

## Frequently Asked Questions

(Updated on 13 March 2019)

### Clarification on the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017

#### *Applicability*

1. **When are the prices in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017 applicable?**

The Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017 which sets the prices from 2018 to 2020 came into effect on 1 January 2018. Hence, the prices of all the Facilities and Services listed in the Determination apply to Access Providers and Access Seekers beginning from 1 January 2018.

If parties acquire new Facilities and/or Services when negotiating an Access Agreement, the access prices in the Determination will apply with immediate effect.

However, if the Facilities and/or Services are already acquired via a commercial agreement or an Access Agreement, the prices in the Determination will apply retrospectively. Nevertheless, this requires both parties to enter into an Access Agreement. Unless otherwise agreed in the Access Agreement, the prices are applicable from the point when a complete Access Request has been submitted by the Access Seeker and the Access Provider has accepted the Access Request.

2. **What are the prices applicable to?**

The prices in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017 are only applicable to the Facilities and Services listed in the Determination. The rates are not applicable to international services such as International Direct Dialing or International terminating circuits, which can be commercially negotiated.

3. **In negotiating an Access Agreement, can an Access Provider increase the price or provide worse terms and conditions for the same Facility and Service as compared to those in a previous Access Agreement or commercial agreement?**

No. The negotiation of commercial, technical or other terms and conditions in an Access Agreement should not place the Access Seeker in a worse-off position vis-à-vis its previous Access Agreement or commercial agreement. However, no worse-off does not prevent the Access Seeker from requesting for superior or

inferior terms and conditions than previously acquired, and these terms and conditions are subject to commercial negotiation between both parties.

4. **Can an Access Provider increase the charges for certain components of Facilities and Services in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017 that are not price regulated?**

For the Facilities and Services listed in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017 where certain components are not price regulated, it is not reasonable for prices to increase when an Access Seeker migrates from a previous Access Agreement or a commercial agreement to an Access Agreement. The Access Seeker should not be placed in a worse-off position. However, in the event there is any price increase, the basis for the increase should be reasonable and the price should be subject to commercial negotiation between the parties.

5. **For regulated Facilities and Services in the Access List, can an Access Provider offer more inferior technical parameters such as Quality of Service or restoration timeframes vis-à-vis those previously offered in an Access Agreement or commercial agreement on the basis of providing the prices specified in Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017?**

No. At a minimum, the Access Provider must offer the Facilities and Services in the Access List with the technical parameters including Quality of Service and restoration timeframes to allow Access Seekers to comply with any applicable Mandatory Standards. In the event the technical parameters including Quality of Service and restoration timeframes are not specified for a particular Facility and Service in any applicable Mandatory Standard, it is not reasonable for these parameters to be inferior to that which was previously offered. Access Seekers should not be placed in a worse-off position when they migrate from a previous Access Agreement or a commercial agreement to an Access Agreement.

However, if the Access Seeker requests for a change in technology or other additional services that results in inferior (or superior) technical parameters than in its previous commercial agreement, the parties should mutually negotiate these parameters in the Access Agreement, bearing in mind compliance to relevant Mandatory Standards, if any.

***Layer 2 HSBB Network Service with Quality of Service and Layer 3 HSBB Network Service (collectively known as HSBB Network Services)***

6. **Are the Layer 3 HSBB Network Service prices in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017 applicable to the commercial High Speed Broadband Access service?**

Yes. Parties who have commercial agreements for High Speed Broadband Access are required to enter into an Access Agreement for Layer 3 HSBB Network Service in order to enjoy the prices in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017.

**7. What services are included in the regulated price of HSBB Network Services?**

The prices of HSBB Network Services are applicable to high speed internet service including for residential and business customers. It is not applicable to value-added services such as video on demand, IPTV or voice services. Prices for these services are commercially negotiated.

**8. What do the prices of HSBB Network Services in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017 cover?**

There are three components of prices for HSBB Network Services as follows:

- i) Recurring monthly Broadband Termination Unit (BTU) port charge;
- ii) Recurring monthly Service Gateway charge (for Layer 2 or Layer 3); and
- iii) One-off, non-recurring installation charge (for BTU port or Service Gateway).

The BTU port charge includes the cost of the passive infrastructure from the end user premises such as cables, drop cables, ducting, manholes, trenches, the cost of BTU, Fibre Distribution Cabinet, Optical Distribution Frame and Optical Line Termination. The operational and maintenance cost of all the elements have also been included, including the repair cost of fibre cuts and the maintenance and repair of BTUs.

The Service Gateway charge (for Layer 2 and Layer 3) represent the use of broadband remote access server (BRAS) and transmission in the Access Provider's core network to its premises. This would include the cost of the cable, the operational and maintenance costs of the cable, such as the cost of pulling the cable and repair costs of fibre cuts and the operational and maintenance cost of the BRAS.

The one-off installation charge for BTU port and Service Gateway consist of service setup and activation costs for each.

For clarity, these charges apply to existing and new infrastructure.

**9. What happens if there are additional charges under a commercial High Speed Broadband Access service?**

In the event that there are additional charges (apart from Broadband Termination Unit port charges, Service Gateway charges and installation

charges), the additional charges should be reasonable and the methodologies for deriving them should be published in the Access Provider's Reference Access Offer. Parties to the Access Agreement should also include the relevant additional charges in the agreement. In principle, these additional charges should not place Access Seekers in a worse-off position.

10. **Have the prices in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017 for HSBB Network Services taken into account service level or network redundancy?**

Yes. The fixed model has taken into account redundancy in the core network in order to comply with the requirements in the Commission Determination on the Mandatory Standards for Quality of Service (Wired Broadband Access Service), Determination No. 2 of 2016.

11. **Are the prices of HSBB Network Services in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017 based on a specific contention ratio? If so, who decides the contention ratio?**

No. The prices in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017 are not based on a specific contention ratio. The contention ratio is not provided by the Access Provider and the regulated price allows the Access Seeker to determine the contention ratio based on its requirements.

12. **Would the Access Seeker need to set up different Points of Interconnection to enjoy the HSBB Network Services prices in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017?**

The prices for Layer 3 HSBB Network Service in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017 are based on a single central Point of Interconnection for the Access Seekers to connect to the Service Gateway for the end user premises in Peninsular Malaysia.

For the end user premises in Sabah and/or Sarawak, Access Seekers can choose to establish one additional Point of Interconnection to connect to Sabah and Sarawak, if they wish. If the Point of Interconnection is not established in Sabah or Sarawak, then the Access Provider can charge the Access Seeker an additional charge based on Trunk Transmission Service between the Access Provider's premises in Peninsular Malaysia and its premises in Sabah and/or Sarawak.

The prices for Layer 2 HSBB Network Services with Quality of Service in the Commission Determination on the Mandatory Standard on Access Pricing,

Determination No. 1 of 2017 are based on a non-central Point of Interconnection, for example, at the regional, state or local level. Therefore, depending on its requirement, the Access Seeker may need to establish different Points of Interconnection.

**13. Is the Access Seeker required to acquire additional Facilities or Services together with HSBB Network Services in order to provide high speed broadband services to retail customers?**

Layer 3 HSBB Network Service allows the Access Seeker to choose between having the Point of Interconnection at the Access Provider's premises or the Access Seeker's premises.

If the Access Seeker chooses the central Point of Interconnection at the Access Provider's premises, then the Access Seeker needs to acquire Layer 3 HSBB Service and Network Co-Location Service. For clarity, the Access Provider is required to provide Network Co-Location Service.

If the Access Seeker chooses the Point of Interconnection at the Access Seeker's premises, then the Access Seeker needs to acquire Layer 3 HSBB Service and an applicable regulated Transmission Service. For clarity, the Access Provider is required to provide Transmission Services based on the regulated prices.

For Layer 2 HSBB Network Service with Quality of Service, the Point of Interconnection is at the Access Seeker's premises which could be at the regional, state or local level. As such, depending on its requirement, the Access Seeker may need to acquire Layer 2 HSBB Network Service with Quality of Service and an applicable regulated Transmission Service. For clarity, the Access Provider is required to provide Transmission Services based on the regulated prices. Alternatively, if the Access Seeker wishes to acquire Layer 2 HSBB Network Service from the regional, state or local Point of Interconnection at the Access Provider's premises, then the Access Provider may provide Network Co-Location Service.

***Wholesale Local Leased Circuit Service, Trunk Transmission Service and End-to-End Transmission Service (collectively known as Transmission Services)***

**14. Are the prices of Transmission Services in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017 applicable to the commercial High Speed Broadband Transmission Service?**

Yes. Parties who have commercial agreements for High Speed Broadband Transmission Service are required to enter into an Access Agreement for the applicable Transmission Service in order to enjoy the prices in the Commission

Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017.

15. **What do the prices of Transmission Services in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017 cover?**

There are two pricing components for Transmission Services as follows:

- i) Recurring monthly rental charge; and
- ii) One-off, non-recurring installation charge.

The monthly rental charge includes the cost of the cable, the operational and maintenance costs of the cable, such as the cost of pulling the cable and repair costs of fibre cuts. The installation charge consists of service setup and activation costs.

16. **Are the prices of Transmission Services in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017 restricted to apply within regions?**

No. Transmission Services were modelled on IP-based technology to provide nationwide services, and therefore, the Transmission Services' prices are applicable nationwide. The only exception is the submarine cable link between Peninsular Malaysia and Sabah and Sarawak which is applicable for Trunk Transmission Service and End-to-End Transmission Service, and different prices apply to these services.

17. **Are the prices for Trunk Transmission Service and End-to-End Transmission Service only applicable to bandwidth included in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017?**

No. Trunk Transmission Service and End-to-End Transmission Service as defined in the Access List allow the transmission rates to be agreed between Access Provider and Access Seeker. Further, Trunk Transmission Service and End-to-End Transmission Service are price regulated, as they are listed in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017. If an Access Seeker requests for a transmission rate for Trunk Transmission Service or End-to-End Transmission Service without a corresponding price in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017, the Access Provider must provide the transmission rate at a reasonable price with reference to other price tiers for Trunk Transmission Service or End-to-End Transmission Service in the Determination. There is also no limit on the transmission rates that can be requested and shall be provided by the Access Provider, for example, above 5 Gbps. For clarity, the prices for these other transmission rates or bandwidth need to be included in an Access Agreement.

18. **Are the prices for Transmission Services in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017 applicable to only the existing network infrastructure?**

No. The fixed model has taken into account current and future demand and the expansion of the network. Therefore, the prices for Transmission Services are applicable to the existing infrastructure and new infrastructure.

19. **What is the Service Level Agreement (SLA) applicable to the prices of Transmission Services in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017?**

In modelling Transmission Services, redundancy has been incorporated in the technical design of rings and duplicated links connecting the edge and core nodes and duplication of network equipment. Access Providers need to ensure that service level availability of Transmission Services comply with applicable Mandatory Standards, such as the Commission Determination on the Mandatory Standards for Quality of Service (Digital Leased Line Service), Determination No. 3 of 2009, and provide service level availability of at least 99.9%. The prices in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017 apply to service level availability of 99.9%, and service level availability above that is subject to commercial negotiation.

20. **Is there any class of service applicable to the prices of Transmission Services in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017?**

No. The prices in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017 are not specified for any particular class of service. For example, an Access Seeker can acquire Transmission Services to provision high speed broadband, Enterprise services and IPTV to end consumers. However, where class of service was specified for Transmission Services in the previous commercial agreement or Access Agreement, the Access Seeker should not be placed in a worse-off position subject to service level availability of 99.9%. For clarity, if the services provisioned by the Access Seeker requires service level availability higher than 99.9%, then it is subject to commercial negotiation.

21. **What is the restoration timeframe applicable to the prices of Transmission Services in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017?**

Access Providers are required to comply with the restoration timeframes of applicable Mandatory Standards and to also ensure that the restoration timeframes provided to Access Seekers allow them to also comply with applicable Mandatory Standards. In this regard, the Access Providers are required to ensure compliance to restoration timeframes in the Commission

Determination on the Mandatory Standard on Access, Determination No. 3 of 2016 and the Commission Determination on the Mandatory Standards for Quality of Service (Digital Leased Line Service), Determination No. 3 of 2009.

***Fixed Network Origination Service and Fixed Network Termination Service***

22. **What is the rate applicable for IP calls beginning with the pre-fix of 0154?**

The single national rate for Fixed Network Origination Service and Fixed Network Termination Service is applicable for PSTN and IP calls.

***Duct and Manhole Access***

23. **What do the Duct and Manhole Access prices in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017 cover?**

The Duct and Manhole Access prices are for 25% of duct per km. This assumes that only 25% of the duct is rented out. If 100% of duct per km is rented, the applicable price is multiplied by four.

The Duct and Manhole Access prices take into account the capital expenditure and operational expenditure in building and maintaining the duct and manhole infrastructure along with the civil works.

If the duct and manhole infrastructure has been built and handed over by the developer to an Access Provider, the Duct and Manhole Access prices in the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2017 shall not apply. The Access Provider should only charge maintenance fees for Duct and Manhole Access, if any, that is reasonable and mutually agreed with the Access Seeker.

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