



**MALAYSIAN COMMUNICATIONS AND MULTIMEDIA  
COMMISSION**

**UNIVERSAL SERVICE PROVISION (USP)  
NOTIFICATION OF UNIVERSAL SERVICE TARGETS  
YEAR 2003**

**1 AUGUST 2002**

**NT/USP/2/02**

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## MALAYSIAN COMMUNICATIONS AND MULTIMEDIA COMMISSION

### NOTIFICATION OF UNIVERSAL SERVICE TARGETS FOR YEAR 2003

#### 1. Introduction

- 1.1 Pursuant to the Commission Determination on Universal Service Provision, Determination No. 2 of 2001, paragraph 10, the Commission required to publish a notification specifying the universal service targets for the calendar year 2003.
- 1.2 This Notification document outlines the following for the implementation of the universal service plan in the calendar year 2003:
  - (a) Universal service target areas in order of priority;
  - (b) Identify licensees (if any) who have facilities or who provide services in or in the vicinity of the universal service target areas;
  - (c) The penetration rate of basic telephony services in the universal service target areas;
  - (d) The demand list in terms of customers and lines required;
  - (e) The type of services required i.e. basic telephony, public payphone or internet access services;
  - (f) The time allocated for the installation of the network facilities and/or the provision of network services or application services; and
  - (g) Such other matters as the Commission considers relevant.
- 1.3 This Notification is published and made available on the Commission's website [www.cmc.gov.my](http://www.cmc.gov.my). Hardcopies are available at the Malaysian Communications and Multimedia Commission Resources Centre located at 7<sup>th</sup> Floor Menara Dato' Onn, Putra World Trade Centre, 45 Jalan Tun Ismail, Kuala Lumpur.

#### 2. Background

- 2.1 The USP Determination No. 2 of 2001 addresses the need for providing universal services to underserved areas and the underserved groups within the community. Under the Determination, the delivery of universal services is open to all licensees in underserved areas except in those areas where there is only one licensee that has network facilities in or in the vicinity of the universal service target area such that the licensee is in a position to readily install, in the most efficient manner, the network facilities and provide network services and/or application services to fulfill the universal service obligation.

### **3. The Universal Service Provision (USP)**

- 3.1 The USP is designed to promote the widespread availability and usage of network services and/or application services throughout Malaysia. In promoting this, the Commission has set out the following universal service objectives in order of priority:

- (a) Collective access to basic telephony and public payphone services;
- (b) Individual access to basic telephony services;
- (c) Collective access to Internet access services; and
- (d) Individual access to Internet access services.

- 3.2 In providing access to basic telephony, public payphone services and Internet access, the designated universal service provider is expected to consider the use of alternative transmission technologies such as satellite, fixed wireless, Cellular and fixed wireline, where necessary for the provision of the services. The universal service provider is expected to adopt the best international practice in the telecommunications industry, including compliance to relevant industry standards on network end-to-end performance.

### **4. The Role of the Designated Universal Service Provider**

- 4.1 The role of the Universal Service Provider is to ensure that all Malaysians, including those living in rural and remote areas, have reasonable access to basic telephony, public payphone services and Internet access in the areas which have been designated by the Commission.
- 4.2 For the designation of an universal service provider, the Commission has taken the following approach:
- (a) Where only one licensee has network facilities in or in the vicinity of the universal service target area such that the licensee is in a position to readily install, in the most efficient manner, the network facilities and provide network services and/or applications services to fulfill the universal



service obligation, that licensee shall be designated as the universal service provider for that universal service target area. This universal service provider shall submit a universal service plan within a specified time for approval by the Commission, (with modifications, if any, as may be agreed);

- (b) Where there is more than one licensee with network facilities in or in the vicinity of the universal service target area such that the licensees are in a position to readily install, in the most efficient manner, the network facilities and provide network services and/or applications services to fulfill the universal service obligation, the Commission shall invite the relevant licensees to submit a universal service plan within a specified time. The licensee whose universal service plan is approved (with modifications, if any, as may be agreed) shall be designated as the universal service provider.
- (c) Where there is no licensee who has network facilities in or in the vicinity of the universal service target area, the Commission shall invite all the licensees to submit a universal service plan within a specified time and the licensee whose universal service plan is approved (with modifications, if any, as may be agreed) shall be designated as the universal service provider; and
- (d) In the event that the Commission does not receive any universal service plan, the Commission may, in its absolute discretion, designate the appropriate licensee as the universal service provider in relation to a universal service target area.

The designated universal service provider shall upon designation submit a universal service plan within a specified time for approval by the Commission.

## **5. Underserved Areas**

### **5.1 Definition of an Underserved Area**

- 5.1.1 An underserved area is defined as an area where the penetration rate for basic telephony service is twenty per cent (20%) below the national penetration rate. An area referred to here is a district as defined under the National Land Code.

## 5.2 National Objectives

- 5.2.1 The universal service plans developed are geared towards achieving the above set targets, particularly telephone service provision and access. Although affordability is a key issue in the telephone service subscription by citizens, a community collective access through public payphones and rural internet access would provide a good alternative.
- 5.2.2 The universal service plans will be developed on a 5-year roll out plan and, accordingly, the targets are set and reviewed annually.

## 5.3 USP Target Areas and Priority List

- 5.3.1 For year 2003, the Commission decided that we retained the three (3) underserved areas, namely:

- (a) Kinabatangan in Sabah;
- (b) Julau in Sarawak; and
- (c) Yan in Kedah

- 5.3.2 However, the ten (10) areas that have been identified as the universal service target areas will be remained as the targeted area and shall be concentrated on the following year. The areas are as below:

No	State	District
1.	Sabah	Kinabatangan
2.	Sarawak	Julau
3.	Sabah	Beluran
4.	Sabah	Semporna
5.	Sabah	Kunak
6.	Sarawak	Song
7.	Sarawak	Simunjan
8.	Sarawak	Lubuk Antu
9.	Sarawak	Daro
10.	Kedah	Yan

## 6. Underserved Groups within the Community

### 6.1 Definition of an Underserved Group within the Community

- 6.1.1 An underserved group within the community is defined as a group of people linked by similar characteristics from a socio-cultural or economic perspective, within a served area, that do not have collective and/or individual access to basic communications services.



6.1.2 The above provides a generic definition and may be applicable to any current discounts or special pricing given to an underserved group e.g. the disabled group for subscription of basic communication services.

## **7. Basic Telephony and Public Payphone Service for Underserved Areas**

### **7.1 The Basic Telephony Service**

7.1.1 The basic telephony service provides for voice telephony or an equivalent service to meet the requirements of the general public and shall be accessible in all of the underserved areas including the rural and remote parts of the underserved areas. This basic telephony service will carry slow speed fax and data services and also provide access to Internet services. It does not support high speed data and other ISDN type services which are not included in the definition of a standard telephone service.

7.1.2 Under normal operating conditions, a basic telephony service provided by any designated universal service provider shall include the following features:

- (a) Connection from the network boundary at the customer premises to the service providers local exchange;
- (b) Access to the public switched telephone network being part of the multi-provider national integrated telephone network;
- (c) The ability to make and receive automated national and international telephone calls 24 hours per-day;
- (d) 24 hours per-day access to emergency numbers, which when called by the customers, gives the customer access to emergency services, free of charge;
- (e) 24 hours per-day access to telephonist assistance for directory enquiries, national and international call connection and reporting of service difficulties;
- (f) Itemized billing for all calls, other than local calls; and
- (g) A service, which enables the user to establish a telephony connection to another party, anywhere on the multi-provider national integrated telephone network and conduct intelligible communication.

7.1.3 The conditions, charges and specifications for the basic telephone service shall conform to the current rate regulations or any other rate regulations issued by the Commission from time to time.

### **7.2 The Public Payphone Service**

7.2.1 Public payphones provide a collective access for communities or households. Designated universal service providers are expected to supply, install and maintain all payphones in the underserved areas.

7.2.2 Under normal operating conditions, a public payphone service provided by any designated universal service provider shall include the following features:

- (a) The ability to make and receive automated national and international telephone calls 24 hours per-day;
- (b) 24 hours per-day access to emergency numbers which, when called by the customer, give the customer access to emergency services, free of charge;
- (c) 24 hours per-day access to operator assistance for directory assistance, national and international call connection and reporting of service difficulties; and
- (d) a voice grade service which enables the users to establish a telephony connection to another party anywhere on the multi-carrier national integrated telephone network and conduct intelligible communication.

### **7.3 The Telephone Network**

7.3.1 The telephone network basically comprises of the following subsystems:

- (a) Local area network connecting the subscriber premises and equipment to the network;
- (b) Switching system of local, tandem and international gateway exchanges; and
- (c) Transmission system of microwave, cables and satellite.

7.3.2 The USP Determination does not distinguish between fixed wireline and fixed wireless technology as long as it conforms to the general standards of provisioning and operations of a basic telephone service. For the provision of universal service, the designated universal service provider is at liberty to decide the most appropriate and best mix of technology or network configuration, taking into consideration factors such as customer density, geographic terrain and customer usage for any given situation.

### **7.4 Time for Supply of Basic Telephony and Public Payphone Services**

7.4.1 In an underserved area, the designated universal service provider in the provision of basic telephony services will:

- (a) Accept, consider and respond to all requests from any person, community group, organization and authority in



Malaysia for a basic telephony and/or public payphone service;

- (b) Make all reasonable efforts to meet each request for a basic telephone and/or public payphone service from any person or community group, organization and authority in Malaysia on an equitable basis, wherever they reside or carry on business, on the date requested by the customer; and
- (c) Make all reasonable efforts to plan for future changes in demand for basic telephone and public payphone services that may result from influences such as population changes.

7.4.2 The timeframe in which a designated universal service provider supply a basic telephony service will depend on the following circumstances:

- a. A readily accessible existing infrastructure which the designated universal service provider can use; or
- b. Where there is no telephone network infrastructure (e.g. no local telephone exchange, no main cable or no distribution cable pair), or where the telephone network infrastructure exists but has insufficient capacity available, the designated universal service provider is expected to install the network infrastructure and provide the services before the end of the calendar year.

7.4.3 If the supply of a basic telephony or public payphone service by a designated universal provider is affected by circumstances beyond its control, the Commission may consider and approve extending the provisioning period of the basic telephony and public payphone services.

## **7.5 Public Payphone Applications and Community Consultation**

7.5.1 Applications and enquiries concerning the supply and installation of public payphones, including the determination of the location of the payphones shall be directed to the universal service provider for the particular underserved area.

7.5.2 Consultation may be initiated by any person or community group by contacting the designated universal service provider and requesting:

- (a) Supply and installation of a payphone at a particular location;
- (b) Supply and installation of additional payphones at a particular location; and
- (c) Change of an existing location of a payphone.

## **7.6 Service Quality and Performance**

- 7.6.1 The relevant areas of service include provision of service, restoration of service, public switched telephone network, telephonist assisted services and billing accuracy.
- 7.6.2 The basic telephony service supplied under the universal service obligation will perform according to a technical grade of service quality in line with appropriate standards or codes of practice on network end-to-end performance. In general, the service quality shall conform to the standards specified in current regulations and any consumer code registered under the Malaysia Communications and Multimedia Act, 1998.

## **8. Basic Telephony Service for Underserved Groups within the Community**

### **8.1 The Basic Telephony Service**

- 8.1.1 An underserved group within the community is defined as a group of people linked by similar characteristics from a socio-cultural or economic perspective, within a served area, that does not have collective and/or individual access to basic communications services. The underserved group within the community may include with sight impairment and other disabilities.
- 8.1.2 The basic telephony service offered to people with a disability is basically the same services as offered to everyone else on the same telecommunications network. The designated universal service provider may offer special pricing or discount schemes for the basic telephony service to the disabled group as is currently the practice.

### **8.2 Network, Time for Supply of Services, Service Quality and Performance**

The same terms and conditions as per the provision of basic telephony service for underserved areas are also applicable for the underserved group within the community.

## **9. The USP Plan Implementation**

- 9.1 Upon publication of this Notification, the Commission will initiate designation process for the appointment of universal service providers in the underserved areas. In the designation process, potential universal service providers will be designated in the following manner:
  - (a) For Area 1 where there is only one licensee having an existing infrastructure in the area, the licensee will be designated and requested to submit a universal service plan for consideration and approval by the Commission.
  - (b) For Area 2, where there are more than one licensee having an existing infrastructure in the area, the licensee will be invited to submit through bids a universal service plan for

consideration, evaluation and approval by the Commission. Based on the evaluation and approval of the universal service plans, the successful licensee will be officially designated as the provider in the underserved area.

- (c) For Area 3, where there are no licensees having an existing infrastructure in the area, all licensees will be invited to submit through bids a universal service plan for consideration, evaluation and approval by the Commission. Based on the evaluation and approval of the universal service plans, the successful licensee will be officially designated as the provider in the underserved area.



