

## Regulating for Convergence -the future of the regulatory framework

**ITU Workshop on Regulatory  
Implications  
of Broadband**

Malaysian Communications and Multimedia Commission

3<sup>rd</sup> May 2001

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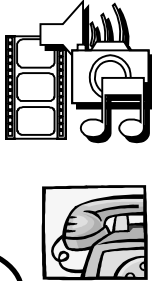
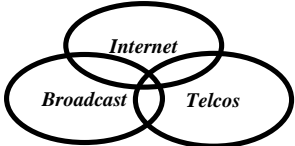
## Where are we on the map ?



Source: Adapted from World Yearbook  
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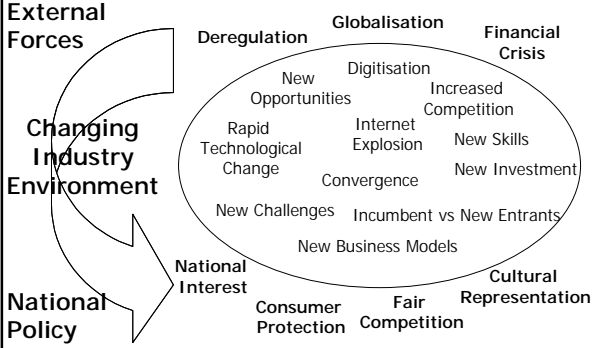
## Converging technologies

- Convergence ?
  - different network platforms to deliver similar kinds of services
  - different services delivered over the same network platform
- What makes it possible ? What's driving it?
  - 1011011001 and 192.228.128.20

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## Industry Outlook




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## Industry Trends


|   |   |
|---|---|
| <h3>Key Drivers</h3> <ul style="list-style-type: none"> <li>• <b>Standalone information system to networked computing;</b></li> <li>• <b>From analogue telephony to digital communications and multimedia.</b></li> </ul> | <h3>Key Trends</h3> <ul style="list-style-type: none"> <li>• Both content and networking industries are becoming increasingly important areas of economic growth;</li> <li>• The global market experiencing a transition from industrialised economies to 'knowledge-based' information societies;</li> <li>• The emphasis shift from commodities and physical infrastructure to people ideas.</li> </ul> |
|---|---|

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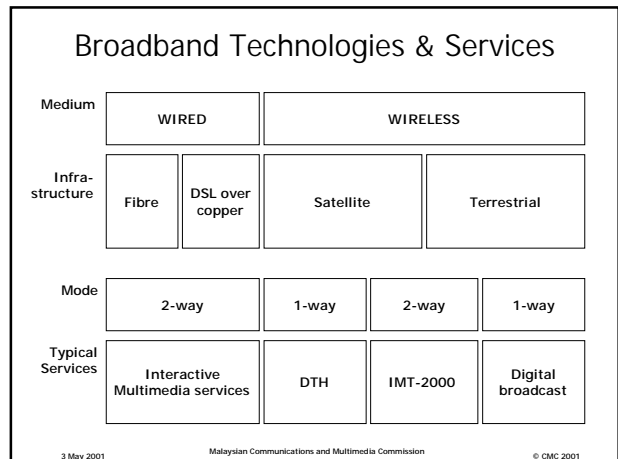
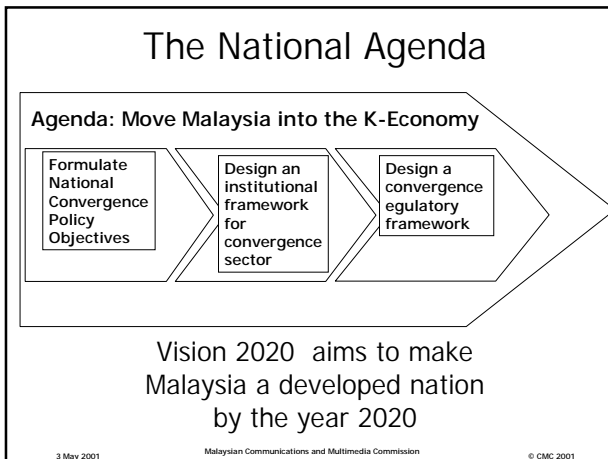
## Converging technologies -impact on us in our daily lives



- Production technologies
  - image capture devices & editing tools
- Network technologies
  - traditional broadcast, telecoms, internet & broadband
- Consumer technology
  - television, PCs & handphones
- Transaction technology



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# Institutional Framework

## -a look into history

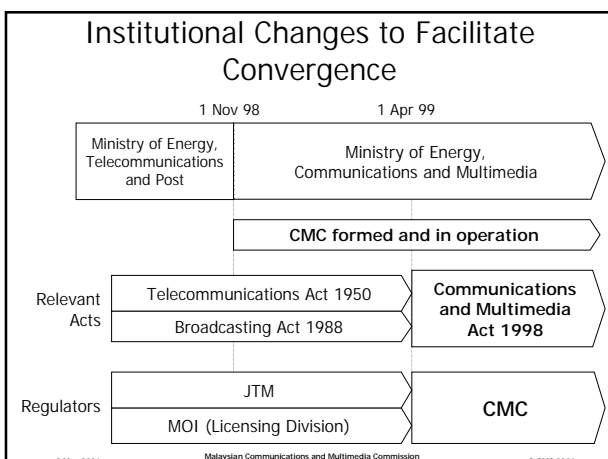
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### Legislative framework- what was before and what is now

- Before
  - Many different statutes
    - Previously in Malaysia, Broadcasting Act 1988 and Telecommunications Act 1950
  - Many different regulators or 'overseers'
    - Ministry of Information, Jabatan Telekom Malaysia etc.
- Now,
  - Communications and Multimedia Commission







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### The CMA 1998

- Fundamental Principles of the New Regulatory Framework
  - Transparency
  - Technology Neutral
  - Self Regulation
- Scope
  - Economic Regulation
  - Technical Regulation
  - Consumer Protection
  - Social Regulation

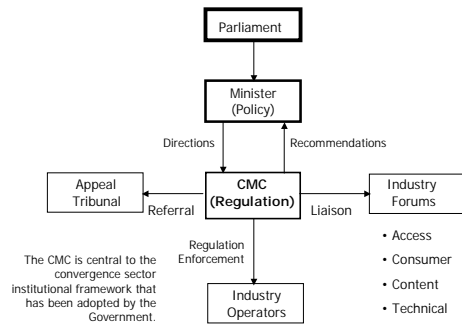
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### 10 National Policy Objectives for the Communications & Multimedia sector

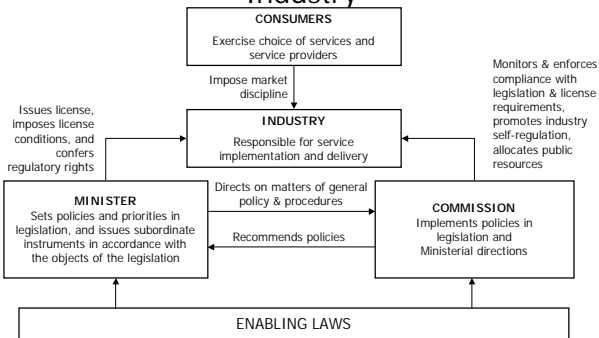
- |  |   |
|--|---|
| 1. Creating a global hub                     | 7. Creating a robust applications environment     |
| 2. Building a civil society                  | 8. Facilitating efficient allocation of resources |
| 3. Nurturing local content and culture       | 9. Developing industry capabilities               |
| 4. Ensuring long-term benefits for end-users | 10. Promoting secure and safe networking          |
| 5. Nurturing user confidence                 |   |
| 6. Promoting access and equity               |   |

NOTE: Abbreviated from Section 3(2) of the Communications and Multimedia Act 1998 (Act 588)

### The CMC and its Institutional Setting



### The Roles of the Key Players in the Industry

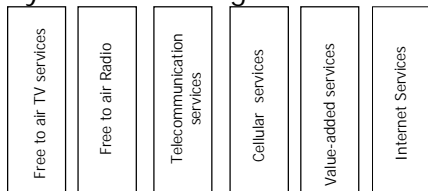


### The Powers and Functions of the CMC

- To advise the Minister on national policy objectives
- To implement and enforce communications and multimedia laws
- To regulate matters relating to communications and multimedia activities not related to communications and multimedia laws
- To consider and recommend reforms to the communications and multimedia laws
- To supervise and monitor communications and multimedia activities
- To encourage and promote development of the communications and multimedia industry
- To encourage and promote self regulation
- To promote and maintain the integrity of licensees
- To render assistance to persons engaged in communications and multimedia
- To carry out any function as the Minister may prescribe

NOTE: Abbreviated from Section 16 of the Malaysian Communications and Multimedia Commission Act 1998 (Act 589)

### The sector used to have many different categories of licenses



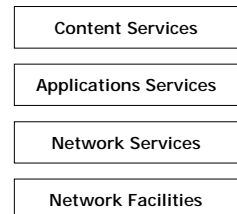
Licenses issued under the old regulatory framework were service-specific and technology-specific.

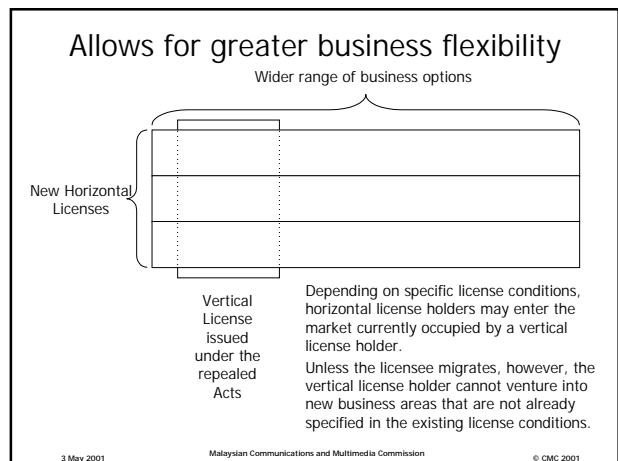
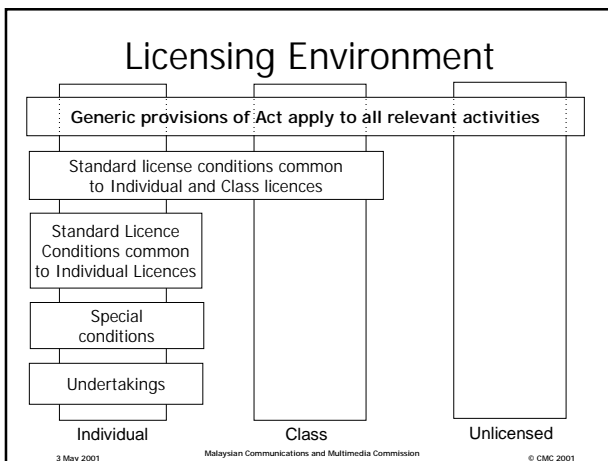
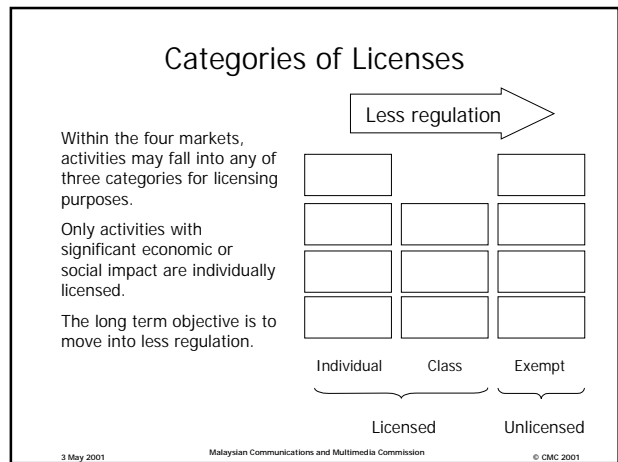
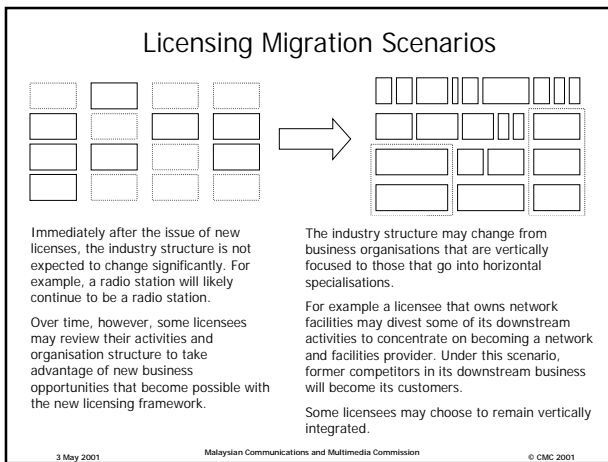
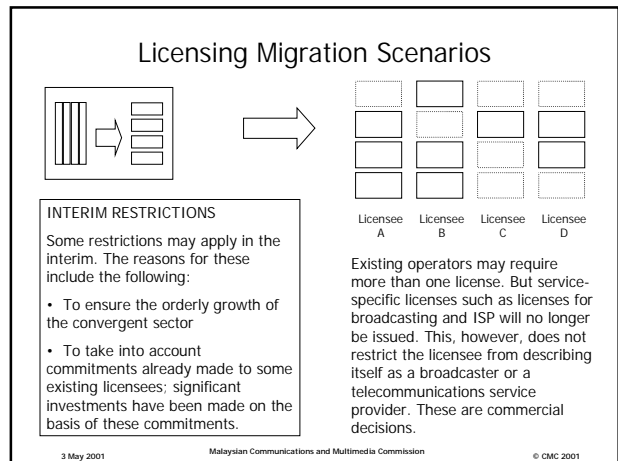
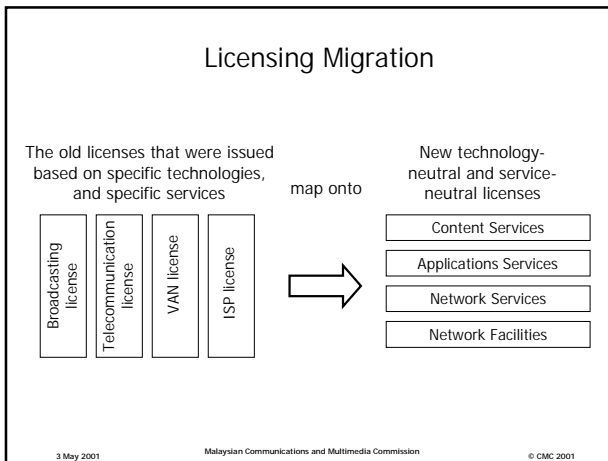
These restricted competition into narrow markets and did not allow licensees to move freely into related and adjacent activities.

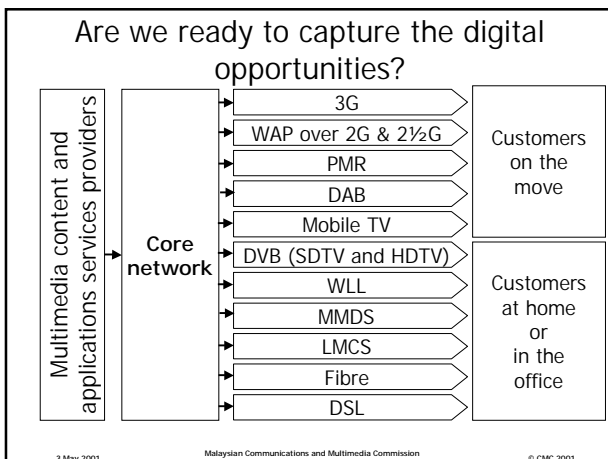
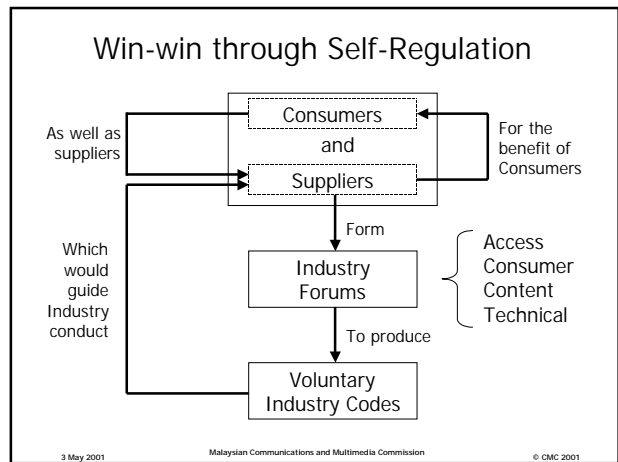
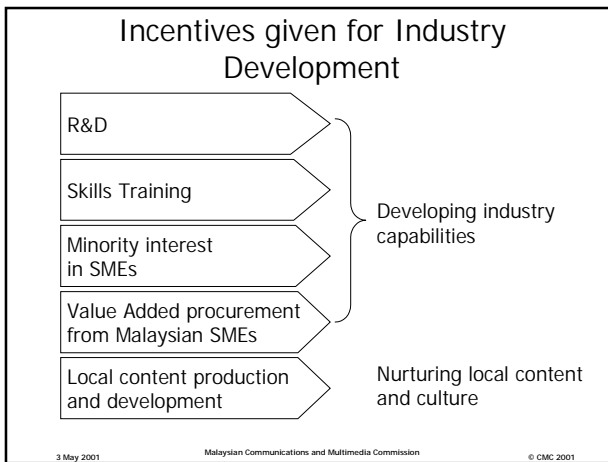
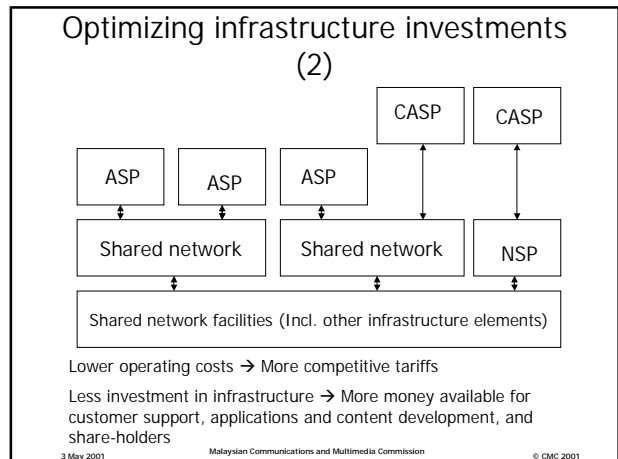
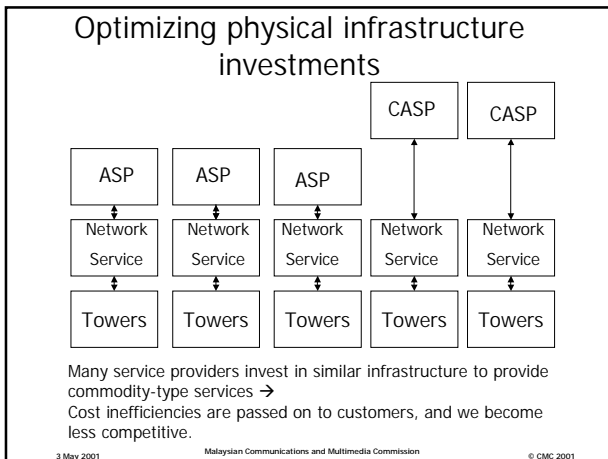
### The CMA has organized the sector under four markets

Licenses issued under the new regulatory framework are service-neutral and technology-neutral.

Licensees compete in four economic markets, i.e. Facilities, Connectivity, Applications, and Content Applications.







### Points to ponder

- Truly convergent technology transcends boundaries
  - new services perhaps does not quite fall into any of the existing descriptions
  - are more new laws necessary ?

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Thank you

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