

Regulating Telecom in a Converged ICT Market

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The Honourable Minister, Alhaji Dasuki Nakande,

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Gentlemen of the Press

Distinguished guests; Ladies; and Gentlemen.

Let me seize this opportunity to welcome you to this forum which is holding in the same month that Nigeria is commemorating the 7th Anniversary of what has come to be recognized as a telecom revolution. This forum therefore provides a platform to reflect where we are coming from and where we are going.

Convergence, which we have come to discuss today, is one of the key variables that underline and define the dynamic nature of the telecom environment. It is at the centre of every product and service in the industry.

Convergence is at the root of every telecom and ICT offering that makes sense to the consumer. From the very basic convergence that we experience in the use of basic mobile phone handsets to send text messages, take

photographs, play music, download information, to the sophisticated levels of linking your phone to computers and logging on to high definition television broadcasts on the Internet on broadband formats, convergence has become the common denominator.

In the not too distant past, convergence was only taken to the realm of relationship existing between the Broadcast and Information Communications Technology, ICT. Before then, convergence was being discussed from the point of relationship between telecom and computing. Today, convergence means all of the above and many more. It means a seamless offering of all the contents and needs of a typical ICT consumer in video, voice or data.

The very concept of Convergence is paradigm that shifts from the producer to the user. In this case, it is the user that demands what is going to converge as technology has made convergence possible in many facets. This is a pointer to the fact that convergence is market driven. The paradigm has shifted from the realm of manufacturers to the realm of the customer.

It becomes difficult to begin to define convergence in the ICT sector in the face of the dynamic changes that are taking place as such definition would be subject to different perspectives: technology, content, market competition, economics, regulation, applications among others. Whichever approach is adopted would only lead us to the fact that convergence has opened up a wide array of opportunities for business for content and product offering.

As the telecom regulator, the Nigerian Communications Commission is very keen and alert to issues and development around convergence. This is very

critical to us as we must move ahead of these developments if we must do our jobs properly.

Convergence has resulted in several regulatory decisions taken by the Commission. For instance, the adoption of the Unified Licensing regime recently was influenced by the dynamics of convergence as we discovered that as a result of increasing pace to convergence, some products that could be used for pure mobile services can also offer fixed services. So, if you compartmentalize these licenses, you will find that the cost effective deployment and usage of such services would be denied, not only to the operator but also to the consumers.

Last year, we also offered the 3G spectrum for a competitive bid after which some of the existing GSM operators won the licenses. The idea behind such offering was to enable both the operators and consumers of 3G services to benefit from the essence of convergence. You may have heard that one of the mobile operators, MTN, is today offering digital satellite television broadcast from DSTV to its customers. In that sense, telecommunications and broadcast are now converging. This is one of the typical examples of convergence. Convergence may have informed and contributed substantially to the plans by government to merge the telecom and broadcast regulatory institutions in the country for more effective regulation of the industry.

The Nigerian financial market is becoming a major beneficiary of the convergence being witnessed in the ICT sector. The increasing application of such customer desired financial transactions that eliminates the movement of cash is driven by convergence. Mobile banking, as we are now

experiencing in Nigeria are driven by possibilities offered by the convergence of telecom and ICT. SMS banking services ranging from debit, credit transaction alerts and salary alerts to buying prepaid units from the customers' bank account are all made possible on convergence platforms.

The challenges of convergence for the telecom regulator are multidimensional and touches in various that include content regulation, interconnection, access, spectrum management, collocation, quality of service among others. In considering the paradigm shift from local to global arena we are also confronted by the issue of service content.

Different countries have deployed different approaches to addressing the regulatory challenges as it uniquely expresses their market and national aspirations. The options include Convergence Regulation centering on the dynamics of the unification of IT, Telecommunications and Broadcasting; essentially, the trend has been to merge infrastructure and content regulation as the India's example shows in the formation of the Communications Commission of India (CCI). The CCI integrates infrastructure and content regulation in one institution. Similarly, OFCOM in the UK with authority over infrastructural and content issues was formed through the unification of five regulatory bodies.

The NCC recognizes that the challenge is not of managing or regulating communications convergence but of introducing and maintaining healthy competition in a rapidly converging communications environment. It also recognizes the need for greater collaborations among all stakeholders and

more consultations on policy and regulation as the main drivers of convergence.

At NCC, we are more interested in how convergence affects or benefits the consumer of telecommunications services. By focusing on service delivery and associated benefits to the consumer and the society, the Commission avoids regulating technologies. In that way, service becomes the focus of attention. In that way also, the Commission ensures that the maximum benefits of convergence are delivered to the Nigerian consumer.

This is one of the reasons why the Commission places emphasis on building the right capacity and skills that would be equipped to identify these essentials for the benefit of the consumer. As we have always said, the consumer is the main focus of our being and we see convergence from the point of view of the consumer.

Thank your for listening.

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