

TELECOMMUNICATIONS WORKSHOP

NICON HILTON, ABUJA

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REGULATION

NIGERIAN CHALLENGES & DIRECTION



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BACKGROUND

- Country of Enormous Potential
- Land Mass of 923,768.64 sq km
- Population of over 120m people
- Vast Reserves of Oil & Gas
- Vast arable land
- Active & Vast Informal Sector

BACKGROUND Contd

- Low GDP
- Low Performing infrastructure & Utility sectors
- Government Control of Infrastructures
- Populace not used to paying bills

BACKGROUND Contd

- Defective Capital Structure
- Low Capitalization of Banks & Financial Institutions
- Absence of Credit Agencies
- Lack of long term funds
- High Interest rates

BACKGROUND – TELECOM SECTOR

- Government Control up till 2001
- Weak Infrastructure base
- Huge unmet demand
- Lines concentrated mostly in selected urban centres
- Slow growth of Subscriber base
- Limited investment into the Sector till 2001

NEED SECTOR REFORM

- To improve services
- Eradicate misuse of monopoly powers
- Attract local & foreign investment
- Encourage innovation and introduce advanced services
- Generate government revenues
- Increase sector efficiency through competition

NEED SECTOR REFORM Contd

- Enhanced value to consumers through improved range and pricing of services
- Extend services to underserved and unserved areas

ROLE OF THE NATIONAL REGULATORY AGENCY (NRA) IN EMERGING MARKET

- Drive telecom sector reform by;
 - Promoting market liberalisation
 - Licensing of competitive operators
 - Introducing and maintaining transparent regulatory processes
 - Attract investment
 - Protecting new entrants from dominant operators and consumer rights and interests
 - Encouraging new and advanced services

MARKET LIBERALISATION

- Must come with good Regulatory Framework
- Without Rules no game can be played fairly thus need for:
 - Sensible set of rules
 - Authority to enforce rules

CHALLENGES

LEGACY ISSUES

- Weak Infrastructure base
- Unusually huge demand for services due to inefficiencies of the past
- Spectrum Planning & Allocation problems
- Enabling Laws and Regulations limitations
- Unreliable Electric power supply

CHALLENGES Contd

CURRENT

- Interconnectivity
- Tariff Regulation
- Effective Competition
- Monitoring & Compliance
- Managing Consumer expectation
- Consumer Education
- Institutional Strengthening

LANDMARKS

Progress since advent of democratic governance

- Successful Licensing of Four Digital Mobile Operators
- Licensing of Fixed Wireless Access (FWA) Operators
- Licensing of Second National Operator
- Licensing of two Long Distance Operators

LANDMARKS Contd

- Licensing of Incumbent Operator – Nitel
- Improvement in Spectrum Management
- New Communications Act
- New Regulations on Interconnection
- Two million new subscriber lines in less than two years

LANDMARKS Contd

- Landmark resolution of interconnect disputes
- Establishment of Consumer Affairs Bureau
- Institutionalised transparency in licensing process and resource allocation
- Regular consultations with industry as a standard policy
- Independence of the Regulator

FUTURE DIRECTION

LICENSING

- Licensing as gateway to market
- Process now being reviewed to
 - Avoid imposing costly obligations on licensees
 - Progressively withdraw anti - competitive restrictions
 - Introduce general authorisations/class licenses for certain range of services

FUTURE DIRECTION Contd

INTERCONNECTION

- Putting into force and implementing recently enacted Interconnection Regulations and Guidelines
- Finalise study on determination of costs of ex-ante regulated interconnection services on the basis of international benchmarking
- Market analysis and identification of Dominant Operators in various market segments
- Commitment to non discrimination, transparency and cost orientation

FUTURE DIRECTION Contd

TARIFF REGULATION

Tariff regulation to continue on the basis of Price Cap regulation to ensure;

- Reduced regulatory lag and ensure timely price adjustment
- Better incentives for efficient services

FUTURE DIRECTION Contd

SPECTRUM MANAGEMENT

- New policy, regulations and guidelines to be published soon for the use of frequencies
- Policy to ensure optimal utilization of scarce spectrum resources
- Equipment being procured to upgrade existing capacity for spectrum monitoring

FUTURE DIRECTION Contd

LEGAL

- New Communications Act soon to replace NCC Act
- Development of Dispute Resolution mechanisms for handling operator to operator and operator to consumer disagreements
- Develop and enact new regulation on enforcement
- Draft and publish public consultation documents

FUTURE DIRECTION Contd

CONSUMER AFFAIRS/QUALITY OF SERVICE

- Set up automated call centers
- Monitor and investigate manner in which operators handle consumer complaints and sanction erring operators
- Encourage industry self regulation by definition of codes
- Elaborate and publish concepts to monitor and report QoS indicators
- Finalise and publish conditions to be included in subscriber contracts with operators after due consultations

FUTURE DIRECTION Contd

UNIVERSAL SERVICE PROVISION

- Setting up of Universal Service Provision Fund in line with the new Act
- Pursue implementation of Wire Nigeria (WiN) Project. To provide Fibre-optic transmission infrastructure to all parts of the country no matter how remote
- Implement Rural Pilot Projects
- Support initiatives to provide access to schools nationwide

FUTURE DIRECTION Contd

INSTITUTIONAL

- To implement all these requires an even stronger Regulatory institution
- NCC now implementing a new structure
- Staff being trained and retrained locally and internationally
- New Telecom Institute to be operational before end 2003
- Published Strategic Management Plan for 2003
- New regional offices to be created soon

FUTURE DIRECTION Contd

INSTITUTIONAL

- Address the issue of convergence of telecommunications with broadcasting and IT/internet
- Continue the regional integration initiative through WATRA and ECOWAS

CONCLUSION


OUR MISSION

To support a market driven telecommunication Industry and promote universal access.

We will achieve this through the consistent enforcement of clear and fair policies that protect stakeholders, ensure efficient resource management, share industry best practices and deliver affordable, quality telecom services.

CONCLUSION

More than 200 years ago, the Industrial Revolution had a profound impact on the global Economy. Today the Information revolution is having worldwide impact of even greater dimensions. **NCC is privileged to be the lead Agency for ensuring that Nigeria is an Information enabled society.** Our ultimate goal is to ensure that this is achieved within the shortest Possible time.

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At NCC we are focused on this goal and that is the ultimate guide for our future direction.

Thank you and God bless.

Ernest C.A. Ndukwe, OFR, FNSE, FNIM