

**ADDRESS BY THE EXECUTIVE VICE-CHAIRMAN/CEO,
NIGERIAN COMMUNICATIONS COMMISSION AT THE
PUBLIC INQUIRY ON QUALITY OF SERVICE REGULATIONS
AND TECHNICAL STANDARDS FOR INTERCONNECTIVITY
OF NETWORKS HELD ON 11TH DAY OF FEBRUARY, 2009**

All Protocols observed.

It is my pleasure to once again welcome you all to this Public Inquiry organized by the Nigerian Communications Commission.

This Inquiry as you are aware is one of the requirements of the rule making process of the Commission, where the industry and other stakeholders gather and consult for the purpose of issuing Regulations and relevant Guidelines in accordance with Section 71 of the Nigerian Communications Act, and, to give full force and effect to the provisions of the said Act.

Our focus for 2009 is to administer and monitor closely a Performance Management Program to ensure that operating companies maintain minimum performance levels jointly agreed between the GSM operators, consumer representatives and the NCC, and, consistent with world class standards. This will take the form of

- Monthly self-reporting on a limited set of critical performance metrics
- Such metrics will be based on actual recorded measurements of performance on the networks rather than user perception
- Penalty scheme based on level of non-compliance and persistent month-over-month non-compliance and/or non-compliance resulting from promotional activity or new product introduction

- Promotions or new service introductions must be discontinued within 1 month if they result in performance degradation below benchmark levels. Such promotions may subsequently be re-introduced but further degradation will be treated as persistent non-compliance for purpose of determining applicable penalties
- Reports will be due to NCC within 15 days of month-end, otherwise penalty will be applied for each day metric report is delayed; also penalties will apply for erroneous reports
- Reports will be maintained as public records and published on NCC web site
- Exception criteria to performance compliance will be pre-defined with specific reporting guidelines e.g. cable cuts, generator theft, security situations, etc.

Following this inquiry, NCC will publish performance management guidelines to industry with notice to fully implement within 90 days

GSM QoS: Broad Issues

Early in 2008, the Nigerian press was flooded with news reports about the poor performance of the nation's telecom networks especially. Things became so bad that the NCC imposed sanctions on some of the carriers and Senate and House of Representatives hearings were held on the issue. The question started being asked as to whether Nigerians are now hostage to an industry largely driven by major investors known for high tariff rates and poor service. However, while it is right to ask questions such as this, the Nigerian public requires more understanding of the dynamics of the industry in order to better understand why the current situation exists and provide meaningful input to guide the future development of this critical sector of our economy which is yet in its infancy.

Indeed, we should start with the direct drivers of the Quality of Service of our communications networks before addressing the macro issues affecting the industry at large.

On the congestion side, the extremely high market demand has resulted in the networks being in a constant mode of expansion and barely able to keep up with the demand i.e. congestion. Unlike wire-line telephones which have specific lines (copper wires) dedicated to each user, thus securing each user's access to the network, cellular telephone networks share radio frequencies and if not properly engineered and continuously monitored and optimized could easily sign on a lot more subscribers, who attempt to make a lot more calls of longer duration or more capacity i.e. Internet browsing, thus congesting the networks and degrading performance for all subscribers. This kind of congestion was also experienced on wire-line networks in the United States in the late 1990s with the Internet explosion, however the congestion was more easily and quickly resolved since it occurred on the shared resources of the wire-line networks which are concentrated in aggregation sites and transmission facilities on the network. While resolving congestion on our communication networks may also involve shared resources such as switches etc., it typically requires adding more capacity at cell sites shared by subscribers trying to access or complete calls on the network which is a more distributed and complex problem to resolve.

Congestion is further worsened because since Nigeria is a huge market still in its emerging phases, and extremely competitive with each of the operators investing heavily to continue to build out their networks, the operators are likewise motivated to quickly earn high returns on their investment by introducing new services and promotions to secure the most subscribers and call minutes or revenue on their network. There have been instances where actions to launch new services or promote services to new subscribers have progressed without the operators fully

considering or planning for the QoS impact. This is a situation that needs to be stopped. Current proposals from the NCC will likely result in a performance management program that ensures that operators better plan and manage their promotional activity to limit adverse impact on network performance and subscribers.

Of course the implication of this is that technology has its limitations, some impacted by network demand (congestion) and other external influences such as power, weather etc., but still the operators can do better than recently and they need not compound the problem by better managing their promotions and new product introductions. If they can successfully operate these networks they can definitely have the resources to address these QoS problems more effectively.

We thank those operators who have already sent in constructive submissions, comments and inputs and assure you that these submissions and those that will be presented here today will be taken into consideration in finalizing the Regulations.

You are once more welcome and I wish you happy deliberations. On this note, I declare the Public Inquiry open and thank you for attending.

ENGR. E. C. A. NDUKWE (OFR)
February 11, 2009