

NTT to launch Internet service in Malaysia

NTT has emerged as the first foreign telco to break into our previously closed ISP market

By **KAMARUL YUNUS**

NIPPON, Telegraph and Telephone of Japan (NTT), through its subsidiary NTT MSC Sdn Bhd will launch its Internet service under the brand name of "Arcnet" and quality business to business (B2B)/business to consumer (B2C) e-commerce solution in Malaysia on December 4.

Prime Minister Datuk Seri Dr Mahathir Mohamad is scheduled to launch the service, an NTT MSC spokesperson told Business Times.

Initially, the Internet service was supposed to be launched within this month, but the company decided to hold it to next month to accommodate its guests.

Earlier report said that NTT has emerged as the first foreign telecommunication company to break into Malaysia's previously closed Internet Service Provider (ISP) market.

NTT MSC Sdn Bhd received class licence from the industry's regulator, Communications and Multimedia Commission (CMC), on August 17.

The company started providing Internet access through

its Malaysian subsidiary NT7 MSC Sdn Bhd from the middle of September.

In an article on the arc.net website, NTT MSC noted that the class licence legislation for which came into force on August 3, effectively throws open the market to foreign players, and this will encourage competition and provide consumers with more choices.

Prior to this, ISP licences have been issued to five local telcos: Telekom Malaysia, Maxis Communications, DiGi, Time dotCom and Technology Resources Industries Bhd as well as state-funded research house Mimos Hhd.

On October 31, Energy, Communications and Multimedia Minister Datuk Amar Leo Moggie had said that the Government do not plan to be restrictive in issuing class licences to telcos, either foreign or local, but will make sure that there will not be too many network service providers in the country.

At present, companies which aim to be Internet services provider could opt for class licence or individual licence.

The former is basic services, while the latter is more integrated.

"At the moment, the various companies given the licences are already providing it (Internet access services) although some have not actually started offering services. It is

quite an open thing. It is a market and commercial consideration," Leo Moggie had said.

Under the Communications and Multimedia Act 1998, companies will either qualify for individual licences (for heavy consumer impact activities) or class licences (like paging or trunk radio services), which only require registration.

Individual licencees have to comply with a few standard conditions, including the requirements to notify the minister of any substantial changes in company shareholdings, restructuring or joint ventures with any other licencees. A network service provider individual licence may be granted to a person for providing network services such as bandwidth services, broadcasting distribution services, cellular mobile services, customer access services and mobile satellite services.

Those applying for a class licence would need to register with the CMC.

The registration has to be accompanied by the applicant's particulars, a description of the facilities, service or application which will be operated and any other information the commission requires.

The CMC will endorse the registration notice and registration under this regulation is valid for one calendar year.

NTT MSC had said it is targeting 5,000-10,000 customers by year-end and did not dismiss the possibility of raising the target since it currently has the capacity to support 10,000 users.

NTT MSC was incorporated in July 1997 to spearhead the telco's research activities under the Multimedia Super Corridor (MSC) project.

Its research centre is the group's second largest overseas research and development facility after NTT America.

MSC is a 750 sq km high-technology zone south of Kuala Lumpur which has already drawn some of the world's biggest information technology and telco players. A free trial of NTT MSC's new Internet service was conducted in July till the middle of September.

The Arcnet service will be headquartered at the NTT MSC research centre in Cyberjaya, with nodes in Kuala Lumpur, Penang, Johor and Shah Alam.

NTT MSC already serves many local area networks and provides intranet site construction, system maintenance and systems integration services. Also offered under the brand name of Arcstar are managed frame relay, managed Asynchronous Transfer Mode, virtual private networks and Internet Protocol backbone.