Suruhanjaya Komunikasi dan Multimedia Malaysia
Malaysian Communications and Multimedia Commission

PUBLIC INQUIRY

REVIEW OF THE COMMISSION DETERMINATION ON THE MANDATORY STANDARDS FOR QUALITY OF SERVICE (PUBLIC PAYPHONE SERVICE)

DETERMINATION NO. 3 OF 2003

This Public Inquiry Paper is prepared in fulfilment of Sections 55(2), 55(4), 58 and 61 of the Communications and Multimedia Act 1998.

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PREFACE

The Malaysian Communications and Multimedia Commission ("the Commission") is hereby holding a Public Inquiry on the proposal for the revision of the Commission Determination on the Mandatory Standards for Quality of Service (Public Payphone Service) Determination No. 3 of 2003, and invites industry, members of the public and interested parties to participate by submitting written feedback on the questions and issues raised in this Public Inquiry. Submissions are also welcomed on any other relevant matters where no specific questions have been raised. All submissions should be substantiated with reasons and, where appropriate, evidence or source of reference. This Public Inquiry will commence from 28 August 2026 (Friday) until 13 October 2026 (Tuesday). **Written submissions, in both hard copy and electronic form**, should be provided to the Commission in full by **12 noon, 13 October 2026** and addressed to:

Malaysian Communications and Multimedia Commission
MCMC Tower 1
Jalan Impact, Cyber 6
63000 Cyberjaya, Selangor Darul Ehsan

Attention to : Communication and Postal Regulation Department
E-mail : cprd.pi@mcmc.gov.my

In the interest of fostering an informed and robust consultative process, the Commission may publish or make available extracts of or the entire submissions to interested parties. Any commercially sensitive information should be provided under a separate cover and clearly marked "**CONFIDENTIAL**".

However, for any party who wishes to make a confidential submission, a "public" version of the submission should also be provided.

Incomplete and/ or late submissions will not be considered.

The Commission thanks the public and all interested parties for their participation in this consultative process and for providing submissions and feedback.

GLOSSARY

CMA 1998	Communications and Multimedia Act 1998 (Act 588)
ASP	Applications Service Provider
Commission	Malaysian Communications and Multimedia Commission
MSQoS PPS	Commission Determination on the Mandatory Standards for Quality of Service (Public Payphone Service) Determination No. 3 of 2003

PART A: BACKGROUND

1. Introduction

1.1 The MSQoS PPS has been in force since 1 June 2004, with the objective of ensuring that ASP class licensees providing Public Payphone Services comply with the prescribed quality of service standards, particularly in respect of service availability.

1.2 Since its implementation more than two decades ago, the MSQoS PPS has remained unchanged, while the public payphone industry has undergone a significant transformation. The proliferation of mobile cellular services and the corresponding decline in public payphone usage and deployment have substantially altered the role and relevance of public payphones within Malaysia's communications landscape.

1.3 In light of these developments, a review of MSQoS PPS is necessary to ensure the framework remains relevant, proportionate and reflective of current industry realities.

1.4 The current MSQoS PPS primarily focuses on service availability as the key performance indicator, requiring 90% of ASP class licensees' public payphones to be available for use at any given time. While this metric has been effective in ensuring that Public Payphone Services remain operational, it does not adequately capture broader dimensions of service quality.

1.5 Given these limitations, and considering the evolving role of public payphones, which now serve a narrower but important function in providing connectivity to underserved communities and individuals in institutional environments, a comprehensive review of the MSQoS PPS is necessary to ensure that the standards remain relevant, effective and appropriately calibrated to present-day usage and industry conditions.

2. Ministerial Direction

2.1 Pursuant to the powers conferred by Sections 7 and 104(3) of the Communications and Multimedia Act 1998 ("CMA 1998"), the Minister issued the Ministerial Direction on Quality of Service, Phase Two, Direction No. 3 of 2003, on 14 July 2003, to direct the Commission to determine a Mandatory Standard on Quality of Service for applications services – Public Payphone Services.

3. Legislative Context

3.1 The CMA 1998 governs the communications and multimedia industry in Malaysia and establishes the regulatory and licensing framework applicable to the industry.

3.2 Section 56 of the CMA 1998 provides for the modification, variation or revocation of a determination by the Commission.

3.3 Under Section 106(1) of the CMA 1998, the Commission may determine the modification, variation, or revocation of a mandatory standard in accordance with Section 55 of the CMA 1998 if it is satisfied that the mandatory standard is no longer consistent with all the matters listed in Section 105(1) (a), (b) and (c).

4. Public Inquiry Process

4.1 This Public Inquiry is undertaken in view of the following provisions under the CMA 1998:

4.1.1 Subsection 55 (2) until (9) of the CMA 1998, determination by the Commission;

4.1.2 Section 58(2)(b) of the CMA 1998, the Commission may hold a public inquiry on its own initiative and obtain further stakeholder input and ensure a transparent and inclusive regulatory process; and

4.1.3 Section 61(1)(d) of the CMA 1998, the Public Inquiry period shall be a minimum of forty-five (45) days, within which inquiry submissions are invited.

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5. Output Of Public Inquiry Process

5.1 The objective of this Public Inquiry is to obtain feedback and insights on the proposed Mandatory Standards. The input received will help the Commission assess the practicality, effectiveness, and impact of the proposed provisions, and ensure that the final Mandatory Standards support regulatory effectiveness and compliance across the industry.

5.2 The Commission is required under section 65 of the CMA 1998 to publish a report setting out its findings as a result of any inquiry it conducted, and such report shall be published within thirty (30) days of the conclusion of the inquiry, and the Commission may extend that period by not more than thirty (30) days.

5.3 In line with Section 63 of the CMA 1998, the Commission will not publish or disclose confidential information provided during the public Inquiry process.

PART B: OVERVIEW COMMISSION DETERMINATION ON THE MANDATORY STANDARDS FOR QUALITY OF SERVICE (PUBLIC PAYPHONE SERVICE)

1. The MSQoS PPS, which came into effect on 1 June 2004, establishes the minimum quality of service requirements applicable to ASP class licensees providing Public Payphone Services.

2. Since its implementation, the MSQoS PPS has served as an important regulatory framework in ensuring the availability of Public Payphone Services and maintaining minimum service quality standards.

Review of the Mandatory Standards for Quality of Service for Public Payphone Services

3. The Commission is undertaking a review of the MSQoS PPS to assess its continued relevance and effectiveness in addressing current industry developments, operational requirements, and consumer expectations.

4. The telecommunications landscape and public payphone environment have evolved significantly over the past two decades, including changes in consumer usage patterns, infrastructure management practices, and operational challenges. These developments highlight the need to reassess the adequacy of the existing regulatory framework.

5. The Commission's assessment indicates that while the existing service availability standard continues to be **achieved**, the current framework remains focused primarily on service availability and does not adequately address service restoration, infrastructure condition, and the management of non-operational or abandoned public payphone facilities.

6. Prior to this Public Inquiry, the Commission engaged with ASP class licensees to obtain inputs for the review of the MSQoS PPS. Feedback from stakeholders and complaint trends further indicate increasing consumer concerns regarding maintenance issues, prolonged service outages, and the condition of public payphone infrastructure. Accordingly, the Commission considers it timely to enhance the MSQoS PPS framework to ensure continued regulatory effectiveness and consumer protection.

7. The proposed review includes enhancements to the service availability standard, introduction of service restoration and service termination requirements, and improvements to reporting obligations.

PART C: PROPOSED AMENDMENTS TO THE MANDATORY STANDARDS FOR QUALITY OF SERVICE (PUBLIC PAYPHONE SERVICE)

1. Interpretation

1.1. The Commission proposes to retain the existing interpretations under paragraph 3 of the MSQoS PPS and introduce additional interpretations under the Interpretation section to enhance clarity, ensure consistent application, and facilitate effective implementation of the quality of service standards.

1.2. The Commission further proposes to revise the existing service availability characteristics under paragraph 7 of the MSQoS PPS to ensure continued relevance in light of current operational practices, dialling interfaces, and payment methods adopted in the provision of the Public Payphone Services.

1.3. The consolidation of the existing card slot and coin slot requirements (paragraphs 7(b) and 7(c) of the MSQoS PPS) into a single technology-neutral provision is intended to accommodate a range of payment methods, including coins, cards, and other supported mechanisms, without prescribing or favouring any specific technology.

1.4. The removal of outdated or unnecessary characteristics ensures that the service availability standard remains focused on the core functionality of public payphones, namely, the ability of consumers to make calls safely, reliably, and effectively, regardless of the specific technology or payment mechanism deployed.

1.5. The proposed additional terms under the Interpretation section are set out as follows:

Existing Interpretation
Outlines the interpretation principles applicable to the MSQoS PPS as set out in paragraph 3, and Service Availability characteristics as set out in paragraph 7.
Proposed New Interpretation
"abandoned public payphone" means a public payphone facility that is no longer in operation or service and has been left unattended, without proper termination notification, decommissioning, removal, or maintenance action.

"**functional public payphone**" means a public payphone that is available and operational for use by consumers to make phone calls. A functional public payphone shall be in proper working condition and shall have the following characteristics:

(a) a functioning dial tone is available;

(b) where equipped with a payment facility, the facility shall be capable of accepting, processing, and completing payment transactions through the supported payment method(s);

(c) a handset that is in proper working condition, enabling the consumer to communicate with the intended recipient; and

(d) a functioning dialling interface, enabling the consumer to input the desired number, whether by means of a physical keypad, touchscreen, or other input mechanism.

"**non-functional public payphone**" means a public payphone that is unable to provide service due to faults, equipment failure or network-related issues.

"**supported payment method(s)"** means the payment option(s) made available and accepted by the public payphone facility to enable consumers to complete payment transactions for the use of the service.

"Confirmation Date" means the date the ASP conducts a service check that confirms non-availability of the service of the public payphone.

QUESTION 1

The Commission seeks views on the proposed inclusion of the new definitions in the Interpretation section.

QUESTION 2

The Commission seeks views on the proposed revisions to the service availability characteristics, including the inclusion of 'functional public payphone' and 'non-functional public payphone' as a defined term under the Interpretation section.

2. General Obligations

2.1 The Commission proposes to introduce a record-keeping requirement to ensure that ASPs maintain accurate and reliable records relating to the performance of Public Payphone Services.

2.2 The proposed requirement is intended to facilitate effective regulatory monitoring, verification of reported information, and assessment of compliance with the prescribed quality of service standards.

2.3 The retention of records for a specified period will facilitate regulatory audits, investigations, and the assessment of service performance trends, where necessary.

2.4 This requirement will ensure that sufficient information is available to support effective regulatory oversight and assist the Commission in safeguarding the reliability and continuity of Public Payphone Services; as proposed below:

Proposed New Standard
Obligation to maintain quality of service (public payphone service) records The relevant ASPs shall maintain complete and accurate performance records as per the report submitted to the Commission, and the performance information for all quality of service indicators must be retained by ASPs for at least two (2) years.

QUESTION 3

The Commission seeks views on the proposed inclusion of the record-keeping obligations.

3. Reporting Requirement

3.1 The Commission proposes to revise the existing reporting requirements by increasing the frequency of reporting on Public Payphone Services performance to strengthen regulatory oversight and monitoring.

3.2 More frequent reporting will enable the Commission to assess service performance trends, identify service issues in a timely manner, and verify compliance with the prescribed quality of service standards.

3.3 The proposed revisions will support the continued reliability and availability of Public Payphone Services; as proposed below:

Existing Standard
Outlines on the payphone service availability reporting and timeline submissions report, as set out in paragraph 10.
Proposed Revision Standard
Quality of service (public payphone service) performance report submission Complete and accurate records of the **public payphone performance report** shall be maintained by the relevant ASPs. Such reports shall be in the form and format as may be prescribed by the Commission from time to time. Each report shall be accompanied by a declaration signed by an officer of the ASP duly authorised by the board of directors, stating that the report is true and accurate. These reports shall be submitted to the Commission no later than 30 days from the end of **every quarterly reporting period**.

QUESTION 4

The Commission seeks views on the proposed revision to the reporting requirement from a half-yearly to a quarterly reporting frequency.

4. Standards on Service Availability

4.1 The Commission notes that industry-wide compliance with the existing 90% threshold has been consistently high. However, this may mask prolonged non-functionality at the individual unit level, as ASPs may remain compliant overall despite specific payphones being non-functional for extended periods.

4.2 The Commission proposes to retain the existing Service Availability threshold of 90%, while introducing an additional criterion to better reflect the operational condition of individual public payphones.

4.3 Under the proposed criterion, a public payphone that is non-functional and has not been restored within fourteen (14) days from the date the fault is first reported shall be deemed unavailable for service and shall be included as a non-available unit for the purposes of computing the Service Availability standard; as proposed below:

Existing Standard
90% of all public payphones of each ASP shall have service availability at any one point of time, as set out in paragraph 8 of the MSQoS PPS.
Proposed Enhanced Standard
Standards on Service Availability **90%** of all public payphones of each ASP shall have service availability for every quarterly reporting period. For the purposes of this mandatory standard, a public payphone shall be deemed unavailable for service where both of the following criteria are met: (a) the public payphone is non-functional; and (b) the public payphone has not been restored within fourteen (14) days from the date the fault is first reported to the ASP. Any public payphone that meets the above criteria shall be treated as a non-available unit for the purposes of computing the service availability standard for the relevant reporting period. Where service at a public payphone is not available a continuous period exceeding **thirty (30) days** from the date the non-availability is first confirmed by the ASP ("the Confirmation Date") and the service cannot be restored within that period, the ASP shall dismantle and remove the public payphone infrastructure from the location within **thirty (30) days** of the expiry of that period, unless the non-availability falls within an excluded event.

QUESTION 5

The Commission seeks views on the proposal to retain the service availability standard at 90%, together with the introduction of the fourteen (14)-day deeming criterion, and the change in measurement period to quarterly.

QUESTION 6

The Commission seeks views on the proposed thirty (30) days from Confirmation Date for dismantling and removal of the public payphone infrastructure are adequate and practical.

5. Standards on Service Restoration

5.1 The Commission proposes to introduce a new Service Restoration Standard to ensure that non-functional public payphones are restored within a reasonable timeframe and to strengthen service reliability for consumers.

5.2 The proposed standard establishes minimum restoration targets based on the percentage of non-functional public payphones restored within specified timeframes.

5.3 To ensure proportionality, the proposed standard will apply only to licensees operating **one hundred (100) or more public payphones nationwide**; as proposed below:

Proposed New Standard
Standards on Service Restoration This indicator measures the date and time the fault is reported until the date and time the public payphone is restored: The standard for Service Restoration, every quarterly reporting period, is that not less than **90%** of non-functional public payphones shall be **restored** within **fourteen (14) days**.

$$\frac{\left[\begin{array}{c}Total\ number\ of\\ public\ payphone\\ restored\\ within\\ the\\ specified\\ timeframe\end{array}\right] \text{ x } 100}{\begin{array}{c}Total\ number\ of\ \ non-functional\\ public\ payphone\ reported\\ within\ the\\ reporting\ period\end{array}}$$

Service Restoration that failed to meet the standard due to the following reasons is excluded from the computation:

(a) major damage requiring replacement parts procured from overseas suppliers;
(b) damage due to force majeure or by third parties; and
(c) customer premises inaccessible.

The proposed standard shall apply only to licensees operating **one hundred (100) or more public payphones nationwide.**

5.4 The proposed Service Restoration Standard is intended to ensure that faults affecting public payphones are addressed within a reasonable timeframe. This will support continued service reliability and minimise prolonged service disruption to consumers.

5.5 The proposed threshold of **100 or more public payphones nationwide** is intended to ensure that the standard is applied proportionately to licensees with a significant public payphone footprint.

5.6 The proposed exclusions recognise that certain circumstances may be outside the reasonable control of ASPs, such as major damage requiring overseas replacement parts, force majeure events, third-party damage, or inaccessible premises or locations.

QUESTION 7

The Commission seeks views on the proposed introduction of the service restoration standard.

QUESTION 8

The Commission seeks views on the proposed exclusion for the service restoration standard.

QUESTION 9

The Commission seeks views on the proposed threshold for the service restoration standard.

6. Advance Notification of Termination

6.1 The Commission proposes to include a new standard on Advance Notification of Termination of Public Payphone Services, as proposed below:

Proposed New Standard
Advance Notification of Termination The relevant ASPs are required to inform the Commission in advance; in the event of any proposed termination of Public Payphone Services. The notification shall include: (a) the proposed termination date; and (b) the number of affected public payphones. The notification shall be submitted to the Commission via email at **least thirty (30) days** before the proposed termination date. The payphone infrastructure shall be physically removed from the location within **thirty (30) days** from the effective termination date.

6.2 The proposed requirement is also intended to address and curb issues relating to the **abandonment of public payphones**, where services may be discontinued or left non-operational without proper notification or follow-up action.

6.3 By requiring ASPs to formally notify the Commission in advance, the Commission will be better positioned to monitor service termination, prevent unmanaged discontinuation, and ensure that public payphones are properly decommissioned where necessary.

QUESTION 10

The Commission seeks views on the proposed introduction of the advance notification of termination requirement.

QUESTION 11

The Commission seeks views on the proposed requirement to remove public payphone infrastructure following the termination of Public Payphone Services, including the timeline proposed for such removal.

7. Additional View Sought

7.1 Beyond the specific questions outlined above, the Commission invites stakeholders to share additional views, from the perspective of practical implementation insights, broader industry concerns or emerging issues not directly addressed in this document.

QUESTION 12

The Commission welcomes additional feedback, concerns, or suggestions that stakeholders or respondents believe should be taken into consideration for improving the MSQoS PPS.

Annexure I

Summary of questions

Questions 1:	The Commission seeks views on the proposed inclusion of the new definitions in the interpretation section.
Questions 2:	The Commission seeks views on the proposed revisions to the service availability characteristics, including the inclusion of 'functional public payphone' and 'non-functional public payphone' as a defined term under the Interpretation section.
Questions 3:	The Commission seeks views on the proposed inclusion of the record keeping obligations.
Questions 4:	The Commission seeks views on the proposed revision to the reporting requirement from a half-yearly to quarterly reporting frequency.
Questions 5:	The Commission seeks views on the proposal to retain the service availability standard at 90%, together with the introduction of the fourteen (14)-day deeming criterion, and the change in measurement period to quarterly.
Questions 6:	The Commission seeks views on the proposed thirty (30) days from Confirmation Date for dismantling and removal of the public payphone infrastructure are adequate and practical.
Questions 7:	The Commission seeks views on the proposed introduction of the service restoration standard.
Questions 8:	The Commission seeks views on the proposed exclusion for the service restoration standard.
Questions 9:	The Commission seeks views on the proposed threshold for the service restoration standard.
Questions 10:	The Commission seeks views on the proposed introduction of the advance notification of termination requirement.
Questions 11:	The Commission seeks views on the proposed requirement to remove public payphone infrastructure following the termination of public payphone services, including the timeline proposed for such removal.
Questions 12:	The Commission welcomes additional feedback, concerns, or suggestions that stakeholders or respondents believe should be taken into consideration for improving the MSQoS PPS.