

**ADDRESS BY THE
EXECUTIVE VICE-CHAIRMAN OF
THE NIGERIAN COMMUNICATIONS
COMMISSION**

ENGR. ERNEST C. A. NDUKWE

**TO THE
CONSULTATIVE WORKSHOP ON
RURAL TELECOMS STRATEGY**

18TH AUGUST 2003

The Honourable Minister of Communications, Chief
Cornelius Adebayo,

Distinguished Senators,

Honorable members of the House of Representatives,

Your Excellencies,

Captains of the Telecom Industry,

Collaborating Agencies,

Distinguished ladies and gentlemen.

Introduction

It is my pleasure to welcome you to this Consultative Workshop on Rural Communications Strategy and the development of Pilot Projects for Nigeria.

The Nigerian Communications Commission, in her usual practice of consensus building in arriving at major decisions that will have impact on the industry, have brought here today those stakeholders who will help in shaping the course of plans that will increase telecommunication services provision to the generality of Nigerians. The workshop is a follow up to an earlier one held in December 2000 immediately after the launch of the National Telecommunication Policy (NTP) in September of 2000.

Since the last workshop on Rural Telecommunication Development major reforms have taken place within the industry such that as at today the Nigerian Telecommunication industry is placed amongst the fastest growing in the World. The need for these reforms were borne out of the desire to improve services, eradicate misuse of monopoly powers, attract local & foreign investment, encourage innovation & introduction of advanced services, increase sector efficiency through competition, enhance value to consumers through improved range & pricing of services and extend services to underserved and unserved areas.

Achievement since 2000

Some of the landmark initiatives aimed at promoting availability and access to telecommunication services in Nigeria since the workshop on rural telecommunication developments in 2000 includes:

1. Successful licensing of four digital mobile operators
2. Licensing of fixed wireless access (FWA) operators
3. Licensing of the second national carrier
4. Licensing of two long distance operators
5. Licensing of incumbent operator
6. NCC now responsible for telecommunication spectrum management
7. New regulation on interconnection
8. Two million new mobile subscribers lines in less than two years
9. Establishment of Consumer Affairs Bureau
10. New communications act

Rural Telecommunication Scenarios

Inspite of all these land marks and milestone achievements in the last couple of years, the country still could be considered to have a low telecommunication service penetration. In addition to the low teledensity in the country, studies of the distribution of telecommunications facilities in Nigeria today reveals substantial disparities between rural and urban areas.

Infact, it is true that there are many citizens of this nation especially in the rural areas, who have not seen, talk less of use of a telephone. Most operators have shied away from deploying capacities to the rural areas because they are considered unprofitable.

Efforts of NITEL in the past to address some rural telecommunication requirements have not been sufficiently felt in most rural communities. Consequently, the need for a solution becomes very imperative.

We recognise that one of the keys to stimulating the development of productive enterprise in rural areas is the provision of basic infrastructures including telecommunications. In today's digital world, technology is driving the new world economy, but unfortunately not everyone is benefiting. There is a growing split or digital divide, which breaks down along national, economic, geographic and community lines. People, businesses and whole Communities without easy access to information technologies like Internet are being left behind in the fast paced new economy.

As we race to exceed the ITU recommended teledensity of 1 telephone to 100 inhabitants in Nigeria and launch the nation among the information rich economies of the world in the next few years, the issue of the low penetration of telecommunications in the rural areas has to be squarely addressed.

NCC Initiatives to Resolve the Digital Divide

In recognition of the aforementioned problems and in a bid to play its role as outlined in the National Telecomm Policy and the Communication act, the NCC is taking this initiative that is aimed at developing a universal access and rural telecommunication strategy and designing pilot projects as a first step in bringing telecommunication services to institutions, underserved and unserved groups within communities.

Several strategic initiatives were highlighted in the National Telecom Policy, which include the following;

- ✓ Open market in underserved areas.
- ✓ Establishment of universal service fund.
- ✓ Competitive license bidding based on investment commitments.
- ✓ Franchise minimum rollout obligations.
- ✓ Community Telecentre development projects.
- ✓ Public - private financing of infrastructure construction projects.
- ✓ Cross - sector investment and development projects.

In cognizance of this responsibility, the Commission began to take steps towards the articulation of programme that could possibly address these issues. One of such initiatives is this forum that has brought all of us here today. This is to ensure that all stakeholders are carried along in

articulating a strategy that will lead to the development of viable rural telecommunication initiative.

NCC has been in the forefront of ensuring that telecommunication services get to rural communities. We have at various times worked and collaborated with several agencies both Local and International such as USAID, GBF, CBO's and National Telephone Co-operative Association (NTCA) in a bid to address these unhealthy scenarios of urban and rural divide. The major objective of our collaboration with these agencies on Rural Telecommunications initiative was to draw from their wealth of experience, knowledge and expertise and to distill from them, best practices that are adaptable to Nigeria. We have also organized several workshops where issues considered necessary to the successful implementation of a viable rural telecommunications strategy were deliberated upon.

To ventilate the conclusions reached at our previous workshops and to move forward the issue of designing a rural telecommunication strategy for Nigeria, this project titled 'Development of a Rural Communications Strategy and the Preparation of Tender Document for the Implementation of the Award of Licenses for Pilot Projects' was contracted to Intelcon Research and Consultancy Ltd in collaboration with some local consultants. It is made up of four tasks namely,

1. Design of pilot projects;
2. Demand Study ;
3. Design of bidding process for the award of licenses for pilot projects;
and
4. Implementation of the award of licenses for the pilot projects.

I will not bother you with the details of the various “tasks” as the consultants will be doing that later. However, work has been completed on task 1, task 2 is being finalized and work on task 3 has just commenced. It is now time to take decision on the way forward. That is the reason why we are all gathered here today.

Conclusion

This workshop could not have come at a more auspicious time than now that a new Communications Act has been signed into law with an emphasis on universal service provision and the establishment of a universal services provision fund. The new Act provides that “the commission shall consider, design, and determine a system which shall promote the widespread availability and usage of network services and applications services throughout Nigeria by encouraging the installation of network services and applications services to institutions and in unserved, underserved areas or underserved groups within the community”. The terms of reference of

current consultancy assignments seem well in line with the objectives of the USP.

We are here to present to you the findings of the consultants and showcase the strategies being recommended for your critique, comments and review. We are confident that contributions at this workshop will be rich and will help in articulating the strategy for Universal Service Provision for Nigeria.

Thank you.
August 18, 2003