

**Efficient allocation of resources**

**Promoting safe and secure networking**

**Nurturing local content and culture**

**Creating a robust applications environment**




**Malaysia: A Global Hub**

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## The Relevant Acts

- Malaysian Communication & Multimedia Commission Act (1998) and Communications and Multimedia Act (1998)
  - Telecommunications, broadcasting and multimedia
- Postal Act (1991)
  - Postal industry
  - Courier service industry
- Digital Signature Act (1997)
  - Issuance of license to certification authority

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## The Powers and Functions of MCMC


1. To **advise** the Minister on national policy objectives
2. To **implement and enforce** communications and multimedia laws
3. To **regulate** matters relating to communications and multimedia activities not related to communications and multimedia laws
4. To consider and **recommend** reforms to the communications and multimedia laws
5. To **supervise and monitor** communications and multimedia activities
6. To **encourage and promote** development of the communications and multimedia industry
7. To **encourage and promote** self regulation
8. To **promote** and maintain the integrity of licensees
9. To **render assistance** to persons engaged in communications and multimedia
10. To carry out **any function** as the Minister may prescribe

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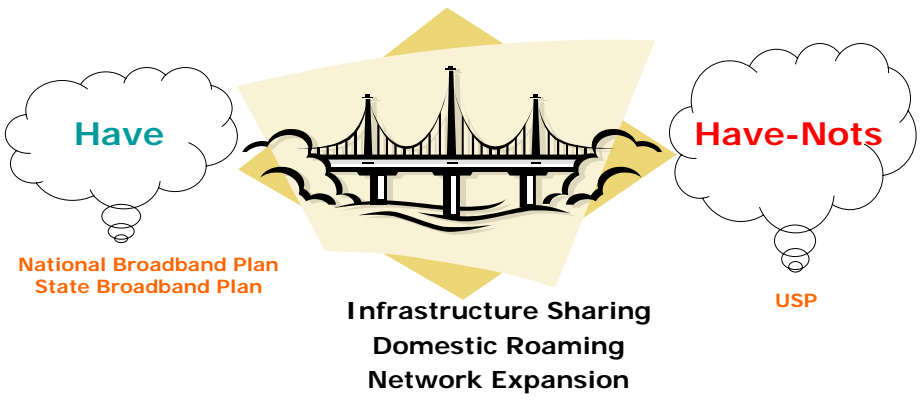
## Universal Service Provision

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## USP & Digital Divide

The USP is a mechanism for reducing the digital divide




**Have**  
National Broadband Plan  
State Broadband Plan

**Have-Nots**  
USP

Infrastructure Sharing  
Domestic Roaming  
Network Expansion

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## USP under CMA 1998

- System to promote the widespread availability and use of network services and/or applications services throughout Malaysia
- By encouraging the installation of network facilities and the provision for network services and/or applications services in underserved areas or for underserved groups within the community

[s.202 CMA1998]

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## USP

- **Objective** – provide communication access to underserved areas
- **Priorities** are on collective access to basic phone and internet services followed by individual access to basic phone and internet services
- **Implementation** by appointed service providers based on USP Regulation
- **Funding** of the program is from USP Fund

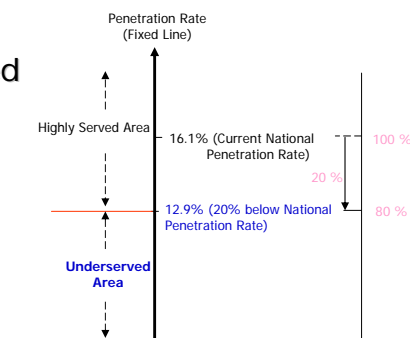


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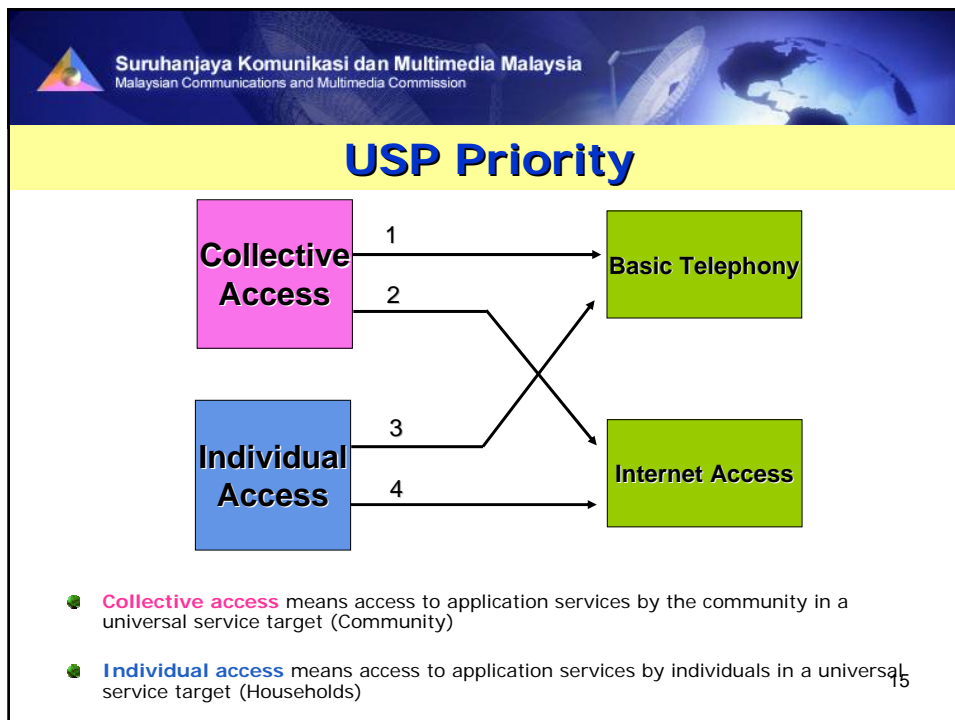


## USP Target

**“Underserved Area”** is defined as an area where the penetration rate for fixed telephony is 20% below the national penetration rate



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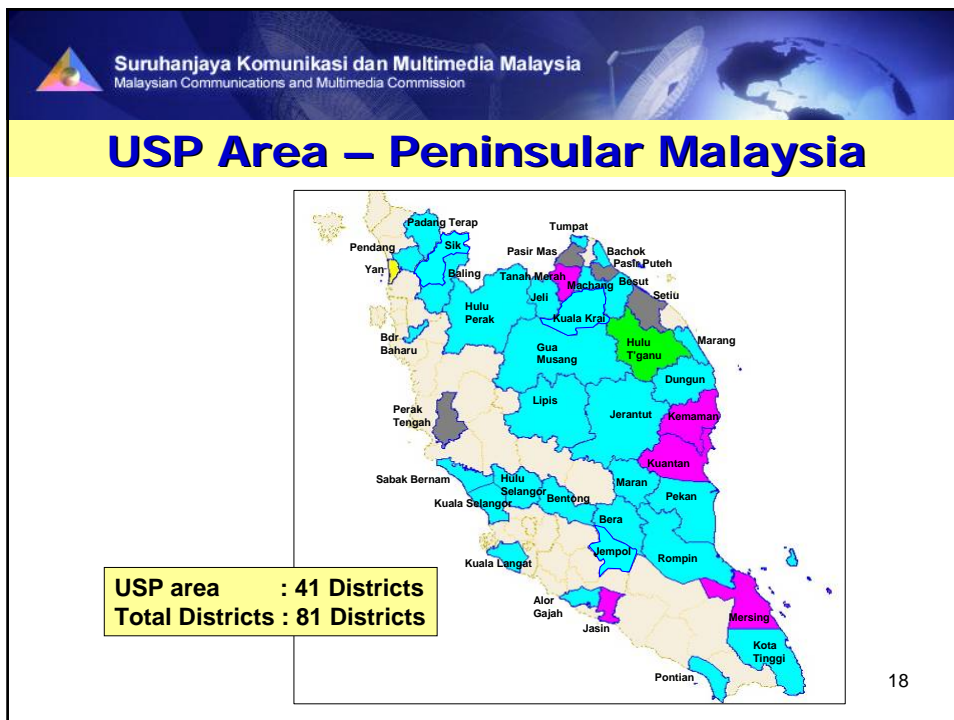


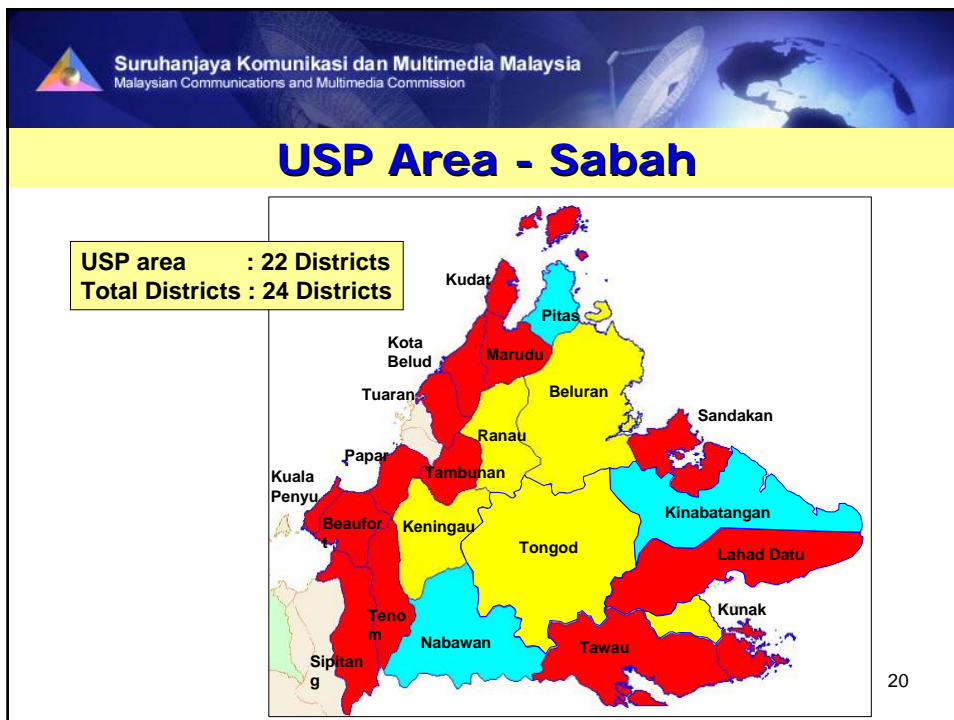
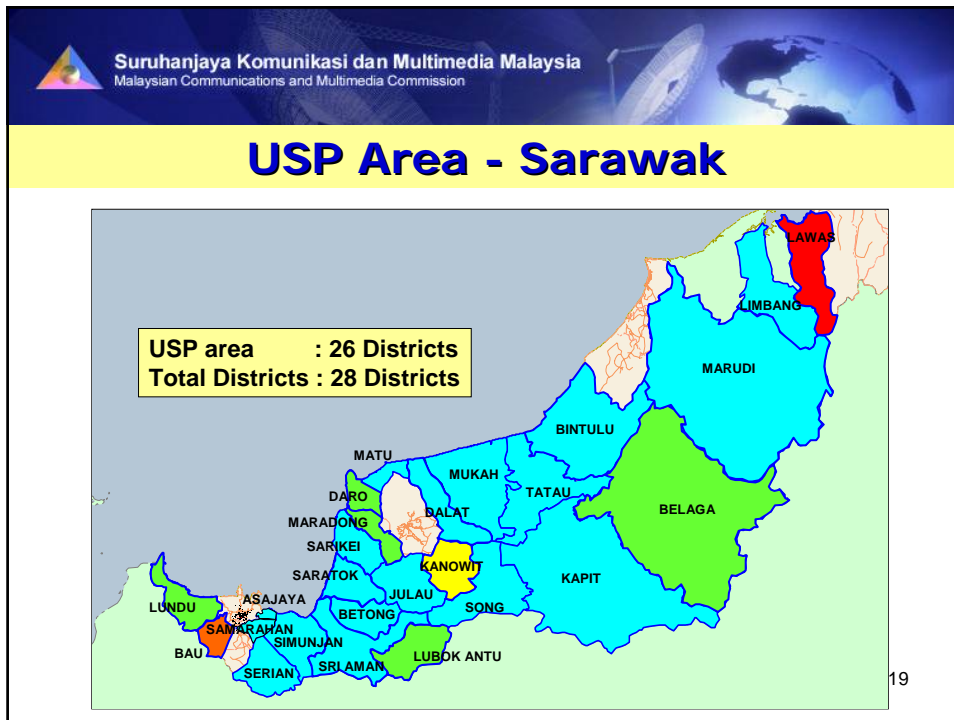
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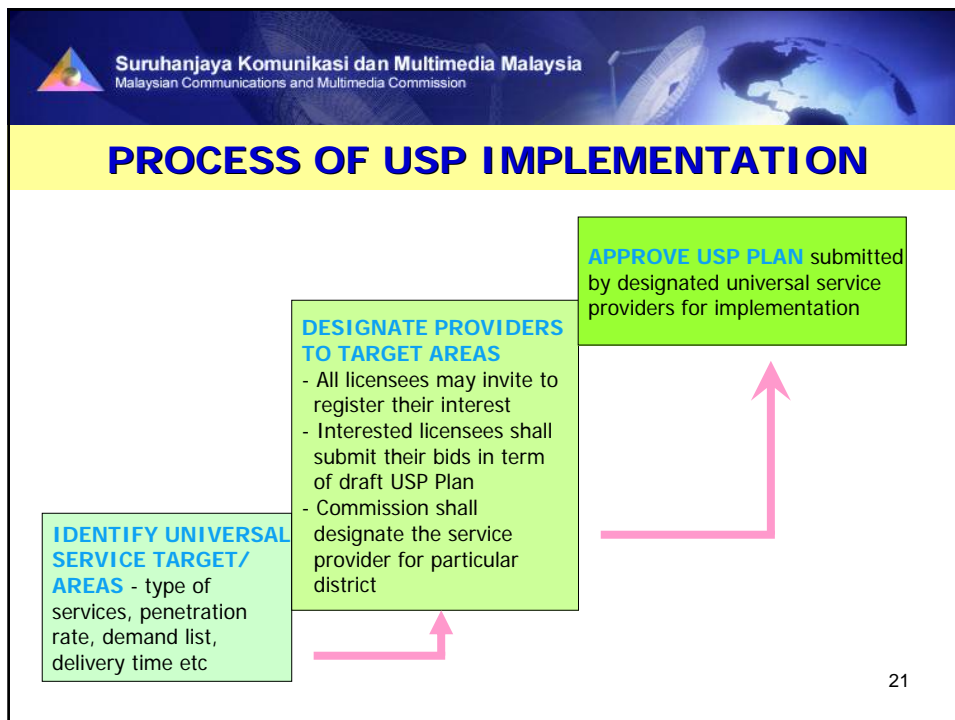
## USP Area - 89 USP Districts for the Whole Nation

NO	STATE	DISTRICTS	% of DISTRIBUTION
1	Johor	3	3%
2	Melaka	2	2%
3	N.Sembilan	1	1%
4	Kedah	6	7%
5	Perak	2	2%
6	Kelantan	9	10%
7	Pahang	8	9%
8	Terengganu	6	7%
9	Selangor	4	4%
10	Sabah	22	25%
11	Sarawak	26	30%
	TOTAL	89	100%

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## USP Projects

-  **Basic Telephony by Phases (Phase 1, 2, 3)**
  -  Individual & Collective lines (payphone)
-  **Broadband Access to Library**
  -  To provide broadband access up to 1 Mbps at selected libraries


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## USP Projects (cont.)

-  **USP Community Center**
  -  To provide the center with broadband access up to 1Mbps at suitable premises
  
-  **Other initiatives**
  -  Klang Valley Broadband push


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## USP Service Provider & Technology

Service Providers	Technology
Telekom Malaysia	Fiber optic,copper cable, VSAT and CDMA
Celcom	Fixed GSM System
TTdotCom	Wireless Broadband Access/VOIP
eB Technologies	Wireless Broadband Access/VOIP
DiGi	Fixed GSM
NasionCom	Fixed Mobile Satellite Phone (ACES)
Maxis Mobile	Fixed GSM System


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## Monitoring of USP Projects

- Continuous project monitoring by MCMC regional offices
  - 6 regional offices across the nation
  - Dedicate personnel for USP matters
- Regular meeting and sites visit with service providers and states government
- Completion checklist for completed projects
- Feedbacks from the public and local authority

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## MCMC Regional Offices (6)

Function:

- Mini MCMC at State level;
- Monitoring of USP and other projects;
- Communicate Federal policies at State level;
- Attend to queries and complaints from general public; and others.

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## USP Rollout Challenges

- Rural areas are often remote and lower income levels
- Geographical dispersion of population
- Hilly terrain and dense trees area
- Technology limitation to effectively connect rural areas
  - Distance, service quality, coverage due to LOS system, CPE need power supply etc.
- High cost to rollout
- Unavailability/unstable electricity supply
- Difficulties to acquire suitable sites for wireless solution
- Low take up rate
- Billing and payment issues

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## Looking Ahead

- Amendment of USP Regulation to improve USP system
  - Implementation of states broadband plan to push broadband penetration rate
  - Cellular access
  - Roll out by major USP contributors

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### Challenges which await ...



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### Leading to fruition ...



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# Thank You



<http://www.mcmc.gov.my>

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