



**CEOS' DIALOGUE SESSION-QUESTION & ANSWER SESSION
(11.15am-11.50am)**

28 JULY 2006

PANEL: -

- DATUK DR. HALIM SHAFIE (CHAIRMAN, MCMC)
- TUAN HAJI ROSLI ABDUL SHUKOR (KSU, KTAK)
- MS PUSHPA NAIR (Economic Regulation Division)
- EN ZAMANI ZAKARIAH (MyICMS 886 Directorate)
- EN MOHD ALI HANAFIAH (Content, Consumer & Network Security)
- EN RUZLAN ZABIDI (State Planning & USP)
- EN MOHD ZAKI MOHD YUSOFF (Research & Planning)
- MS IRENE NG (Licensing)

Opening Remarks

The Chairman welcomed all present and opened the floor for questions.

Question 1

Mr Au from Xintel Sdn Bhd raised two points. The first was in relation to Access issues. The comment made was that licensees should be able to compete on an open and equal footing. Mr Au noted that MCMC appears to be taking a very long time to respond on this issue. He

noted that there is a problem with the 1-800 numbers distributed by TM to the ASPs, as the charges levied tend to vary. He also noted that in his view Access should not be treated as a commercial issue.

The second point related to a specific matter between TM and Xintel, where the latter has seen the charges levied for its E1 raised from RM 900 to RM 12, 000 per month for the use of the E1 lines. Mr Aw alleged that this was clearly behaviour that was anti-competitive, and had made a complaint to MCMC. He stated that MCMC responded in March 2006 to state that TM was in breach of S 188 of the CMA. He noted that this response was rather late, as the complaint was lodged last year, and in the interim TM has terminated its service to Xintel, and the said service has not been restored to date.

Response:

YBhg Datuk Dr. Halim Shafie suggested that this matter should be raised and discussed at a different forum, namely the ASP Association, as it was on a very specific issue.

Ms Pushpa Nair of MCMC responded to state that on the first point raised, this matter is being considered under the Access Agreements. Meetings were called with the telcos and the ASPs and recommendations on this matter is being finalised, and will be tabled to the Commission shortly. She noted that in discharging its roles and responsibilities MCMC is obliged to make a considered decision that takes into account the concerns and viewpoints of all its stakeholders cumulatively.

On the second point raised, she explained that MCMC is acting on this matter.

Question 2

Mr Selvam, a licensee commented that MCMC should use these sessions to showcase and focus on new developments such as WiMax and Broadband Power Line to generate greater interest and enthusiasm amongst its licensees.

Response:

YBhg. Datuk Dr Halim Shafie remarked that this session is meant to be a general dialogue session, and was not intended to act as a platform to raise specific issues. He noted that MCMC would be happy to work together with industry and organise workshops and seminars to deal with specific issues.

En Zamani Zakariah informed that MCMC has organised an Industry Working session on WiMAX way back in Jan 2006 to explore issues with the industry. MCMC will continue to have similar session in the future addressing other areas.

Question 3

YM Engku Imran from Rinmakmur explained that his radio station intended to expand its coverage further. He asked if MCMC could indicate when they would be able to resolve broadcasting border issues so that his company could work on their expansion plan..

Response:

YBhg Datuk Dr. Halim Shafie noted that with Thailand border issues were resolved bilaterally, whilst FACSMAB meetings were used as the forum to discuss this matter with Singapore and Brunei.

En. Mohd Zaki Mohd Yusoff explained that where no border issues arose, applications would be tabled at the Commission's Licensing Committee Meeting for clearance. Where border co-ordination was involved, confirmation and clearance normally takes approximately 3 months. He noted that data received by MCMC from the broadcaster must be complete for this purpose.

Question 4

En Zainal Aman Shah from Redtone marketing Sdn Bhd raised two points. He observed that if self-regulation is embraced by MCMC, it is important to have specific timeframes to ensure that should a bottleneck situation arise, MCMC can intervene and resolve matters.

He also noted that wholesale prices and service level arrangements in his view should be mandated as otherwise price fluctuations are rampant over a very short period of time. This affects service levels and impacts negatively on consumers.

Response:

YBhg Datuk Dr. Halim Shafie responded that economic regulatory issues are critical, and this is the reason he decided to put in place a dedicated Economic Regulatory Division to look into matters of competition and access. On mandating wholesale prices, he noted that MCMC would consider this suggestion.

Question 5

En. Hassan Osmani from Hand Display explained that his company was offering a service whereby consumer can send e-mails via sms. He alleged that the telcos levied charges, which were too high, resulting in his basic costs for the telco service to be between 9 to 11 sen. Since he was operating primarily as a reseller of the telcos services, he queried why he is not able to get volume pricing instead.

Response

YBhg Datuk Dr. Halim Shafie suggested that this matter be dealt with via the ASP Mobile Content Association.

Mr Chee from Digi Telecommunications Sdn Bhd noted that Digi has many productive relationships with content providers, and that he would be happy to discuss this matter further with En Hassan.

Conclusion

The Chairman invited each member of the panel to briefly surmise the functions of their respective Divisions and Departments. The session ended at 11.50 am, with the Chairman thanking all present.