

# **Current Assessment of the Nigerian Telecommunications Industry**

## **Most Significant Milestones since 1999**

- Regulatory Reforms
  - Reorganisation of NCC
  - Reform of Licensing processes
  - Frequency Spectrum Reforms
  - Licensing and regulation of NITEL
- Deepening of Investment and Competition
  - Digital Mobile Licence Auction
  - Second National Licence Bid
  - Fixed Wireless Access Licensing process
  - Licensing and regulation of NITEL

## **Major Outstanding Challenges**

- Legal Reforms and Preparation of Regulations
- Telephony Penetration and provision of diversified communications services
- Quality of Service and provision of services at affordable prices
- Regulatory monitoring and enforcement

## **Most Significant Legal Reform: Communications Act**

- National Assembly passed harmonised Communications Act in May 2003 which was assented to by the President and gazetted.
- Key emphasis is on regulatory and licensing transparency.
- Significant provisions in the Act include the following
  - Licensing provisions
    - Individual and Class Licences
    - All-inclusive Licence provisions
  - Defined responsibilities between NCC and Ministry of Communications
  - Well defined Powers and Procedures of and for the Commission
    - Provides certainty for stakeholders; and
    - Empowers NCC to carry out its functions
  - Encouragement of convergence
  - Economic Regulation
    - General Competition Practices
    - Interconnection and Access

- Consumer Affairs
  - Consumer Protection and Quality of Service
  - Tariff Rate Regulation
  - Universal Service Provision
- Technical Regulation
  - Spectrum Assignment
  - Numbering and Electronic Addressing
  - Technical Standards
- The two major outstandings are
  - Publication of follow-up Regulations; and
  - Regulatory monitoring and enforcement

### **NCC 5-year Strategic Management Plan 2003-2007**

- Objectives (in the words of NCC):
  - “Addressing the issues of service provision, quality and grade of service and management of a competitive market environment”;
  - Pursuit of “market driven approach to the further introduction of competition, management of limited resources . . . And ensuring that consumers are adequately protected from illegal and/or unscrupulous suppliers”;
  - Enabling the creation of an information rich and communications technology based economy;
  - Facilitating the evolution of a seamless national network and optimised telecommunications infrastructure
- SMP is divided into seven broad Goals:
  - Promote market entry and competition in the telecommunications sector
  - Establish an effective and efficient Enforcement Mechanism and ensure consumer protection
  - Ensure optimal utilisation of spectrum
  - Ensure standards for telecommunications services that are comparable to ITU recommendations and other relevant standards
  - Promote Universal Access and Rural Services
  - Promote cooperation with other Government agencies, local community, private sector and international organisations
  - Establish an effective and efficient organisational framework to increase regulatory capacity.
- Common Threads in the Goals include
  - Constant and repeated emphasis on transparency and transparent practices
    - Publication of activities
    - Conduct of opinion poll
  - Measurable targets and milestones

- Consultative and feedback regulatory processes
  - Consumer is made central to the SMP
  - Institution of constant public enlightenment and education
  - Industry self-regulation
- Required Complements
  - Legal Framework and publication of Regulations
  - Staffing and education
  - Cooperation of stakeholders particularly in regard to
    - Transparency; and
    - Industry statistics for measuring success of SMP
  - Statistics and reliable data. Issues to address include
    - Confidentiality of statistics; and
    - Enforceable processes