

# African telecoms client newsletter

The African telecoms client newsletter brings you the key regulatory and legal developments in the telecoms sector across Africa.

This issue focuses on the September-November period, which saw the announcement of plans for the auction of 4G licences in Morocco, the postponement of Nigeria's 2.6Ghz auction, and Viettel winning a 3G Licence in Tanzania.

## Northern Africa

### Algeria

#### **Algerie Telecom installs fibre-optic cabling to remote areas**

The website Agence Ecofin [reported](#) on 6 October 2014 that *Algerie Telecom* successfully installed 304 km of fibre-optic cabling across the province of Bechar. The fibre-optic cabling now reaches remote regions of the province including Bchir, El-Bayadha, Hassi Menounat, Lahmar, Mougheul, Mrija, Ougarta, Tabelbella and Zaghmra. The purpose of the extended reach is to improve telecoms services for the growing population in each of these locations. In addition, Algerie Telecom is deploying, via Mobilis, 44 base transceiver stations in Bechar. Mobilis, one of Algerie Telecom's subsidiaries, is responsible for mobile operations in the region. The introduction of more base transceiver stations to improve mobile communications in Bechar is in line with Mobilis's overall efforts to launch 3G services in 16 provinces by the end of the year.

### Morocco

#### **ANRT launches auction for 4G mobile licences**

The news agency Reuters [reported](#) that *Agence Nationale de Réglementation de Télécommunications* (ANRT) unveiled plans for an auction of 4G Long-Term Evolution (LTE) mobile licences on 10 November 2014. Preparations for the 4G licensing process began in 2012 when ANRT

had initially wanted to launch a tender to select an appropriate adviser. Plans for the distribution of 4G LTE mobile licences had originally been for early 2013, but were frequently pushed back. Morocco is seeking to increase internal access to the internet for its mobile phone users and 8 million Internet subscribers as at September 2014. ANRT gave further information on the auction and the procedure to telecommunication operators at the launch.

### Tunisia

#### **INTT releases report on fixed number portability**

On 28 October 2014 *l'Instance Nationale des Télécommunications de Tunisie* (INTT) [released](#) the findings of an expert report on the suitability of *Tunisie Telecom* to support fixed number portability and the most practical cost solutions to achieve that. *Tunisie Telecom*, the incumbent telecom operator in Tunisia, currently has two types of infrastructure for its fixed network. The first is the traditional time-division multiplexing (TDM) architecture mostly used for digital signals. The second is next-generation network (NGN) architecture based on Multi-Service Access Node (MSAN) equipment.

The report indicates that *Tunisie Telecom* does not require any new equipment to support fixed number portability with its current infrastructure. As such, the telecom operator will be able to support fixed number portability without having to upgrade its existing networks. There would be no new costs for equipment. However, there would be the costs of training personnel to operate and implement the service, preparing technical procedures and general support. The total cost is estimated to be 140,000 Tunisian dinars.

## Western Africa

### Cameroon

#### Government allocates fourth mobile licence

Cameroon's Minister of Posts and Telecommunications, Jean-Pierre Biyiti bi Essam, [allocated](#) the state's fourth mobile licence on 26 September 2014 to the public telecommunications operator Camtel. The operating agreement was signed in Yaounde, and the licence is for a period of 15 years. The incumbent fixed telecommunications operator entered a market that had three companies: MTN Cameroon, Orange and Viettel Cameroon SA. As such, the once private market has now been opened up to a public company which already has a monopoly over the operation of fibre-optic networks. However, the increase in competition in the mobile sector is expected to reduce prices for consumers.

### Côte d'Ivoire

#### ARCTI releases decision on cost accounting for telecommunications operators

The *Autorité de Régulation des Télécommunications/TIC de Côte d'Ivoire* (ARCTI), the telecommunications regulator in Côte d'Ivoire, [released](#) a decision on 26 September 2014 defining the guidelines for the implementation of cost accounting by operators of telecommunications. The relevant operators and service providers must comply with the guidelines as set out under the decision. In addition, ARCTI will appoint an independent auditing body in charge of validating all regulatory restitution for the relevant compliance periods.

The guidelines indicate how the valuation of annual costs and assets are to be determined. At the same time, the cost accounting system set out requires operators to keep detailed records, costs, revenues and capital invested for each activity undertaken by the telecommunications operators. The information must then be provided to ARCTI which will ensure the rates charged by operators are consistent. The decision establishes that the accounting standard to be used is the International Financial Reports Standards ("IFRS") for the production of statutory accounts.

### Ghana

#### Ghana consults on award of MVNO and other licences

The National Communications Authority (NCA) has invited applications from Ghanaian companies for a [licence](#) to

establish and operate a mobile virtual network (MVNO) in Ghana. The NCA invites comments and views on the Eligibility Criteria, Scope and Conditions of the Licence, and the Selection Process outlined in this document. Comments are required by 8th December, 2014, and should be sent electronically as e-mail attachments, in Microsoft word format to [mvnolconsultation@nca.org.gh](mailto:mvnolconsultation@nca.org.gh). The NCA has also invited applications for a [licence](#) to establish and operate International Wholesale Carrier Services in Ghana, and a [licence](#) to provide services including fixed telephony, broadband and other value-added services. Comments on the eligibility criteria, scope and conditions of the licence, and selection process for both these additional licences, should be sent to [iwclconsultation@nca.org.gh](mailto:iwclconsultation@nca.org.gh) and [uaslconsultation@nca.org.gh](mailto:uaslconsultation@nca.org.gh) respectively by 8 December 2014.

### Nigeria

#### NCC postpones 2.6 GHz auction

The Nigerian Communications Commission (NCC) [announced](#) on 13 November 2014 that it was postponing the 2.6 GHz band spectrum auction until further notice. According to the announcement, the postponement is to enable the conclusion of all administrative requirements aimed at ensuring that the Frequency Licences are delivered to winners, and be effective immediately on conclusion, of the Auction.

### Togo

#### ART&P release report on communication market trends

Togo's *Autorité de Réglementation des Secteurs de Postes et Télécommunications* (ART&P) [released](#) a report on 24 October 2014 on the market trends of communications in the second quarter of 2014.

There were approximately 4.4 million subscribers to the mobile telephony market, which represented a 2.61% growth rate from the first quarter of 2014. The growth rate has decreased as compared with the same time period in 2013, when it was 5.79%. Concurrently, the number of fixed telephony subscribers fell from 64,493 to 50,266 from the first quarter of 2013 to the first quarter of 2014, respectfully. There was a slight increase of 0.7% from the first quarter of 2014 to the second quarter of 2014, but this was not substantial. However, internet subscribers did increase in the first quarter of 2014 by 5.7%, and in the second quarter of 2014 by 4.2%, as compared with the same time last year.

## Southern Africa

### Burundi

#### **MAN project commissioned for Bujumbura**

The news agency IT News Africa [reported](#) on 30 October 2014 that the Government of Burundi had commissioned Metropolitan Area Network (MAN) project installations for the capital city of Bujumbura. The Government is working in conjunction with both its Public Telecommunications Operator, *Office national des Télécommunications du Burundi* (Onatel), as well as Huawei, a Chinese multinational networking and telecommunications equipment and services company. The involvement of Huawei originates from the grant given by the Government of the People's Republic of China to the people of Burundi for the MAN project.

The MAN is a network of fibre-optics distributed across a metropolitan area for the provision of, among others, telecoms, internet and television services. The project in Bujumbura aims to implement the basic infrastructure to connect government institutions and provide broadband connectivity to buildings such as parliament, the senate, courts, and hospitals. The ultimate aim of the project is to reduce administrative processes and operational costs, thereby improving the delivery of services to individuals and businesses. The main areas that will be affected by the improvements will likely be government communication systems, the national data centre, national ID management, the public finance management system, and human resource management.

### South Africa

#### **Nashua Mobile subscriber sales approved**

The Competition Tribunal of South Africa has approved several 'mergers' which will see [Vodacom South Africa](#), [Altech Autopage](#), and [MTN South Africa](#) take over the subscribers currently affiliated to mobile reseller Nashua Mobile. The parent company of Nashua Mobile, ICT group Reunert, agreed to sell its 750,000-strong subscriber base to the three companies and cease operations as it did not see a long-term future for the company in the South Africa market. Separately, the Competition Tribunal also approved the merger of [Dark Fibre Africa \(Pty\) Ltd](#) and [MCT Telecommunications \(Pty\)](#)

[Ltd](#), two companies involved in the fibre infrastructure market. Both companies are controlled or owned by Community Investment Ventures Holdings, and the merger will be undertaken by way of an intra-group share sale.

#### **ICASA consults on Draft Radio Frequency Spectrum Assignment Plan**

The Independent Communications Authority of South Africa is [consulting](#) on its Draft Radio Frequency Spectrum Assignment Plan (RFSAP). The plan seeks to specify the technical conditions on the use of frequency bands and is aimed at soliciting views from stakeholders on the Rules for Services operating in each frequency band. Following the publication of the draft plan on 14 November 2014, and following a number of requests from operators, ICASA has decided to extend the [closing date](#) for submissions on the published Draft Radio Frequency Spectrum Assignment Plan (RFSAP) to 28 January 2015.

#### **Cell C likely to challenge ICASA's final MTRs in court**

Cell C is planning a legal challenge to telecoms regulator ICASA's final decision relating to mobile termination rates (MTRs). On September 9th it issued a [press release](#) expressing its disappointment with the regulator's proposed termination rates and accused it of making 'a dramatic U-turn' by stating that 'the massive proposed reduction in asymmetry completely eliminates any pro-competitive remedy' and that the 'proposed regulations appear to be an acknowledgment by ICASA that the duopoly that exists in the South African market today is an acceptable state of affairs and will be allowed to continue'.

### Tanzania

#### **Viettel wins 3G Licence**

According to a [report](#) by Reuters, Tanzania has granted a licence to Vietnam-based telecoms operator Viettel to build a third-generation (3G) mobile phone network in the country. Viettel, which will compete with the four current operators, Vodacom Tanzania, Bharti Airtel, Tigo Tanzania and Zantel, is expected to launch its mobile services in July 2015.

### Uganda

On 1 October 2014 the Uganda Communications Commission (UCC) [announced](#) the appointment of new board members. The new commissioners are Eng. Dr Vincent Kasangaki (Chairman), Dr Nora Mulira, Dr Wardha Mummy Rajab-Gyagenda, Ms Evelyn Gloria Piloya, Ms

Jane Frances Anyango Kabbale, Mr William Byaruhanga, Eng. Charles Lwanga Auk and Eng. Godfrey Mutabazi.

## Zimbabwe

### Potraz releases frequency allocation plan

The Postal and Telecommunications Authority of Zimbabwe (Potraz) has ordered the country's mobile operators to slash tariffs by more than 30% from December this year. According to [Telegeography](#), call rates must be reduced from a maximum USD0.23 per minute to USD0.15 under a new long-run incremental cost (LRIC) pricing model implemented by the regulator.

### Regulator consults on mandating infrastructure sharing

POTRAZ is [consulting](#) on proposals for new regulations for infrastructure sharing in the telecommunications industry. POTRAZ's view is that network sharing may provide the panacea to the industry's challenges. However, it wants stakeholders and the public feel to comment on issues such as whether active infrastructure sharing should be encouraged, if site/tower, backhaul, duct sharing should be mandatory in both rural and urban areas; and if Mobile Virtual Network Operators (MVNOs) should be licensed as a viable option to encourage active infrastructure sharing.

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