



Suruhanjaya Komunikasi dan Multimedia Malaysia
Malaysian Communications and Multimedia Commission

**GUIDELINE ON IMPLEMENTATION OF THE
COMMISSION DETERMINATION
ON MANDATORY STANDARD ON ACCESS PRICING**

13 DECEMBER 2013

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1. BACKGROUND AND OBJECTIVE

- 1.1 The Malaysian Communications and Multimedia Commission (MCMC) had issued the Commission Determination on the Mandatory Standard on Access Pricing, Determination No. 1 of 2012 (the Determination). The Determination came into effect on 1 January 2013.
- 1.2 Questions for clarification on the implementation of the Determination were received by the MCMC. This guideline sets out clarifications on the Determination, and is meant to replace the earlier guideline issued on 17 April 2006.
- 1.3 This guideline should be read together with the Communications and Multimedia Act 1998 and the relevant subsidiary legislations and instruments that have been issued by the MCMC pursuant to the Communications and Multimedia Act 1998.

2. THE APPLICATION OF MAXIMUM PRICES

- 2.1 The prices mandated in the Determination are maximum prices. However, this does not prevent the parties from negotiating for prices lower than those mandated in the Determination.

3. PEAK AND OFF PEAK PRICING

- 3.1 In the Determination, the Commission has mandated 24 hour weighted average prices for interconnection services such as fixed and mobile origination/termination services. The negotiating parties are free to apply peak and off-peak prices. The peak and off-peak prices can individually exceed the mandated maximum prices in the Determination but cannot on a 24 hour weighted average basis exceed the maximum prices.
- 3.2 If the negotiating parties apply peak and off-peak prices, the negotiating parties can apply year-end reconciliation to ensure that the actual prices do not exceed the maximum prices. In the event the reconciled 24 hour weighted average prices exceed the maximum prices, then the maximum prices shall apply.
- 3.3 Negotiating parties are also at liberty to apply a single 24 hour weighted average price.

4. TRANSMISSION SERVICES

- 4.1 The prices for transmission services such as Interconnect Link Service, Wholesale Local Leased Circuit Service, Domestic Connectivity to International Services and Transmission Service are stated according to distance in kilometer (km). The distance in km refers to length of the cable and not the geographical distance between the transmission points.

5. EFFECTIVE DATE FOR THE IMPLEMENTATION OF ACCESS PRICING

- 5.1 The Determination came into force on 1 January 2013; therefore the effective date for the implementation of the Access Prices shall be on 1 January 2013. The prices in the Determination are fixed for years 2013 to 2015. Parties may either apply the access prices in the said Determination with immediate effect or retrospectively if the Access Provider and the Access Seeker agree to do so. Relevant clauses in existing Access Agreements are to be amended to comply with the Determination as is the case with any other relevant instruments issued by the MCMC.

6. PRICES OF OTHER SERVICES IN TRD 006/98 AND ACCESS LIST

- 6.1 Appendix III of TRD 006/98, which lists the call conveyance prices for Ancillary Services, has not been revoked. The prices shall thereby apply.
- 6.2 As for the other facilities and/or services on the Access List where prices are not mandated the negotiating parties are encouraged to:
- (a) Apply the indicative maximum prices (where applicable) published in the Public Inquiry Report on Review of Access Pricing dated 14 December 2012; and
 - (b) Where no indicative prices are published, apply cost based prices.

7. INTERPRETATIONS AND DEFINITIONS OF TERMS USED IN THE MANDATORY STANDARD ON ACCESS PRICING

7.1 Fixed Network Origination Service

Local origination shall apply when the origination of the incoming call uses a POI (or POP) at the level of a local exchange (or any other similar network level) of the originating operator's network.

Single tandem origination shall apply when the calling party is within the same Closed Number Area as the POI (or POP) at which the call is handed over to the terminating operator for special number services.

Double tandem origination shall apply when the calling party is in a different Closed Number Area from the POI (or POP) at which the call is handed over to the terminating operator for special number services. For '09' Closed Number Area, double tandem origination shall apply where the POI and the calling party are in different states in that Closed Number Area.

Double tandem origination with submarine cable shall apply when a double tandem origination call makes use of the submarine cable between Peninsular Malaysia and East Malaysia.

7.2 Fixed Network Termination Service

Local termination shall apply when the termination of the incoming call uses a POI at the level of a local exchange (or any other similar network level) of the terminating operator's network, irrespective of whether the end-to-end retail call is a local call or not.

Single tandem termination shall apply when the called party is within the same Closed Number Area as the POI at which the call is presented for termination unless the local call termination charge applies.

Double tandem termination shall apply when the called party is in a different Closed Number Area from the POI at which the call is presented for termination, unless the local call termination charge applies. For '09' Closed Number Area, double tandem termination shall apply where the POI and the called party are in different states in that Closed Number Area.

Double tandem termination with submarine cable shall apply when a double tandem termination call makes use of the submarine cable between Peninsular Malaysia and East Malaysia.

7.3 Mobile Network Origination Service

Mobile to Fixed / Mobile to Mobile (local) shall refer to call origination from a POI in the calling party's home area where the call is handed over to the terminating operator for special number services.

Mobile to Fixed / Mobile to Mobile (long distance) shall refer to call origination from POI outside the calling party's home area where the call is handed over to the terminating operator for special number services.

Mobile to Fixed / Mobile to Mobile (long distance with submarine) shall apply where an incoming call is handed over at POI outside the calling party's home area where the call is handed over to the terminating operator for special number services and use is made of the submarine cable between Peninsular Malaysia and East Malaysia.

7.4 Mobile Network Termination Service

Fixed to Mobile / Mobile to Mobile (local) shall refer to call termination from POI in the called party's home area.

Fixed to Mobile / Mobile to Mobile (long distance) shall refer to call termination from POI outside the called party's home area.

Fixed to Mobile/ Mobile to Mobile (long distance with submarine) shall apply where an incoming call is handed over at POI outside the called party's home area and use is made of the submarine cable between Peninsular Malaysia and East Malaysia.

7.5 Interconnect Link Service

The Access Prices for the Interconnect Link Service indicated in the Determination is applicable to in-span interconnection. For fully managed interconnect link, reference should be made to Transmission Service or Wholesale Local Leased Circuit Service prices, as the case may be.

For example, for a fully managed interconnect link (which consists only of trunk network) with the capacity of 2 Mbps, the parties may negotiate a price not exceeding the mandated maximum price of Transmission Service at 2 Mbps.

For a fully managed interconnect link (which consists of a trunk network and one/two tails on one/both ends of the trunk) with the capacity of 2 Mbps, the parties may negotiate a price not exceeding the mandated maximum price for installation, port, tail segment and trunk segment of Wholesale Local Leased Circuit Service at 2 Mbps.

In order to provide transparency, the Access Providers shall segregate the trunk and tail(s) segment and provide the appropriate distances, as the case may be, for each fully managed interconnect link.

7.6 Wholesale Local Leased Circuit Service

Wholesale Local Leased Circuit Service applies to a circuit which consists of the trunk network of the provider and a tail, irrespective of whether it is for the retail customer or for the wholesale customer of the provider.

Installation charges are applicable to this service based on the respective capacity.

The port charge refers to the price of ports at 2 ends of a tail. Therefore, Access Provider shall not interpret the port charges to mean port charge per end basis.

Through-connection shall apply for the purpose of connection through or between equipment co-located at an exchange site. It applies for a short distance, i.e. between 0 to 0.2 km. This distance-band charge includes the full cost of provision, and is not the default charge on top of the relevant distance related charge.

For the circuit that consists of a trunk network and two tails on both ends of the trunk, reference should be made to prices for Wholesale Local Leased Circuit Service for the particular capacity. For example, for a circuit with the capacity of 2 Mbps, the parties may negotiate a price not exceeding the mandated maximum price for installation, port, tail segment and trunk segment of Wholesale Local Leased Circuit Service at 2 Mbps.

In order to provide transparency, the Access Providers shall segregate the trunk and tail(s) segment and provide the appropriate distances, as the case may be, for each circuit.

7.7 Transmission Service

Transmission Service applies to the circuit which consists of the trunk network of the provider. There is no tail (and port) segment.

Through-connection shall apply for the purpose of connection through or between equipment co-located at an exchange site. It applies for a short distance, i.e. between 0 to 0.2 km. This distance-band charge includes the full cost of provision, and is not the default charge on top of the relevant distance related charge.

No installation charges shall apply in addition to the distance charges, as the cost of installation has been taken into account in the bandwidth charges in the Determination.

In order to provide transparency, the Access Providers shall provide the distance of the trunk for each circuit.

7.8 Network Co-Location Service

The physical co-location space refers to the average price of space. This does not prevent negotiating parties from applying higher prices for certain premises as long as there is appropriate cost justification.

7.9 Other definitions

"Closed Number Area" means a set of digits(s) beginning with the trunk prefix '0' which forms the first part of a national number, and which indicates the defined geographical area within Malaysia where the customer's fixed number is located provided always that '09' in the states of Pahang, Terengganu and Kelantan will be treated as one Closed Number Area, '082' and '086' in the state of Sarawak will be treated as one Closed Number Area and '087' and '089' in the state of Sabah will be treated as one Closed Number Area.

"Home Area" means the defined geographical area within Malaysia where the customer's mobile number is registered according the cellular mobile network operator's respective numbering plan. For clarification purposes, such area shall include the Central, Northern, Southern, Eastern, Sabah and Sarawak regions.

8 INQUIRIES

8.1 For general inquiries, please contact;

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8.2 The information contained in this Guideline is to provide guidance to the negotiating parties with a view to facilitate smooth negotiations between Access Providers and Access Seekers. It is not intended to be exhaustive and is accurate at the time of its issuance.