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Directive for telcos to use Asiaspace towers

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THE Government will ask cellular phone operators to use telecommunications towers supplied by privately-held Asiaspace dotcom Sdn Bhd for all their future needs.

Under a new directive, cellular phone companies will have to rent space

on Asiaspace's telecommunications towers, after previous government encouragement for them to share infrastructure facilities failed.

Energy, Communications and Multimedia Minister Datuk Amar Leo Moggie said this is part of the Government's move to speed up nationwide cellular coverage.

"While I am aware that all service providers are addressing the issue, measures must be undertaken speedily and with full commitment. I agree with encouraging self-regulation but where and when the process fails to move quickly, regulatory intervention has to be made," he said in a speech

to delegates at the Malaysian Communications and Multimedia Commission (MCMC) industry retreat in Pedu Lake, Kedah, yesterday.

The directive also addresses the issue of illegal towers and came less than two months after Prime Minister Datuk Seri Dr Mahathir Mohamad called

for a blanket cellular phone coverage nationwide early February.

Over nine million, or 40 per cent of Malaysia's 24 million population, have a cellular phone now, double the 4.8 million fixed-line subscribers in Telekom Malaysia Bhd's books.

Asiaspace, controlled by lawyer-cum-businessman Abdul Ghani Abdullah, is

among some 21 companies with network facilities provider (NFP) licences which allow the right to provide, construct and maintain telecommunications infrastructure, like earth stations, satellite hubs, towers, poles, and ducts and pits.

However, Asiaspace's NFP licence is unique as it is one without restrictions. Other NFP licence holders, like Sacofa Sdn Bhd, have rights

that are confined to Sarawak only.

Leo Moggie also said the fees and rental terms for the towers will be determined by the ministry and the MCMC, "if necessary".

For the existing towers nationwide, Leo Moggie said the ministry is also

prepared to introduce a set of regulations covering basic principles of tower sharing to facilitate sharing arrangements among rival players.

As at March 24 this year, only 430 or 13 per cent of a total of 3,234 towers in the country were shared. "Less than 40 per cent of the towers in

the Multimedia Super Corridor and the Klang Valley are shared," he said.

While acknowledging the players' dilemma in sharing as network coverage

is as an edge to gain market share, Leo Moggie said there is greater need

to boost deployment speed and physical cellular phone coverage.

"(As such), the Government will not tolerate any service providers which

deliberately put up artificial barriers for inter-connectivity or coverage.

"Asiaspace is not competing in the downstream market (providing cellular phone service), thus there will be no conflict of interest," Leo Moggie said.

The towers, which connect cellular calls by routing airwaves to other mobile or fixed-line phones, can cost between RM200 million and RM500 million each depending on capacity and size, and reportedly up to RM900 million for a 250ft four-legged tower inclusive of site preparation (civil works) costs.

Some 3,000 more of these towers or base transceiver stations (BTS) need to be built nationwide by the end of next year so that mobile phones can be used in all populated areas nationwide (including Sabah and Sarawak), a ministry official said yesterday.

"Asiaspace is currently the only one mandated to build the towers as it is the only one willing to assume this role so far, but others may be appointed later," the ministry official said.

Aside from the 3,000 (ground) towers mentioned, the official said "thousands" of smaller roof-top types of BTS need to be installed to rectify coverage problems where transmission is thwarted by buildings or huge structures. It is learnt that over RM10,000 in rental per month can be charged for an average tower, with the cost substantially lowered if towers are rented by more operators.

Leo Moggie also told the MCMC to overcome "teething problems" on poor network coverage, such as hastening implementation of the Government's domestic roaming initiative.

Domestic roaming is similar to international roaming services but more difficult as collaboration has to be with a rival.

In theory, domestic roaming allows a DiGi.com Bhd (016) or Maxis Communications Bhd (012) subscriber to make and receive phone calls in an area where only Celcom (M) Bhd (019) has network coverage, for instance.

"The Government views with great concern the quality, availability and efficiency of communications services in the country, as it is seen as a major factor in enhancing global competitiveness in the knowledge era.

The ultimate goal for the industry is to contribute towards the enhancement of overall national competitiveness," Leo Moggie told industry players.

Broadband and Voice over Internet Protocol (VoIP) players NasionCom Sdn Bhd (formerly High-Tech Electronics Sdn Bhd) and Sapura Holdings Sdn Bhd are among the 21 companies with NFP licences. Other companies currently operating over 200 towers throughout the country include Konsortium

Jaringan Selangor (Selangor), Tanjung Serbanika (Penang), MBI (Negeri Sembilan) and Infra Quest (Kelantan). It is uncertain whether these companies have an NFP licence.