

**UNIVERSAL SERVICE PROVISION:  
USING THE USP CLAIM TEMPLATE**

**OPERATOR'S MANUAL**

**A Manual prepared for USP operators on behalf  
of the Malaysian Communications  
and Multimedia Commission**

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**n/e/r/a**

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# 1. GENERALITIES, DEFINITIONS AND STRUCTURE OF THE MANUAL

## 1.1. Generalities

This manual has been produced to guide USP operators on how to fill out the USP Claim Template.

### 1.1.1. Reminder

As a USP operator you must fill out a USP Claim Template and submit it to MCMC in order to be able to claim funds from the Universal Service Fund as a compensation for the net USP cost of implementing the Universal Service Plan which has been agreed with MCMC. You must fill out a USP Claim Template for each district for which you have been declared Universal Service Provider.

Each USP Claim Template has to be submitted to MCMC on a yearly basis.

Each year, the operator uses the same USP Claim Template to support its net USP cost claim, inserting lines where necessary.

The operator should be able to sensibly justify all its entries into the USP Claim Template. This may include keeping records of receipts and relevant documentation to accommodate MCMC if the latter decides to embark in a detailed audit of the operator's claim.

We remind operators that revenues are to be declared on the principle of revenue foregone (revenue which would have been foregone if the operator was not implementing its Universal Service Plan in the district).

We remind operators that costs are to be claimed on the principle of avoidable costs (costs which would have been avoided if the operator was not implementing its Universal Service Plan in the district).

We remind operators that foregone revenues and avoidable costs are only to be calculated for these USP lines which have been rolled out in accordance with the Universal Service Plan which has been agreed with MCMC. This exercise does not apply for existing lines or infrastructure in the USP district at the Designation Date (see definition).

**Infrastructure for which the operator already receives compensation under the RM1bn programme for schools and clinics should not be claimed for here.**

### 1.1.2. Structure of the USP Claim Template

The USP Claim Template is built to reflect the use of different technologies to roll-out universal services in USP districts, namely:

- Fixed infrastructure
- Fixed-wireless infrastructure
- Mobile infrastructure
- Satellite infrastructure

The USP Claim Template contains the following worksheets:

- Summary for the USP district
- A1 Fixed Infra. Summary
- A2 Fixed Infra. Details
- B1 Fixed Wireless Summary
- B2 Fixed Wireless Details
- C1 Mobile Infra. Summary
- C2 Mobile Infra. Details
- D1 Satellite Infra. Summary
- D2 Satellite Infra. Details

For each USP district, it is anticipated that the USP operator will fill out only three worksheets:

- **Summary for the USP district** as well as
- **A1 and A2, OR B1 and B2, OR C1 and C2, OR D1 and D2.**

**If a combination of technologies is used, the operator may fill out additional sections in the relevant technology worksheets. Revenue sections, and Generic Opex sections should only be filled out once.**

## 1.2. Definitions

**Designation Date:** Date at which an operator has been designated USP operator for a given district.

**Light Yellow cell:** Cell for which an input is required from the operator. All other cells (used for labels, or calculations, or unused) are not to be filled in by the operator.

**Lavender cell:** Cell for which a formula will need to be updated if the operator is inserting additional lines. It is expected that updating a formula should not be a problem for operators.

### 1.3. Structure of the Operator's Manual

The manual explains step by step how the USP Claim Template should be filled out.

The Operator's Manual is structured as follows:

- Section 2 guides the operator on how to fill out the worksheet entitled "Summary for the USP District.
- Section 3 provides a detailed guidance to the operator on how to fill out the worksheets related to the fixed network technology. This section can also be referred to for the completion of the worksheets related to the fixed wireless, mobile and satellite technology. Indeed their content is similar to the worksheets described in Section 3. All comments made in Section 3 also apply to the relevant sections of the B1, B2, C1, C2, D1 and D2 worksheets. Names of equipment have been altered in the USP Claim Template to take into account the specificity of the technology, where necessary.
- Section 4, 5 and 6, related to the fixed wireless, mobile and satellite technology, refer to section 3 for detailed guidance.
- Appendix A contains a printout of the USP Claim Template.

## 2. SUMMARY FOR THE USP DISTRICT

Operators should fill out this worksheet first.

Most of this worksheet uses data inserted in the other worksheets, so as to provide an overall summary of the claim for the district.

Only two cells are to be filled in by operators:

- In cell C10, operators should enter the name of the district for which they wish to claim net USO cost
- In cell F10, operators should enter their licensee name.

Figure 2.1 presents the content of the work sheet

**Figure 2.1  
Summary for USP district**

**CMC - Universal Service Provision - USP Claim Template  
Template to claim funds from the USP FUND**

This template is to be filled in by operators who are designated USP Provider  
One template is to be filled per USP district  
Please read the accompanying "Operator's Manual to fill in the USP Claim Template"

<b>District Name:</b>		<b>Company name:</b>	
<b>Total Net USP cost claim</b>		0	
<b>A Fixed Network Infrastructure Summary</b>			
Total validated annualised capital charge for the year	0		
Total opex for the year	0		
Total revenue for the year	0		
<b>Net USP cost claim</b>	0		
<b>B Fixed Wireless Network Infrastructure Summary</b>			
Total validated annualised capital charge for the year	0		
Total opex for the year	0		
Total revenue for the year	0		
<b>Net USP cost claim</b>	0		
<b>C Mobile Network Infrastructure Summary</b>			
Total validated annualised capital charge for the year	0		
Total opex for the year	0		
Total revenue for the year	0		
<b>Net USP cost claim</b>	0		
<b>D Satellite Infrastructure Summary</b>			
Total validated annualised capital charge for the year	0		
Total opex for the year	0		
Total revenue for the year	0		
<b>Net USP cost claim</b>	0		

The total amount which is being claimed by the operator for the year and for that district is displayed in cell E13.

### 3. FIXED NETWORK INFRASTRUCTURE

Worksheets A1 Fixed Infra. Summary and A2 Fixed Infra. Details should be filled out by operators rolling out a fixed network technology.

#### 3.1. A1 Fixed Infra. Summary Worksheet

The "A1 Fixed Infra. Summary" worksheet contains 4 clearly identified sections:

- A11 - Capex summary Section
- A12 - Opex summary Section
- A13 - Revenue Section
- A14 - General Data Request Section

We describe each of these sections in turn.

### 3.1.1. A11 - Capex Summary Section

Section A11 summarises the information on capex contained in the "A2 Fixed Infra. Details" worksheet, and provides an overview of the infrastructure in place at the beginning of the scheme, as well as at the end of the declaration year. Section A11 comprises:

- A111 - Declaration of existing infrastructure  
Declaration of existing infrastructure operated by the operator in the USP district or for the purpose of serving this USP district prior to the operator being designated USP operator for the district. **Section A111 is to be filled out with the operator's data by the operator.**
- A112 - Infrastructure at the end of the year  
Declaration of the infrastructure in place at the end of the year in the USP district or for the purpose of serving this USP district. **Section A112 is to be filled out with the operator's data by the operator.**
- A113 - Infrastructure rolled out as a USP Provider  
Infrastructure rolled out as a USP Provider in the USP district or for the purpose of serving this USP district. the content of **Section A113 is calculated automatically from Section A111 and Section A112. No input required from the operator.**
- A114 - Validated annualised cost  
Annualised capital charge cost for all capex items as calculated in the "A2 Fixed Infra. Details" worksheet. **Section A114 is calculated automatically from the "A2 Fixed Infra. Details" worksheet. No input required from the operator.**
- A115 - Total validated annualised capital charge for the year  
The sum of all annualised capital charges presented in Table A114 is displayed here. **No input required from the operator.**
- A116 - Evolution over time  
**Operators are asked to copy the final results obtained in Section A114 (Column Q) in the relevant cells of Section A116.** For instance, in year 2002, the operator will "copy and paste value" the content of column Q into the column T entitled "Annualised cost claimed for 2002".

For all the above sections, the layout is the same. As an example Figure 3.1 presents Section A111.

**Figure 3.1**  
**Section A111 - Declaration of existing Infrastructure**

		A111 Declaration of Existing Infrastructure			
		Existing prior to designation as USP provider			
		Capacity Unit	Quantity	Capacity	Utilised Capacity
<b>Switching</b>					
Digital Local Switch (DLS)	Lines				
<b>Access</b>					
Remote service unit (RSU) or other multiplexed access equipment	Lines				
Transmission Equipment	Channels				
<b>End-user</b>					
Customer premises equipment (CPE)	Lines				
Payphone	Lines				
		Existing prior to designation as USP provider			
		Capacity Unit	Number of routes	Capacity	Utilised Capacity
<b>Links</b>					
Exchange line	Line				
Overground routes (Excl. Exchange Lin Channels)	Channels				
Underground routes (Excl. Exchange Li Channels)	Channels				
		Existing prior to designation as USP provider			
		Dimension unit	Number of Unit	Dimension	Utilisation
<b>Civil Infrastructure</b>					
Masts (Built by operator)					
Sites, Buildings and Cabins (Built by operator)	Area				
Cabinets	Line Capacity				
Roads (non gazetted)	Kilometers				
<b>Other capex element</b>					
<b>Minor CAPEX</b>					

The capex items are grouped under the following headings:

- Switching
- Access
- End-User

- Links
- Civil infrastructure
- Other capex elements
- Minor capex.

The content of these categories is further detailed in Section 3.2.1 of this manual.

### **3.1.2. A12 - Opex Summary Section**

Section A12 provides the summary of the Opex costs incurred in relation to the USP lines in the USP area, by type of Opex (section A121) and aggregated (section A122). **Section A121 is sourced from the "A2 Fixed Infra. Details" worksheet, and therefore should not be filled out by the operator.**

In Section A123 (Evolution over time), **operators are asked to copy the final results obtained in Section A121 (Column C) in the relevant cells of Section A123.** For instance, in year 2002, the operator will "copy and paste value" the content of column C into the column L entitled "Opex claimed for 2002".

Figure 3.2 displays Section A12 as found in the USP Claim Template.

The categories included here are explained in detail in section 7.1.2 of the manual.

**Figure 3.2**  
**Section A12: Opex summary**

A12 OPEX Summary	
A121	OPEX Summary
<b>Annual Cost</b>	
Network maintenance	0
Civil infrastructure leases	0
Interconnection payments to other telecom operators	0
Service payments to other telecom operators	0
Spectrum fee	0
Operator services (operator's calls, emergency calls, directory calls)	0
Customer care and billing	0
Bad debt provision	0
Vandalism	0

  

A122	Total OPEX	0
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**3.1.3. A13 - Revenue Section**

Section A13 allows operators to declare their USP-related revenue for the USP District.

**Section A131 (Revenue) is to be filled out with the operator's data by the operator. Section A132 (Total revenue) is automatically derived from Section A131 and, therefore, does not require input from the operators.**

**In the unlikely event that an USP operator fills out another technology worksheet (for instance D2) for the same district, the operator should only fill out ONE Revenue Section (A13 OR D13 in our example).**

The figures to be entered are for the relevant **year**. We remind operators that revenues are to be declared on the principle of revenue foregone (revenue which would have been foregone if the operator was not implementing its Universal Service Plan in the district).

We have allowed the following categories of revenue:

- 1. Revenue driven by USP subscribers:**

- **Connection fees:** This category only includes the connection fees charged to USP customers for the provision of USP services. Connection fees for non USP services (such as ISDN lines, leased lines, etc) should not be included.
- **Line rental:** This category only includes the rental charged billed to USP customers for the provision of USP services. If a specific charge is billed to the customers for the rental of the end-user terminal/handset, this should be included. Rental charges for non USP services (such as ISDN lines, leased lines, etc) should not be included. Rental charges relating to lines installed prior to the designation date should not be included.
- **Call charges including Internet dial-up:** This category only includes the call charges billed to USP customers for the provision of USP services. Call charges for non USP services (such as ISDN lines, etc) should not be included. Call charges relating to lines installed prior to the designation date should not be included.
- **Interconnection receipts:** we understand that operators may not be in a position to scientifically identify the interconnection revenue related to USP lines only. As a proxy, and to minimise the burden for operators, operators are asked to calculate their USP-related interconnection revenue as a percentage of their USP-related call charges. The percentage to be used is operator-specific and should be derived from the annual revenue declaration by the operator to CMC (we remind operators that your annual revenue declaration is used by CMC to calculate your yearly USP Fund contribution). The percentage should be calculated as follows:

$$\text{Percentage} = \frac{\text{Total interconnection revenue for your fixed network}}{\text{Total revenue for fixed line call charges}}$$

- **Call revenue from on-net incoming calls to USP customers from non USP customers:** we understand that operators may not be in a position to scientifically identify the call revenue from on-net incoming calls related to USP lines only. As a proxy, and to minimise the burden for operators, operators are asked to calculate their call revenue from on-net incoming calls to USP customers from non USP customers as a percentage of their USP-related call charges. The percentage to be used in this case is your market share in terms of subscribers, defined as follows:

$$\text{Percentage} = \frac{\text{your total number of fixed subscribers}}{\text{Total number of subscribers in Malaysia (fixed and mobile)*}}$$

\* This number will be supplied by MCMC.

- **Other services (additional services):** revenue from other USP services.

- **Revenue from payphones:** This category only includes the revenue from USP payphones. Revenue relating to payphones installed prior to the designation date should not be included.

2. Other sources of revenue:

- **Revenue from services to other operators and customers (Government agencies, etc):** Revenue from services to other operators and customers which involve the use of an infrastructure installed for USP beforehand should be entered in this category.
- **Revenue from sharing of infrastructure with other users (masts, sites, building, etc):** Revenue derived from sharing with other users (utilities or other) an infrastructure installed for USP purpose beforehand should be entered in this category. This will include for instance revenue derived from letting other operators use a mast/site which has been built for USP purpose.

Figure 3.3 presents Section A13 as it appears in the USP Claim Template.

**Figure 3.3**  
**Section A13: Revenue**

A13		Revenue	
		<b>A131</b>	<b>Revenue</b>
		<b>A132</b>	<b>Total revenue</b>
		January - December	0
		Revenue	Comment
<b>Revenue driven by USP subscribers</b>			
Connection fee		Enter revenue from connection fees; New USP Customers only	
Line rental		Enter revenue from rentals; USP customers only, including charge for the handset if any	
Call charges (including Internet dial-up)		Enter revenue from call charges; USP customers only	
Interconnection receipts	0	Enter revenue from interconnection receipts for USP lines in the area; proxy calculated as a percentage of call charges; see note 1.	0%
Call revenue from on-net incoming calls	0	Enter revenue from on-net incoming calls; Calls from non USP lines to USP customers only. Proxy calculated as % of call charges; % reviewed yearly; see note 2 below.	0%
Other services (additional services)		Enter revenue from other services; USP customers only	
Revenue from payphones		Enter revenue from payphone only; USP payphones only	
<b>Revenue from other sources</b>			
Revenue from services to other operators and customers (Government agencies, etc)		Enter revenue from services to other operators and customers (Government agencies, etc)	
Revenue from sharing of infrastructure with other users (masts, sites, building, etc)		Enter revenue from sharing of infrastructure with other users (masts, sites, building, etc)	
Note 1	Percentage should be the ratio of interconnection receipts on revenue for fixed line call charges as declared by the operator to CMC in the yearly revenue declaration used by CMC to calculate your yearly USP Fund contribution		
Note 2	Percentage should be your total market share in fixed subscribers (your fixed subs/total fixed & mobile subs in Malaysia)		

In Section A133 (Evolution over time), operators are asked to copy the final results obtained in Section A131 (Column C) in the relevant cells of Section A133. For instance,

in year 2002, the operator will "copy and paste value" the content of column C into the column L entitled "Revenue declared for 2002".

**3.1.4. A14 - General Data Request Section**

This section asks operators for data which will be used to calculate basic indicators for this USP area. **Section A14 is to be entered with the operator's data by the operator.**

Figure 3.4 presents Section A14 as it appears in the USP Claim Template.

**Figure 3.4**  
**Section A14: General Data Request**

A14 Generic Data request		
	A141 Generic data for the declaration year	
	Start of year	Year-end
Total Customers in the USP area		
Total Lines in the USP area		
USP Customers in the USP area		
USP Lines in the USP area		
Line Cards bought in the year		
Volume of USP minutes in the USP area		
Total Volume of minutes in the USP area		

In Section A142 (Evolution over time), **operators are asked to copy the final results obtained in Section A131 (Column D) in the relevant cells of Section A133.** For instance, in year 2002, the operator will "copy and paste value" the content of column D into the column H.

**3.2. A2 Fixed Infra. Details Worksheet**

The "A2 Fixed Infra. Details" worksheet contains 2 clearly identified sections:

- A21 - Capex Section
- A22 - Opex Section

We describe each of these sections in turn.

### 3.2.1. A21 - Capex Section

Section A21 allows the operator to detail the investment carried out since the Designation Date in the USP district. We remind operators that capital expenditure are to be claimed on the principle of avoidable costs (costs which would have been avoided if the operator was not implementing its Universal Service Plan in the district). The capex items are grouped under the following headings:

- A211 - Switching:
- A212 - Access
- A213 - End-User
- A214 - Links
- A215 - Civil infrastructure
- A216 - Other capex elements
- A217 - Minor capex.

We describe each of the groupings in turn.

#### 3.2.1.1. *A211 Switching - Digital local switch used for USP lines*

Although presented in the USP Claim Template, it is not expected that Digital Local Switch or capacity upgrade will be purchased for USP purposes only. Such a piece of equipment is therefore likely not to be claimable. Should the operator fill out Section A211, this will attract special scrutiny from the MCMC.

Figure 3.5 presents Section A211 as it appears in the USP Claim Template.

**Figure 3.5**  
**Section A211: Switching - Digital Local Switch**

**A211 Switching**

Digital Local Switch used for USP lines	Description	Manufacturer	Capacity of new switch or capacity upgrade (Lines)	Capacity used for USP (Lines)	Location	Date of purchase or upgrade	Gross Book Value (GBV)	Net Book Value (NBV)
[Asset Register number]								
[Asset Register number]								
[Asset Register number]								
[Asset Register number]								
<b>Total</b>							<b>0</b>	<b>0</b>

Annualized cost						
Asset Life	Depreciation for the year [GBV/Assel Life]	Cost of capital [WACC*NBV]	Validated total annualized Cost for the item	Total annualized cost [Total of previous column]	CMC Validation	Justification for equipment
	0	0	0	0		
	0	0	0			
	0	0	0			
	0	0	0			

The following paragraphs explain how the operator should fill out this section:

- **Digital Local Switch used for USP lines:** under this heading the operator will fill in the asset register number for the item it wishes to claim funds
- **Description:** A short description of the item should be provided. Please state whether this is a new item or a capacity upgrade. State the date of activation in the USP district. If the item has been moved from another area to the USP district, the operator should indicate it here.
- **Manufacturer:** Enter the manufacturer's name
- **Capacity of new switch or capacity upgrade (lines):** Enter the capacity of the item or of the upgrade.
- **Capacity used for USP lines:** Enter the capacity being actually used for USP lines at the end of the year.
- **Location:** indicate where the item is located.
- **Date of purchase or upgrade:** indicate the date of purchase of the item or upgrade.
- **Gross book value:** state the gross book value of the equipment or upgrade, including the installation costs and transportation costs. If transportation costs are material, this should be justified under the "Justification for Equipment" heading.
- **Net book value:** state the net book value of the equipment at year start. When the operator is filling out the USP Claim Template in subsequent year, the net book values of items activated in previous years should be altered accordingly. Similarly, if the item has been moved from another area (the operator will have indicated it

under the "Description" heading), the net book value should reflect the remaining asset life of the item.

- **Asset life:** state the asset life of the item or upgrade.
- **Depreciation for the year:** These cells are automatically calculated. No input required from the operator.
- **Cost of capital:** These cells are automatically calculated. No input required from the operator.
- **Validated total annualised cost for the item:** These cells are automatically calculated. No input required from the operator.
- **Total annualised cost:** This cell is automatically calculated from the previous column. No input required from the operator. **ATTENTION - LAVENDER CELL** (see definitions).
- **CMC Validation:** These cells will be filled out by MCMC. No input required from the operator.
- **Justification for equipment:** The operator should justify the need for equipment here. If MCMC is not convinced that this investment is eligible under the avoidable cost principle, MCMC will fill in "No" in the relevant cell under the heading "CMC validation" and the associated cost will not be picked-up in the total cost calculation.

#### 3.2.1.2. *A212 Access*

Two categories are to be found in this grouping:

- Remote service unit (RSU) or other multiplexed access equipment used for USP lines
- USP transmission equipment.

Section A212 should be filled out in the very same way as Section A211. Please refer to Section 3.2.1.1 of this report.

#### 3.2.1.3. *A213 End user*

Two categories are to be found in this grouping:

- Handset for USP
- USP payphone (Structure and telephone equipment)

The layout of Section A213 varies slightly from the two previous sections to allow for lump of equipment of the same make and purchased at the same time to be entered simultaneously. This has been introduced to minimise the burden to operators, so that they do not have to fill out a line for each end-user equipment installed.

This section should be filled out as follows:

- **Handset for USP/USP Payphone (structure and telephone equipment):** A short description of the items should be provided (make, type, series, etc.) as well as the date of activation.
- **Quantity used for USP:** indicate the quantity which has been activated in the year of purchase for USP customers in the USP district. If part of the lot is activated a subsequent year, this should be entered as a separate item in another line
- **All other headings** to be filled out as described in Section 3.2.1.1.

#### 3.2.1.4. A214 Links

Six components can be found in this grouping:

- Exchange lines: investment costs which are line specific and not included in the following categories.
- Overhead routes: will include poles
- Trenching and re-instatement
- Ducting
- Fibre cable
- Copper cable

Again, the layout of Section A214 varies slightly from the previous sections to allow for lump of link works carried out in the same year to be entered simultaneously. This has been introduced to minimise the burden to operators, so that they do not have to fill out a line for each link work carried out.

This section should be filled out as follows:

- **Description:** A short description of the costs being included should be provided.
- **Number of routes:** Indicate the number of routes which have been activated in the year. If part of the lot is activated a subsequent year, this should be entered as a separate item in another line.
- **Length:** Indicate an estimate of the relevant total length installed for each category.
- **All other headings** to be filled out as described in Section 3.2.1.1.

### 3.2.1.5. *A215 Civil Infrastructure*

Four categories are to be found in this grouping:

- Masts
- Sites, buildings and, cabins
- Cabinets
- Roads for the purpose of installing/maintaining the network

The layout of Section A215 is similar to A211 with the exception of the road category. Please refer to Section 3.2.1.1 for guidance on how to fill out the cells.

For the road category, a heading has been added: "Road has been gazetted (YES/NO)". Indeed, once a road has been gazetted, it is no longer the private property of the operator and therefore maintaining the road will fall onto the Government rather than the operator. Correspondingly, no opex should be incurred for this road. The line should still be retained under Section A215 as far as capex is concerned unless a compensation payment has been made to the operator. this should be mentioned under the "Description" heading.

### 3.2.1.6. *A216 Other capex elements*

This grouping has been inserted to cater for capex element which the operator believes have been omitted in the USP Claim Template. Operators are warned that this section will attract particular scrutiny from the MCMC.

The layout of Section A215 is similar to A211. Please refer to Section 3.2.1.1 for guidance on how to fill out the cells.

### 3.2.1.7. *A217 Minor capex for USP purpose*

In order to minimise the burden for operators, USP Providers are asked to fill out Section as follows:

- The categories which are to be considered as minor capex should be entered in the cells provided for that purpose (column C)
- The total amount claimed under the "Minor Capex" heading should be stated where indicated (column D, one figure only to be entered).

The USP Claim Template automatically takes into account the operator's figure or 1% of the overall annualised capex, whichever is lower.

Figure 3.6 presents Section A217 as it appears in the USP Claim Template.

**Figure 3.6**  
**Section A217 Minor capex**

A217 Minor Capex for USP purpose		1% of total annualised capex at most			
Description	Description of categories included this year (add lines as needed)	Total Cost	Description of categories included last year	Total Cost	
	[Internal cabling]		[Internal cabling]		
	[Fastening]		[Fastening]		
	[Batteries]		[Batteries]		
	[NTPs]		[NTPs]		
	etc		etc		
		Enter total claimed this year		Enter total claimed last year	
		0		0	
					Total minor capex authorized 0

**3.2.2. A22 - Opex Section**

Section A22 allows the operator to detail the operational expenditure incurred in the year for USP purposes. We remind operators that operational expenditure are to be claimed on the principle of avoidable costs (costs which would have been avoided if the operator was not implementing its Universal Service Plan in the district). The opex items are grouped under the following headings:

- A221 - Network maintenance
- A222 - Civil infrastructure leases (from third parties, complete or partial)
- A223 - Interconnection payments
- A224 - Service payment to other operators
- A225 - Spectrum fees
- A226 - Operator services
- A227 - Customer care and billing
- A228 - Bad debt
- A229 - Vandalism for the district

We describe each of the groupings in turn.

**3.2.2.1. A221 Network Maintenance**

This section allows operators to claim the operating expenditure related to the maintenance of the related network.

Operators are asked to estimate their opex for the year based on their real expenses related to the network. We remind operators that operational expenditure are to be claimed on the principle of avoidable costs (costs which would have been avoided if the operator was not implementing its Universal Service Plan in the district).

This section is to be filled out as follows:

- **Maintenance regime:** the operator should state the maintenance regime for that specific capex category and explain why the cost is "avoidable". If MCMC is not convinced that this opex is eligible under the avoidable cost principle, MCMC will fill in "No" in the relevant cell under the heading "CMC validation" and the associated cost will not be picked-up in the total cost calculation.
- **Maintainer:** Name of the subcontractor if applicable
- **Related opex claimed:** the operator should state the opex amount being claimed for this category.
- **As a % of capex:** these cells are derived automatically. No input required from the operator. If the percentage derived is "off the mark" as compared to MCMC internal benchmarks and after discussion with the operator, MCMC will validate or not the amount.
- **Validated opex:** These cells are automatically calculated. No input required from the operator.
- **CMC Validation:** These cells will be filled out by MCMC. No input required from the operator.

Figure 3.7 presents Section A221 as it appears in the USP Claim Template.

**Figure 3.7**  
**Section A221 Network maintenance**

Component item	Maintenance regime	Maintainer	Annual cost		Validated opex	CMC Validation
			Related opex claimed	As a % of related capex		
<b>A221 Network maintenance</b>						
			<b>Total maintenance opex</b>		<b>0</b>	
<b>Switching</b>						
USP Digital Local Switch (DLS)				0.0%	0	
<b>Access</b>						
USP Remote service unit (RSU) or other multiplexed access equipment				0.0%	0	
USP Transmission Equipment				0.0%	0	
<b>End-user</b>						
USP Customer premises equipment (CPE)				0.0%	0	
USP Payphone (including cost of servicing payphone)				0.0%	0	
<b>USP Links</b>						
Exchange lines				0.0%	0	
Overground routes				0.0%	0	
Underground routes				0.0%	0	
<b>USP Civil infrastructure</b>						
Masts (Built by operator)				0.0%	0	
Sites, Buildings and Cabins (Built by operator)				0.0%	0	
Cabinets				0.0%	0	
Roads				0.0%	0	
<b>Other capex elements</b>				0.0%	0	

3.2.2.2. *A222 - Civil infrastructure leases (from third parties, complete or partial)*

This section allows operators to claim the expenses related to civil infrastructure leases. These can be leases of an entire item or be the result of an infrastructure-sharing agreement with another entity.

Two categories are to be found in this grouping:

- USP masts or antenna space
- USP Sites, buildings and, cabins

This section is to be filled out as follows:

- **USP masts or antenna space/ USP Sites, buildings and, cabins:** the operator should enter the "bought ledger entry" corresponding to the item being leased.

- **Description:** short description of the item being leased.
- **Location:** where the item is located.
- **Lease cost for the year:** amount being paid under the lease terms.
- **Validated cost for the year:** These cells are automatically calculated. No input required from the operator.
- **Total cost for the year:** This cell is automatically calculated from the previous column. No input required from the operator. **ATTENTION - LAVENDER CELL** (see definitions).
- **CMC Validation:** These cells will be filled out by MCMC. No input required from the operator.
- **Justification for infrastructure:** The operator should justify the need for the item here. If MCMC is not convinced that this lease is eligible under the avoidable cost principle, MCMC will fill in "No" in the relevant cell under the heading "CMC validation" and the associated cost will not be picked-up in the total cost calculation.

Figure 3.8 presents Section A222 as it appears in the USP Claim Template.

**Figure 3.8**  
**Section A222 Civil infrastructure leases**

<b>Civil Infrastructure leases (from third parties; A222 complete or partial)</b>				<b>Total leases for the year</b>	<b>0</b>			
<b>USP Masts or antenna space</b>								
Description	Location	Lease Cost for the year	Validated cost for the year	Total cost for the year [Total of previous column]	Justification for infrastructure	CMC Validation		
[Bought Ledger Entry]			0	0				
[Bought Ledger Entry]			0					
[Bought Ledger Entry]			0					
[Bought Ledger Entry]			0					
<b>USP Sites, buildings and cabins</b>								
Description	Location	Lease Cost for the year	Validated cost for the year	Total cost for the year [Total of previous column]	Justification for infrastructure	CMC Validation		
[Bought Ledger Entry]			0	0				
[Bought Ledger Entry]			0					
[Bought Ledger Entry]			0					
[Bought Ledger Entry]			0					

3.2.2.3. *A223 - Interconnection payments*

This section allows operators to record an estimate of the interconnection incurred for USP lines.

We understand that operators may not be in a position to scientifically identify the interconnection payments related to USP lines only. As a proxy, and to minimise the burden for operators, operators are asked to calculate their USP-related interconnection payment as a percentage of their USP-related call charges. The percentage to be used is operator-specific and should be derived from the annual revenue declaration by the operator to CMC (we remind operators that your annual revenue declaration is used by CMC to calculate your yearly USP Fund contribution). The percentage should be calculated as follows:

$$\text{Percentage} = \frac{\text{Total interconnection payment for your fixed network}}{\text{Total revenue for fixed line call charges}}$$

Figure 3.9 presents Section A223 as it appears in the USP Claim Template.

**Figure 3.9**  
**Section A223 - Interconnection payments**

<b>A223 Interconnection payments</b>		
<b>The percentage below should be derived from your revenue declaration to CMC*</b>		
Component item	% of call revenue	cost
Interconnection payments to other operators	0%	0

\* the yearly revenue declaration used by CMC to calculate your yearly USP Fund contribution  
Percentage will be ratio of interconnection payment on revenues for fixed line call charges

3.2.2.4. *A224 - Service payment to other operators*

This section allows operators to claim the expenses related to payment to other operators not related to civil infrastructure (for instance a leased line).

The layout of this section is similar to Section A222. Please refer to Section 3.2.2.2 for guidance on how to fill out Section A224.

3.2.2.5. *A225 - Spectrum fees*

This section allows operators to record the expenses related to spectrum fees.

So as to minimise the burden for operators, this section can be entered in "bulk": all fees related to a type of link of unit which attract the same fee should be recorded together on one line as follows:

- **Type of microwave frequency/Type of apparatus assignment fees:** the operator should enter the type being referred to.

- **Number of links (specific avoidable links for USP)/ Number of units (specific avoidable units for USP):** the operator should enter the relevant number of links or units.
- **Cost per link/Cost per unit:** the operator should enter the fee per link or per unit.
- **Validated cost for the year:** These cells are automatically calculated. No input required from the operator.
- **Total cost for the year:** This cell is automatically calculated from the previous column. No input required from the operator. **ATTENTION - LAVENDER CELL** (see definitions).
- **CMC Validation:** These cells will be filled out by MCMC. No input required from the operator.
- **Justification for fee:** The operator should justify the need for the number of links/units here. If MCMC is not convinced that these fees are eligible under the avoidable cost principle, MCMC will fill in "No" in the relevant cell under the heading "CMC validation" and the associated cost will not be picked-up in the total cost calculation.

Figure 3.10 presents Section A225 as it appears in the USP Claim Template.

**Figure 3.10**  
**Section A225 - Spectrum fees**

A225 Spectrum fees						
Total spectrum fees for the year						0
Type of Microwave frequency	Number of links (specific avoidable links for USP)	Cost per link (Spectrum fee)	Validated cost for the year	Total cost for the year [Total of previous column]	Justification for fee	CMC Validation
			0	0		
[Type]			0			
[Type]			0			
[Type]			0			
[Type]			0			
Type of apparatus assignment fees	Number of units (specific avoidable units for USP)	Cost per unit (fee)	Validated cost for the year	Total cost for the year [Total of previous column]	Justification for fee	CMC Validation
			0	0		
[Type]			0			
[Type]			0			
[Type]			0			
[Type]			0			

3.2.2.6. *A226 - Operator services*

This section allows operators to record an estimate of costs incurred for operator services on USP lines.

TRD6 tariffs are being used and the operator need to fill in an estimate of number of calls to such services based on its own experience with its own customer base.

Figure 3.11 presents Section A226 as it appears in the USP Claim Template.

**Figure 3.11**  
**Section A226 - Operator services**

<b>A226 Operator services</b>		<b>Total OS</b>	
		<b>0</b>	
Component item	Estimated number of calls	TRD6 rates RM	Annual cost
Operator call		0.55	0
Emergency call		0.53	0
Directory calls		0.24	0
Estimates of number of calls derived from operator's experience on average of such calls per customer			

3.2.2.7. *A227 - Customer care and billing*

This section allows operators to record an estimate of costs incurred for customer care and billing. As USP customers will be purely incremental, the per customer allowance for customer care and billing is estimated at RM10. This includes printing the customer bill, postage, and customer care. The average number of USP customers for the year is derived from the operator's input in Section A14.

Figure 3.12 presents Section A227 as it appears in the USP Claim Template.

**Figure 3.12**  
**Section A227 - Customer care and billing**

<b>Customer care and A227 billing</b>			
Component item	Average number of USP customers in the area for the year	Per customer allowance for customer care and billing for the year, RM	Annual cost
	0	10	0

3.2.2.8. A228 - Bad debt

This section allows operators to record an estimate of costs incurred for bad debts. As customers will have paid a deposit, the bad debt should be kept at a minimum. The USP Claim Template allows a maximum of 2% of the USP revenues for the district to be claimed as bad debt. The Template therefore retains either the operator's bad debt claim of 2% of the USP revenue (whichever is the lowest).

Figure 3.13 presents Section A228 as it appears in the USP Claim Template.

**Figure 3.13**  
**Section A228 - Bad debts**

A228 Bad debt provision			
Component item	Claimed	Cap as a percentage of USP revenue	Validated annual cost
Bad debt		2.0%	0

3.2.2.9. A229 - Vandalism for the district

This section allows operators to record an estimate of costs incurred because of vandalism. Police reports should be submitted along with the USP Claim Template as supporting evidence. End-user equipments are not to be included in this section as communities will take ownership of the facilities. Based on the supporting evidence, MCMC will decide whether or not to take into account the relevant claim.

Figure 3.14 presents Section A229 as it appears in the USP Claim Template.

**Figure 3.14**  
**Section A229 - Vandalism for the district**

Vandalism for the A229 district		For USP infrastructure only. Police report to be submitted as evidence. End-user equipment no covered as community takes "ownership" of the facility				
Component item	Total claimed	Police report submitted	Validated claim	total claimed [Total of previous	CMC validation	Description
				0		
[Vandalised item]			0			
[Vandalised item]			0			
[Vandalised item]			0			
[Vandalised item]			0			

## **4. FIXED WIRELESS NETWORK INFRASTRUCTURE**

Worksheets B1 Fixed Wireless Summary and B2 Fixed Wireless Details should be filled out by operators rolling out a fixed wireless network technology. Their content is similar to the worksheet described in Section 3. Operators should therefore refer to Section 3 of this manual for guidance on how to fill out the template. All comments made in section 7 apply for the relevant section of the B1 and B2 worksheets. Names of equipment have been altered to take into account the specificity of the technology where necessary.

## **5. MOBILE NETWORK INFRASTRUCTURE**

Worksheets C1 Mobile Infra. Summary and C2 Mobile Infra. Details should be filled out by operators rolling out a mobile network technology. Their content is similar to the worksheet described in Section 3. Operators should therefore refer to Section 3 of this manual for guidance on how to fill out the template. All comments made in Section 3 also apply to the relevant sections of the C1 and C2 worksheets. Names of equipment have been altered in the USP Claim Template to take into account the specificity of the technology where necessary.

## **6. SATELLITE NETWORK INFRASTRUCTURE**

Worksheets D1 Satellite Infra. Summary and D2 Satellite Infra. Details should be filled out by operators rolling out a mobile network technology. Their content is similar to the worksheet described in Section 3. Operators should therefore refer to Section 3 of this manual for guidance on how to fill out the template. All comments made in Section 3 also apply to the relevant sections of the D1 and D2 worksheets. Names of equipment have been altered in the USP Claim Template to take into account the specificity of the technology where necessary.

**APPENDIX A. PRINTOUT OF THE USP CLAIM TEMPLATE**