



Access pricing – Malaysian experience

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**ITU-D Regional Economic and Financial Forum of
Telecommunications/ICTs for Asia and Pacific**

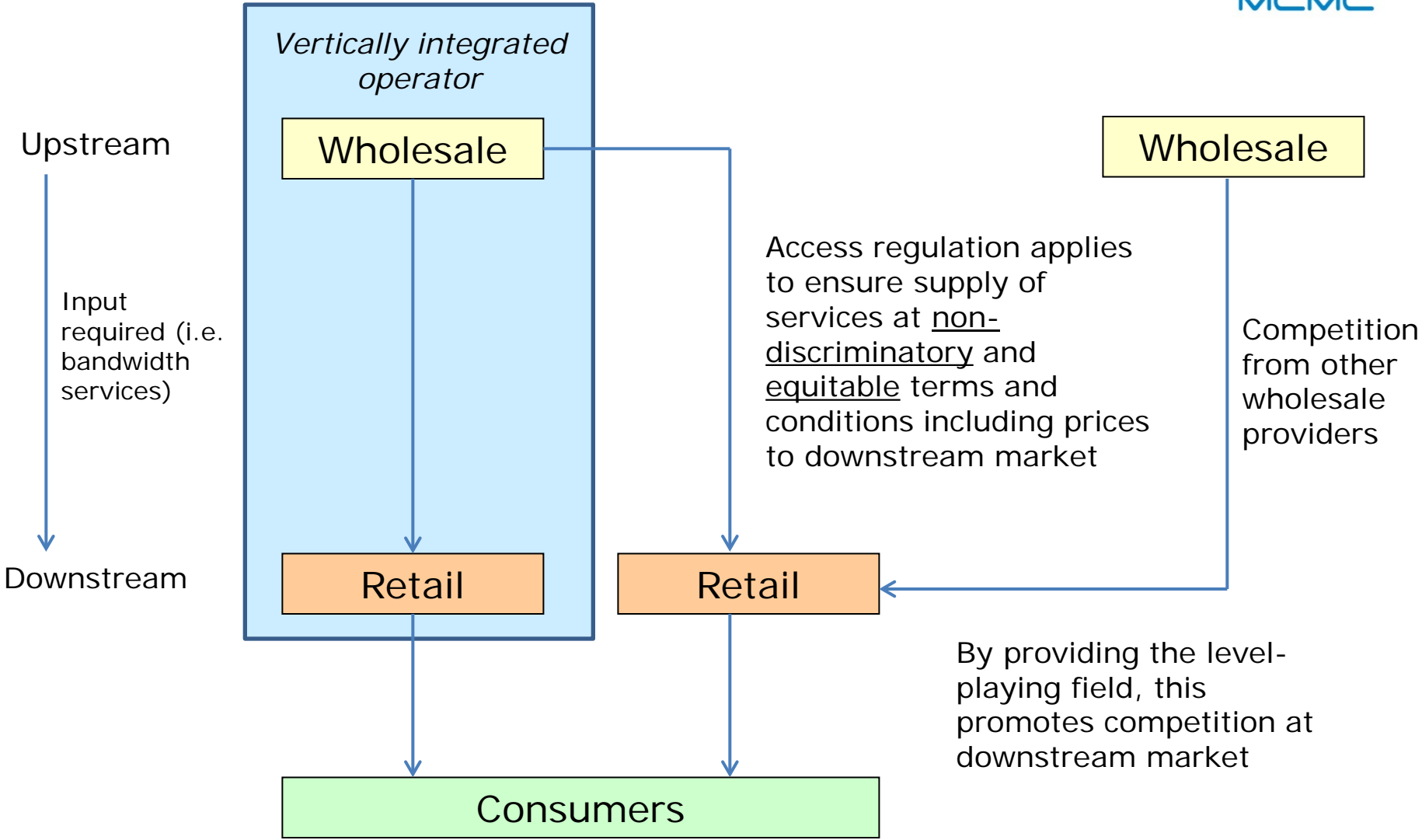
*Yangon, The Republic of the Union of Myanmar,
1-2 September 2014*

Agenda

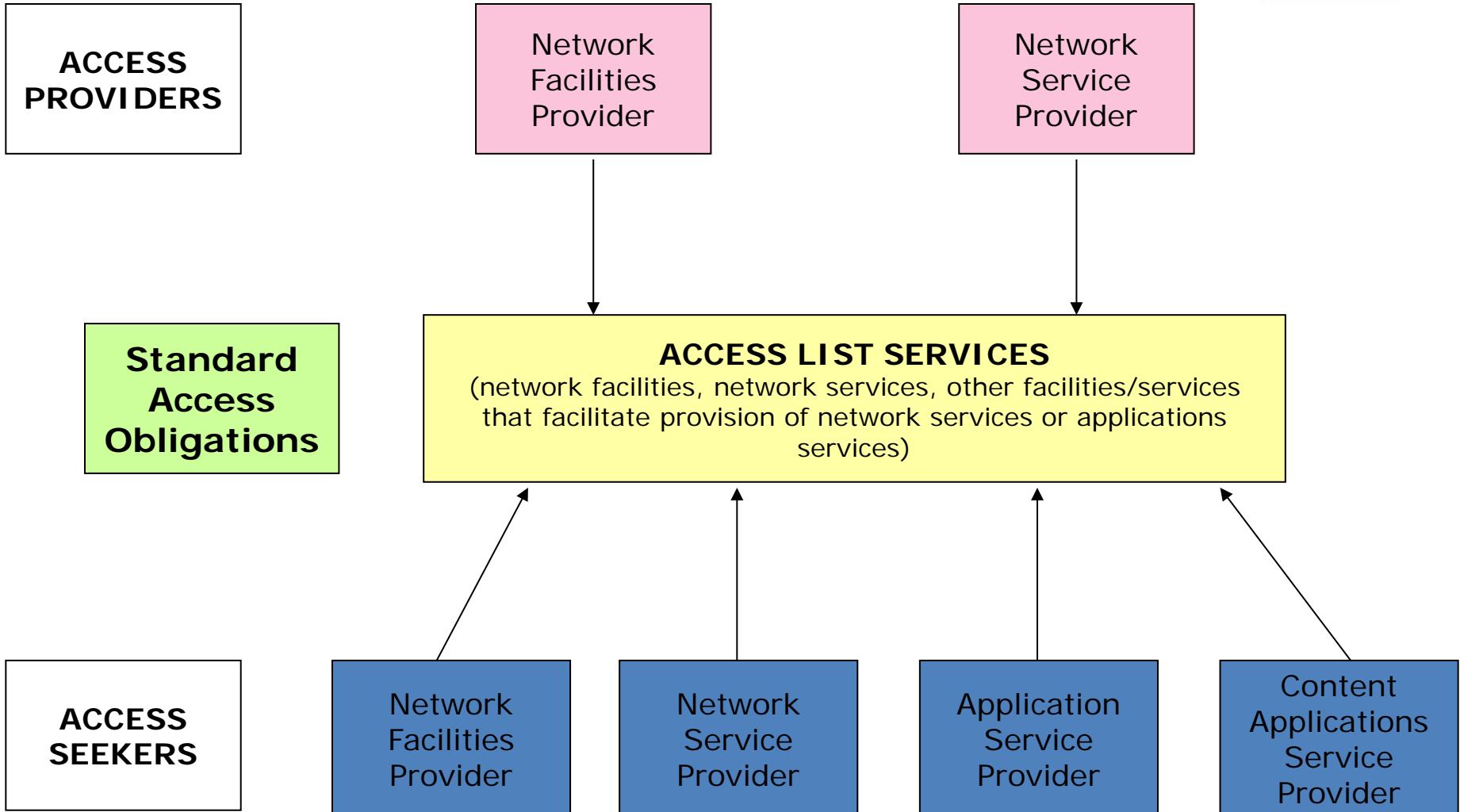


- Access regime in Malaysia
- Costing principles
- Review of Access Pricing (2011-2012)
- Regulated prices for certain services

Upstream and downstream concepts



Key players



Standard access obligations



- The obligation to provide access to network facilities or network services ***listed*** in the Access List on ***reasonable terms and conditions***
- The provision of access by Access Provider shall be:
 - Of at least the same or more favourable technical standard and quality as the technical standard and quality provided on the Access Provider's facilities or services;
 - On an equitable and non-discriminatory basis

Key instruments



Access List

- Determined by Commission under section 146
- Contains 19 facilities and services
- Currently under review

Mandatory Standard on Access

- Non-pricing terms and conditions consistent with standard access obligations
 - Symmetric obligations and rights to all licensees
- Flexibility is provided to allow detailed terms and conditions to be negotiated
- Will be reviewed in 2015

Mandatory Standard on Access Pricing

- Sets maximum prices for 9 facilities and services on Access List from 2013 to 2015

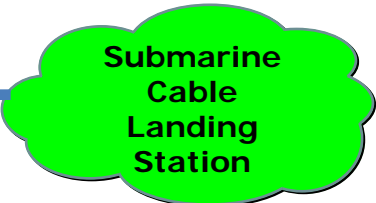
Current Access List



Local access



POI
X



- Full Access Service
- Line Sharing Service
- Sub-loop Service
- Bitstream Services
- Digital Subscriber Line Resale Service
- Wholesale Line Rental Service
- HSBB Network Service with QoS
- HSBB Network Service without QoS

- Fixed Network Origination/Termination Service
- Mobile Network Origination/Termination Service
- Interconnect Link Service
- Network Co-Location Service

- Transmission Service
- Wholesale Local Leased Circuit

Domestic Connectivity to International Services (Connection Services)



Infrastructure Sharing

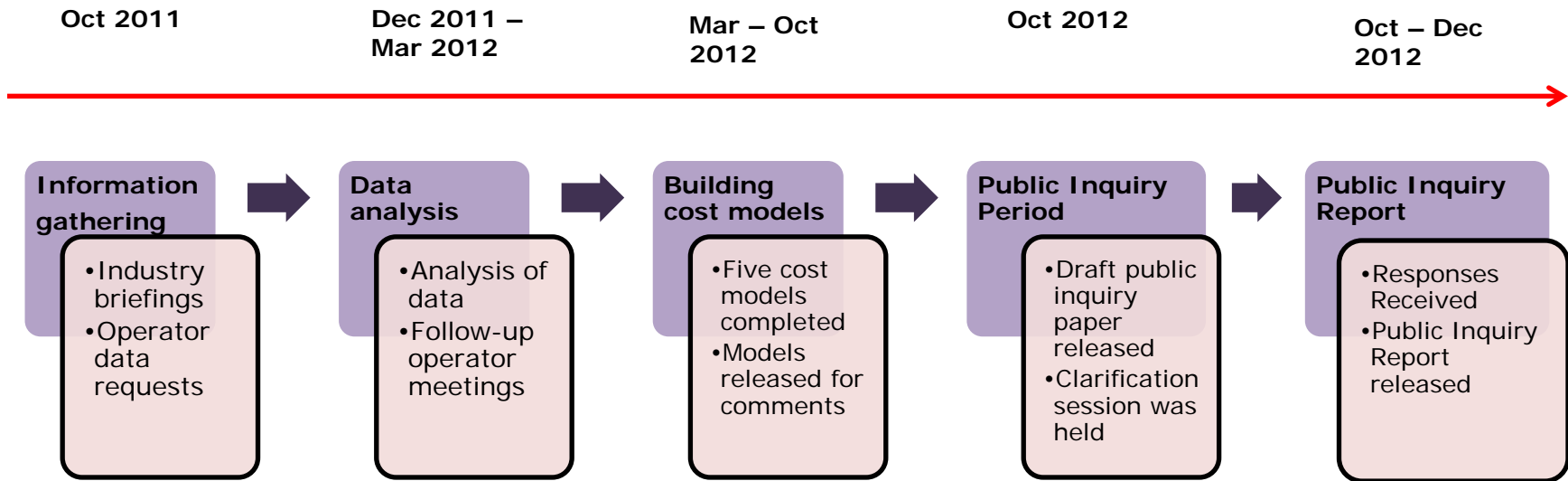
Digital Terrestrial Broadcasting Multiplexing Service

Costing principles



- Appropriate cost recovery
 - Efficiently incurred operating expenses
 - Cost of capital
- Promotion of economic efficiency
 - Efficient service provider
 - Cost-based prices
 - Competitive market

Review of Access Pricing (2011-2012)



- MCMC commenced review in Oct 2011
- LRIC approach was used for interconnection and transmission services
- Building block approach was used for fixed access network to ensure there is no risk of significant over-recovery of fixed access cost

Key outcomes



Price regulation

- Fixed Network Origination / Termination (Voice)
- Mobile Network Origination / Termination (Voice)
- Co-location Service
- Interconnect Link Service
- Transmission Service
- Wholesale Local Leased Circuit
- Domestic Connectivity to International Services

No price regulation

- Fixed Access Service, Line Sharing Service, Sub-loop Service, Bitstream Services and DSL Resale Service
- Wholesale Line Rental Service
- HSBB Network Services
- Infrastructure Sharing
- Digital Terrestrial Broadcasting Multiplexing Service

Fixed Network Termination Service



PSTN	Units	2003 - 2005	2006	2007	2008 – June 2010	July 2010 - 2012	2013	2014	2015
Local termination	sen/min	2.00	2.95	2.63	2.52	5.00	3.88	2.76	1.65
Single tandem termination	sen/min	4.80	6.61	6.17	6.07		4.70	4.40	4.10
Double tandem termination	sen/min	8.43	10.41	9.85	9.77		4.94	4.88	4.83
Double tandem termination with submarine	sen/min	19.70	24.82	24.71	25.09		17.37	17.36	17.44

IP	Units	2007	2008 – June 2010	2013	2014	2015
National	sen/min	2.63	1.50	1.53	1.50	1.53

Fixed Network Origination Service



PSTN	Units	2003 - 2005	2006	2007	2008 – June 2010	July 2010 - 2012	2013	2014	2015
Local origination	sen/min	2.00	2.95	2.63	2.52	5.00	3.94	2.88	1.82
Single tandem origination	sen/min	4.80	6.61	6.17	6.07		4.85	4.69	4.54
Double tandem origination	sen/min	8.43	10.41	9.85	9.77		5.51	6.02	6.53
Double tandem origination with submarine	sen/min	19.70	24.82	24.71	25.09		18.40	18.00	17.68

IP	Units	2007	2008 – June 2010	2013	2014	2015
National	sen/min	2.63	1.50	1.28	1.25	1.28

Mobile Network Origination/Termination



Origination	Units	2003 - 2005	2006	2007	2008 – June 2010	July 2010 – 2012	2013	2014	2015
Local origination	sen/min	11.26	7.74	7.89	8.09	5.00	4.63	4.26	3.89
National	sen/min	14.47	8.56	8.71	8.90		4.64	4.28	3.92
National with submarine cable	sen/min	22.52	28.05	28.05	28.09		15.66	15.70	15.76

Termination	Units	2003 - 2005	2006	2007	2008 – June 2010	July 2010 - 2012	2013	2014	2015
Local termination	sen/min	11.26	8.05	8.18	8.36	5.00	4.55	4.10	3.65
National	sen/min	14.47	8.86	9.00	9.17		4.63	4.25	3.88
National with submarine cable	sen/min	22.52	28.34	28.32	28.34		15.63	15.66	15.73

- 2013-2015 prices are applicable for both mobile and WiMAX technologies

Transmission (E1)



2 Mbps transmission service	Units	2006	2007	2008- June 2010	2013	2014	2015
Through-Connection	RM/year	26,400	14,282	2,165	990	928	873
Above 0 to 5km	RM/year	48,870	26,439	4,008	1,933	1,723	1,575
Above 5 km to 10 km	RM/year	61,560	36,124	10,687	3,780	3,282	2,950
Above 10 km to 20 km	RM/year	76,680	48,693	20,706	6,608	5,669	5,055
Above 20 km to 30 km	RM/year	91,800	62,933	34,065	10,379	8,850	7,862
Above 30 km to 40 km	RM/year	106,920	77,172	47,424	14,149	12,032	10,669
Above 40 km to 50 km	RM/year	122,040	91,411	60,783	17,920	15,213	13,476
Above 50 km to 60 km	RM/year	137,160	105,651	74,142	21,690	18,395	16,283
Above 60 km	RM/year	390	422	454	377	318	281

- 2013-2015 prices for different speeds in Peninsular Malaysia and East Malaysia

Transmission (STM-1)



155 Mbps transmission service	Units	2006	2007	2008- June 2010	2013	2014	2015
Through-Connection	RM/year	235,124	122,257	9,390	11,173	10,472	9,856
Above 0 to 5km	RM/year	818,666	425,680	32,695	21,812	19,449	17,775
Above 5 km to 10 km	RM/year	862,345	474,765	87,186	42,664	37,044	33,297
Above 10 km to 20 km	RM/year	905,212	537,067	168,922	74,580	63,976	57,056
Above 20 km to 30 km	RM/year	927,010	602,457	277,904	117,136	99,884	88,734
Above 30 km to 40 km	RM/year	933,690	660,288	386,886	159,691	135,792	120,413
Above 40 km to 50 km	RM/year	964,891	730,380	495,868	202,247	171,701	152,091
Above 50 km to 60 km	RM/year	1,093,050	848,950	604,851	244,802	207,609	183,769
Above 60 km	RM/year	4,200	3,952	3,704	4,256	3,591	3,168

- 2013-2015 prices for different speeds in Peninsular Malaysia and East Malaysia

THANK YOU



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