

Where's the transparency in WiMAX rollout?

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MALAYSIA has become Southeast Asia's first country to commercially launch wireless high speed Internet services using WiMAX technology. WiMAX is the bigger brother to the WiFi technology, said to be able to cover bigger areas and provide faster speeds.

Being early with WiMAX is a good advantage for Malaysia as it's an added attraction to foreign investors and business travellers. But it also makes Malaysia a case study for others. In this regard, the example we're setting in implementing wireless Internet access leaves much to be desired. Since WiMAX licences were awarded in March 2008, the government has been pressing for a fast roll-out. There were repeated warnings from former Energy, Water and Communications Minister Datuk Shaziman Mansor.

"Frankly speaking, I am just waiting for whoever that can't deliver. I want to take the licence and give it to someone who is serious to roll out," Shaziman was quoted in news reports in August last year. Under the rules, players must commercially launch their service by the end of August 2008 and must cover 25 per cent of the population by the end of March 2009. No doubt, the final destination - to have a nationwide coverage of the wireless services - is the most important. But the short-term target has its purpose too. It allows the regulators to monitor the progress, making sure that the players are actually doing what they are supposed to do and not just hogging the spectrum.

When the government opened bids for the WiMAX spectrum, it expected detailed business plans from players. They must have plans on how they would use the spectrum, how to cover a quarter of the population in 2009, at least 40 per cent of the country by March 2011, and so forth. On top of that, regulator Malaysian Communications and Multimedia Commission (MCMC) has the right to take action against those who do not meet the targets. This includes imposing fines, taking back the performance bond of up to RM7.7 million, as well as revoking licences. While it is understood that all four players met the August 2008 deadline, not all met the March 2009 deadline.

So far, Packet One Networks (M) Sdn Bhd, Asiaspace Sdn Bhd and REDtone International Bhd said they have either achieved or are very close to achieving the March target. YTL e-Solutions Bhd on August 28 said it had launched services to selected businesses in the Bukit Bintang area. But it was only last Thursday that YTLE signed a deal with Samsung to start building its network.

It has been more than three weeks since the March deadline expired. So far, the government or the regulator has yet to announce who have met the target. More importantly, what kind of action it plans to take against those who do not meet the requirement? It can be a simple one like a warning letter, or a fine. Authorities can also decide not to take any action against them. The bottom line is a decision must be made, and the decision, plus the reason for it, should be communicated clearly. Based on what has happened so far, one could fairly assume that the authorities are being lenient. This is understandable. After all, WiMAX is a fairly new technology and industry players need time to understand its true capabilities. There is also the economic slowdown factor to consider.

But this is just a guess. Maybe warning letters have been sent, fines have been slapped, exemptions have been given. The truth is the public doesn't know and they will just have to assume and speculate what is going on behind the scenes. If this is left unchecked, it could build a negative perception against the authorities.

Malaysia's effort to take the lead in technology will be a case study for many countries keen to have WiMAX. Let's hope it turns out to be a study of success.

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