



30 August 2019

Ref no: Altel/Reg/SKMM/Spectrum/PI/2019/1

**The Chairman**  
**Malaysian Communications And Multimedia Commission**  
MCMC, Tower 1  
Jalan Impact, Cyber 6  
63000 Cyberjaya  
Selangor Darul Ehsan

**(Attention: Spectrum Planning Division)**

Dear Sir,

**SUBMISSION OF RESPONSE FOR THE PUBLIC INQUIRY ON THE ALLOCATION OF SPECTRUM BAND FOR MOBILE BROADBAND SERVICE IN MALAYSIA**

Altel Communications Sdn. Bhd. ("ALTEL") is pleased to submit our response for the Public Inquiry on the allocation of spectrum band for mobile broadband service in Malaysia. Please find attached herewith the response from ALTEL.

We trust that the response submitted fulfills the requirements of the Public Inquiry. Kindly do not hesitate to contact En. Nafis Adha Bin Mokhtar at [nafis@altel.my](mailto:nafis@altel.my) should you require further information.

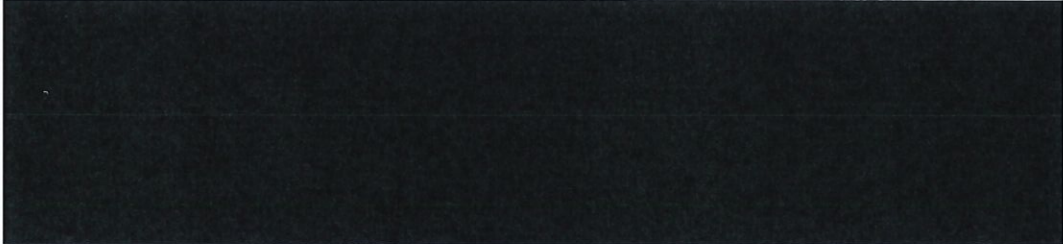
Thank you.

Yours faithfully,  
**ALTEL COMMUNICATIONS SDN BHD**

A handwritten signature in black ink, appearing to read "Azizan Afandi".

**AZIZAN AFANDI**  
Head, Regulatory

**RESPONSE ON PUBLIC INQUIRY ON ALLOCATION OF SPECTRUM BANDS  
FOR MOBILE BROADBAND SERVICE IN MALAYSIA****1. Introduction**

- 1.1. Altel Communications Sdn. Bhd. wishes to express its appreciation to the Malaysian Communications and Multimedia Commission ("MCMC") for issuing this Public Inquiry paper and clarify its proposal on the way forward with regard to the 700 MHz, 2300 MHz and 2600 MHz.
- 1.2. Altel has been allocated with the 2 x 20 MHz of the 2600 MHz spectrum band for a 5-year period which was subsequently extended for another 2 years. It has always been Altel's aspiration to be a full-fledged public cellular operator, to provide more options to customers in terms of customized packages and affordable rates.
- 1.3. We have consistently stated that Altel requires low band spectrum, specifically the sub 1GHz spectrum band to make it economically viable to roll out a nationwide mobile network coverage. This would enable us to reach most customers, especially in the rural and remote areas. We have continuously engaged MCMC to seek allocation for the low band spectrum to enable us to have a mobile network that can compete fairly in the market against the incumbent operators.
- 1.4. 
- 1.5. Without the required low band spectrum, Altel had to collaborate with an incumbent mobile service operator to facilitate our entry to the market. The collaboration should include Mobile Virtual Network Operator ("MVNO"), spectrum sharing, domestic roaming as well as infrastructure sharing services.
- 1.6. While we managed to launch our MVNO prepaid service in August 2013, other collaboration items were not materialized. The terms of the collaboration were one-sided and would not help Altel to grow and become the full-fledge service provider. We are restricted to rollout sites using the allocated 2600 MHz spectrum under this collaboration. Even for the MVNO prepaid service, the wholesale rates were not aligned to the prevailing market rates causing our products not able to be competitive.

- 1.7. As a result of the above, we were forced to limit our collaboration with MVNO partner to only spectrum sharing arrangement in return for better commercial terms. Yet again, the approval for our own postpaid services had been delayed by our MVNO partner, making it difficult for Altel to remain competitive.
- 1.8. In addition to the above collaboration, we had to embark on additional spectrum sharing and mobile service arrangement with another mobile network provider to expedite our entry in the mobile market. However, all these collaborations have not significantly help us without the allocation of the sub 1GHz mobile broadband spectrum.
- 1.9. Hence in our view, the Government may need to take drastic change in allocating mobile spectrum to ensure fair access to service to all existing and new mobile service operators. As the allocation of 2600 MHz, 2300 MHz and 700 MHz spectrum are currently being reviewed, Altel is in principle proposing that an independent single infrastructure operator is being allocated with these spectrums.
- 1.10. This national mobile "InfraCo" provider will be able to deploy a nationwide mobile network infrastructure which includes the backhaul and radio network, thus avoiding duplication of capital investments by mobile operators. This will liberalize the mobile industry that will create fair level playing field to all access seekers allowing an easy and low-cost entry to the market, resulting in more affordable choices to customers.

## 2. Answers to the PI Questions

Question	Comments / Responses
<p><b>1.</b></p> <p>i)</p>	<p><i>The 700 MHz spectrum is a highly valuable resource to ensure significant improvement in the nationwide mobile coverage, especially in the rural and remote areas. The propagation is suitable for wide coverage, including in-building, but require sufficient bandwidth for acceptable speed at 30Mbps.</i></p> <p><i>It is therefore proposed that a single operator is to be allocated with the whole available spectrum whom will deploy the infrastructure as a national provider. The "InfraCo" must have extensive fibre backhaul in the country to be able to service all mobile service providers.</i></p> <p><i>In turn, the InfraCo will allow all mobile operators to use its infrastructure, which will be regulated through the Access Regime to ensure fair access and use of the network. This will prevent duplication of radio and fibre network, avoid patchy and sporadic mobile coverage and result in level-playing field to all existing and new mobile service operators.</i></p>

ii)	<i>With expected ASO by Q32019, the 700MHz should be available for use by 2Q2020 as the restacking will take around 6 months to complete.</i>
2.	<i>As per responses for Question 1(i), we propose that a single service provider is to be allocated with the available spectrum.</i>
3.	<p data-bbox="304 730 1302 920"><b>i)</b> <i>Altel is of the view that the 2300MHz should be used predominantly for the highspeed fixed-wireless broadband service, to immediately address both the enterprise and residential customers. However, it is crucial that sufficient bandwidth is allocated to the service providers to ensure the target average speed of 30Mbps to 98% of the population is achieved.</i></p> <p data-bbox="352 954 1302 1055"><i>While the last mile connectivity is important, the end-to-end infrastructure especially the backhaul is similarly crucial to ensure stable broadband speed and quality.</i></p> <p data-bbox="352 1088 1302 1155"><i>In addition, the current allocation of 2300 MHz are not fully optimized in providing wireless broadband service to customers.</i></p> <p data-bbox="352 1155 1302 1279"><i>As such, Altel propose that the whole 2300 MHz is to be allocated to a single operator that will deploy nationwide infrastructure. The "InfraCo" must have extensive fibre backhaul in the country to be able to service all wireless broadband service providers.</i></p> <p data-bbox="352 1312 1302 1503"><i>In turn, the InfraCo will allow all wireless broadband operators to use its infrastructure, which will be regulated through the Access Regime to ensure fair access and use of the network. This will prevent duplication of radio and fibre network, avoid patchy and sporadic mobile coverage and result in level-playing field to all existing and new service providers.</i></p> <p data-bbox="288 1536 1302 1581"><b>ii)</b> <i>Altel agree with the propose timeline for assignment of this spectrum.</i></p>

4.	As per Altel's answer for Question 3, a single operator to be allocated with all the 90MHz block.
5.	<p>i) In principle, Altel propose that MCMC to re-allocated the 2600 MHz spectrum as per the current allocation and the Spectrum sharing is allowed to be continued to facilitate optimum use of the resources. This is to continue providing opportunity to smaller operators to be the mobile network operator, considering the other mobile network operators have sufficient spectrum in 900 MHz, 1800 MHz and 2100 MHz.</p> <div data-bbox="347 663 1302 860" style="background-color: black; width: 100%; height: 100%;"></div> <p>Altel was unable to use the 2600 MHz due as it is uneconomical to deploy network with a single high spectrum band, requires a sub 1GHz band to build coverage network. However, with the allocation of the 700 MHz infrastructure, Altel would be able to deploy the 2600 MHz as it will be economical.</p> <p>Altel has for the last two years, being aggressive in forming a better synergy with the Al-Bukhary Group of Companies in providing telecommunication solution. We have been providing services to companies such as Pos Malaysia Berhad, Proton, Treadwinds and more are in the pipeline. The 2600 MHz will be crucial to us to further expand our network footprint. The ability of network slicing will provide better service provisioning that caters to enterprises, on top of providing service to retail customers.</p> <p>In addition to the allocation to Altel, it is suggested that MCMC award the spectrum to a single operator that have sufficient network bandwidth and coverage to be the national InfraCo. Again, all mobile service operators will be given fair and equal access to use the spectrum through sharing arrangement, such as domestic roaming or wholesale.</p>
	ii) Altel agree with the propose timeline for assignment of this spectrum.
6.	It is proposed that the affected spectrum recipient to implement filters as the interference mitigating approach but the cost is to be clawed back from the paid spectrum fees.

7.

*In view that the most operators already have substantial network coverage, it is recommended that the spectrum fees are based on the estimated total number of sites to be deployed to achieve the pre-set target of population coverage, e.g. 70% for 2600MHz and 2300MHz and 98% for 700MHz in deploying LTE service.*

*The fee is to be benchmarked against the regulated apparatus assignment, more transparent method of arriving at the fee. Payment is to be made annually either upfront or end of calendar year.*

*The economic value to be gained through the allocation of spectrum should be passed down to the customer by way of more affordable prices, better service quality and wider coverage.*