

ITU Workshop on Policy and Regulations for Newly Established Regulators in the Asia Pacific Region

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Licensing Telecommunication Services

**Afghanistan Telecom Regulatory
Authority (ATRA)**

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Country Profile

- Before 2001, Afghan Telecommunication Market was monopoly, Government was the only operator and regulator with poor telecom services totally 80,000 analog and digital telephone lines, geographically restricted in capital and two majeure cities.
- No internet services on that time.
- No any telecom law and regulation.

Country Profile ...

New Changes (2001)

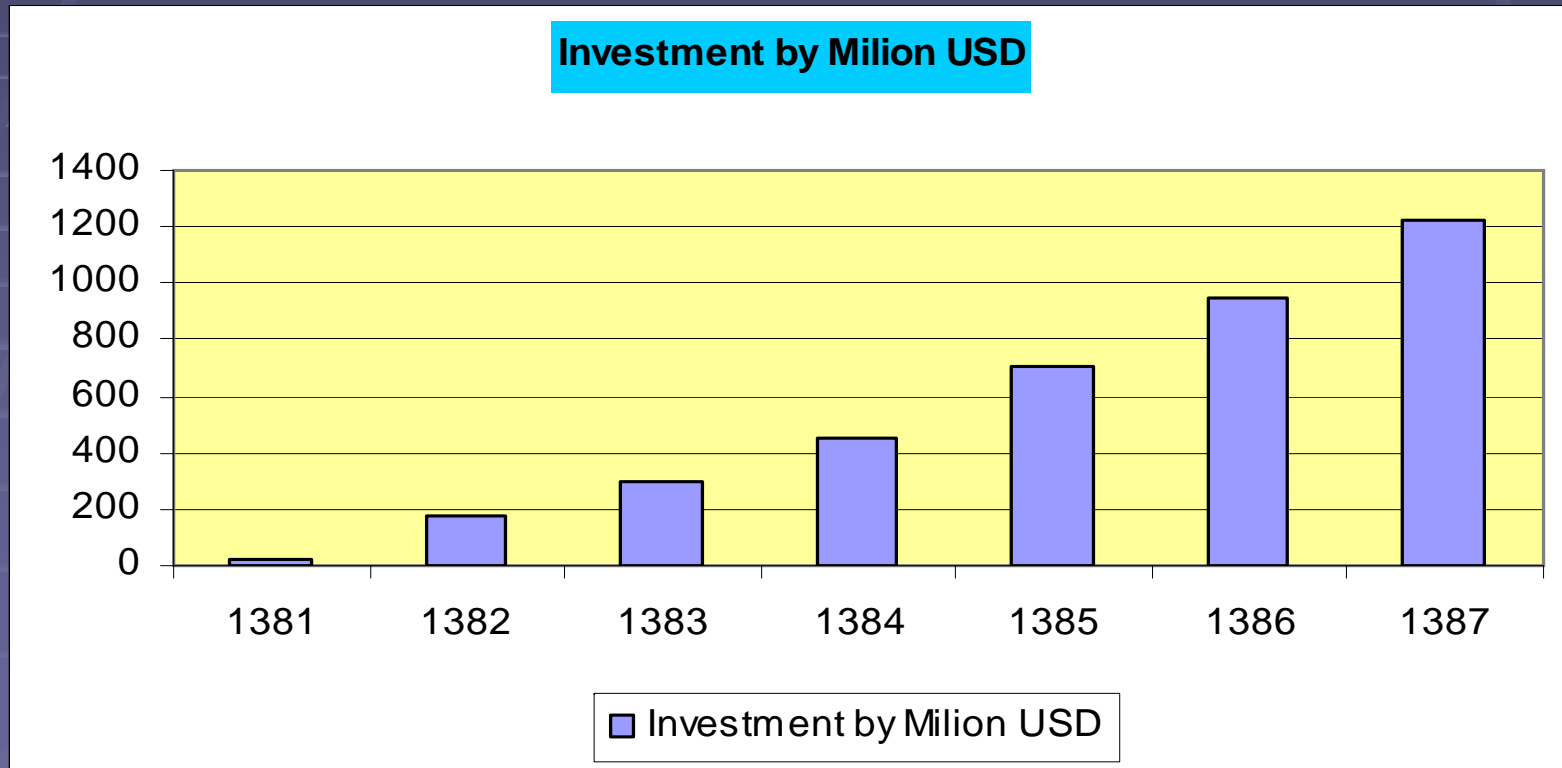
- Afghanistan New Constitution in 2002 (Market Based Economy)
- New Telecom Policy in 2002 with foreseeing Licensing Telecommunication Services and Private Sector Engagement in Telecom Market.
- Law on Telecom Services Regulation (2005) and Establishment Afghanistan Telecom Regulatory Authority (ATRA) as Independent Organization with responsibilities such as Telecom Market Monitoring and Control, Frequency Management and allocation, TDF Administration and use, Licensing and etc.

Present Situation

- National GSM licenses (4)
- National Unified License (Afghan Telecom, State owned corporation)
- LFSP Licensing Regime (2)
- ISP services in monopoly situation
- ISP licensing (28 Internet Services Providers ISP)

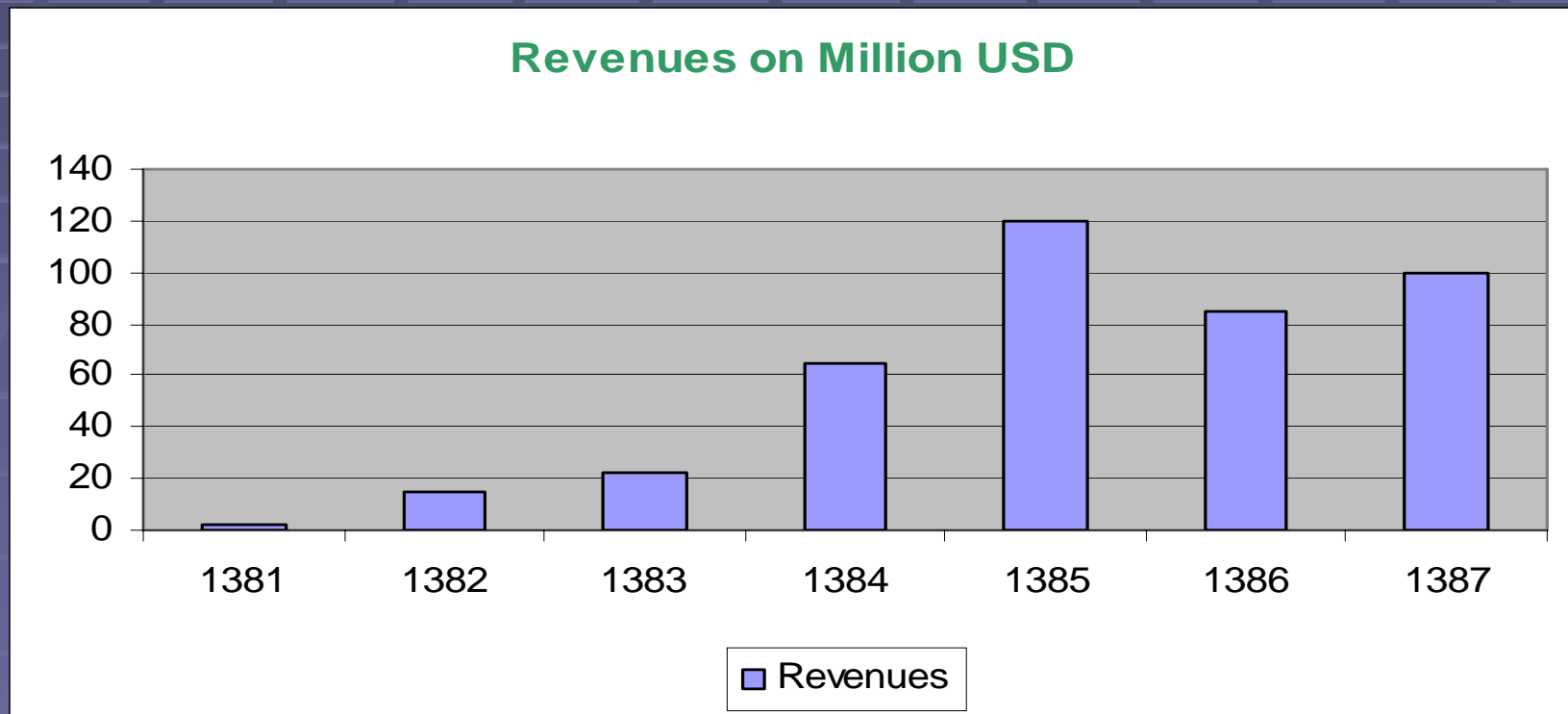
Telecom Facts

Investment in Telecom Sector



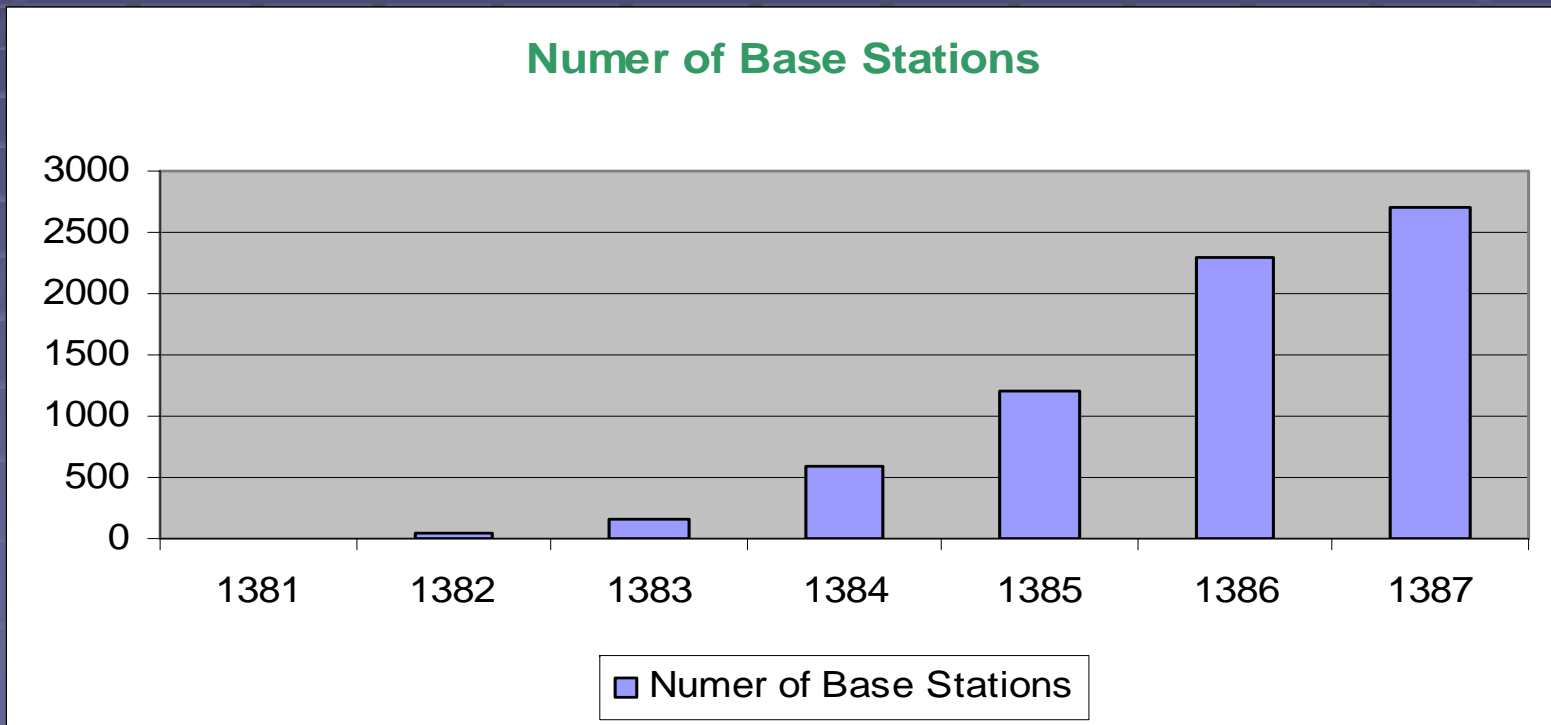
Telecom Facts

Revenues to Government from Telecom Sector



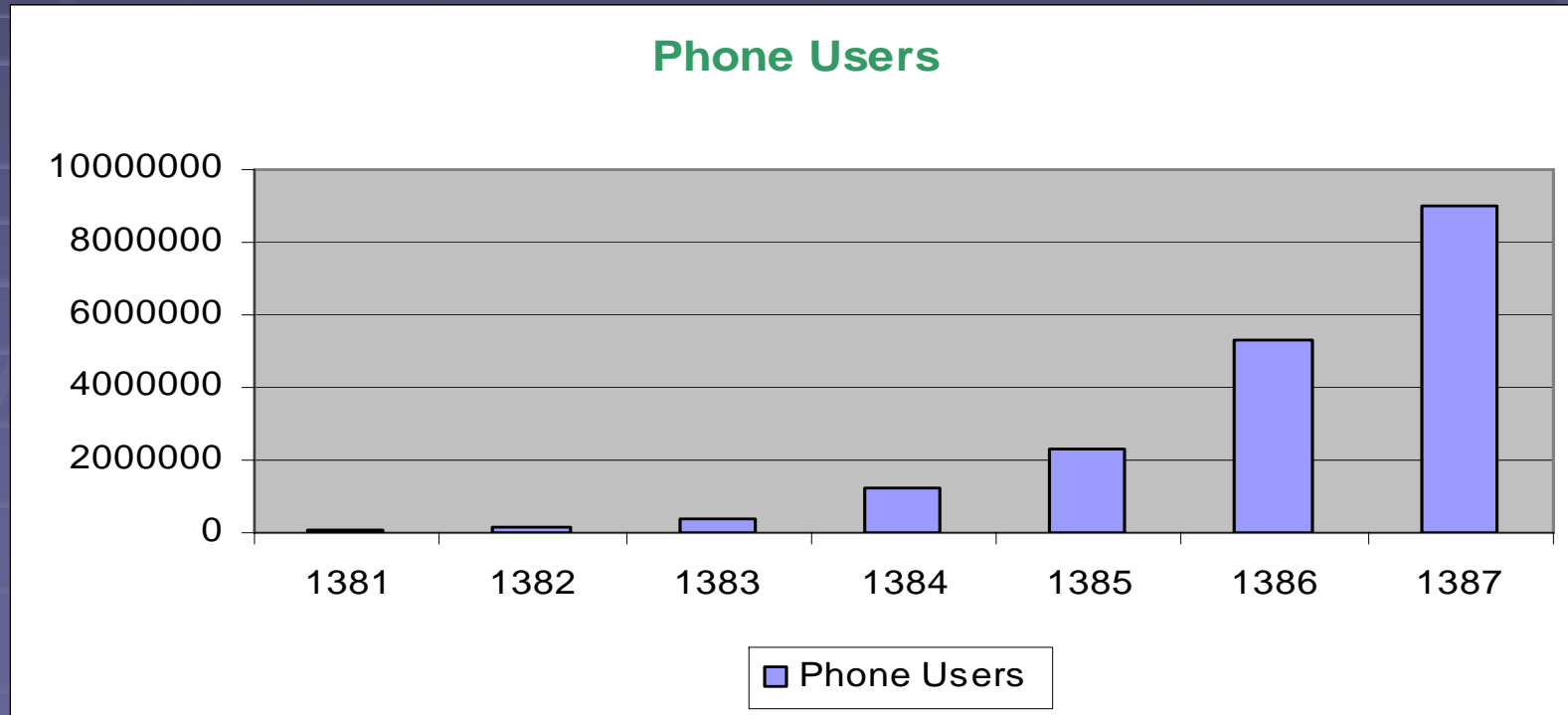
Telecom Facts

Number of Base Stations



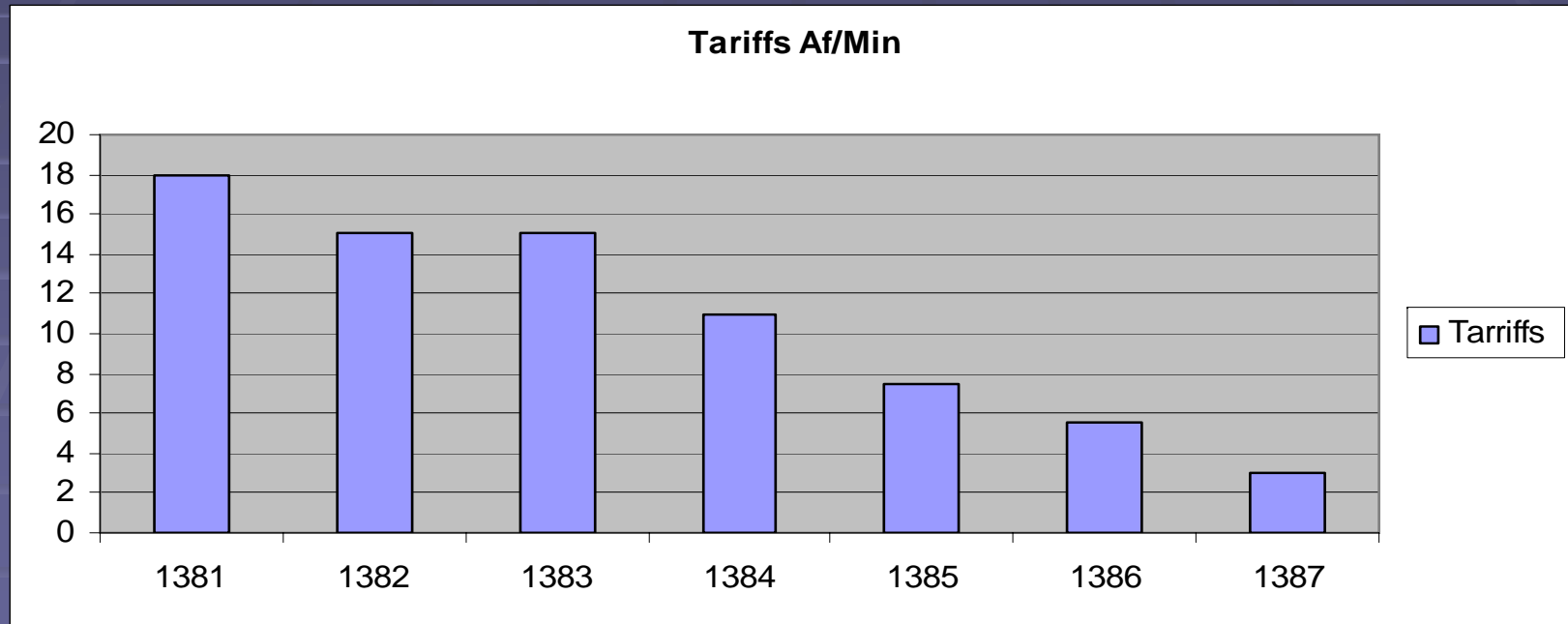
Telecom Facts

Number of Phone Users



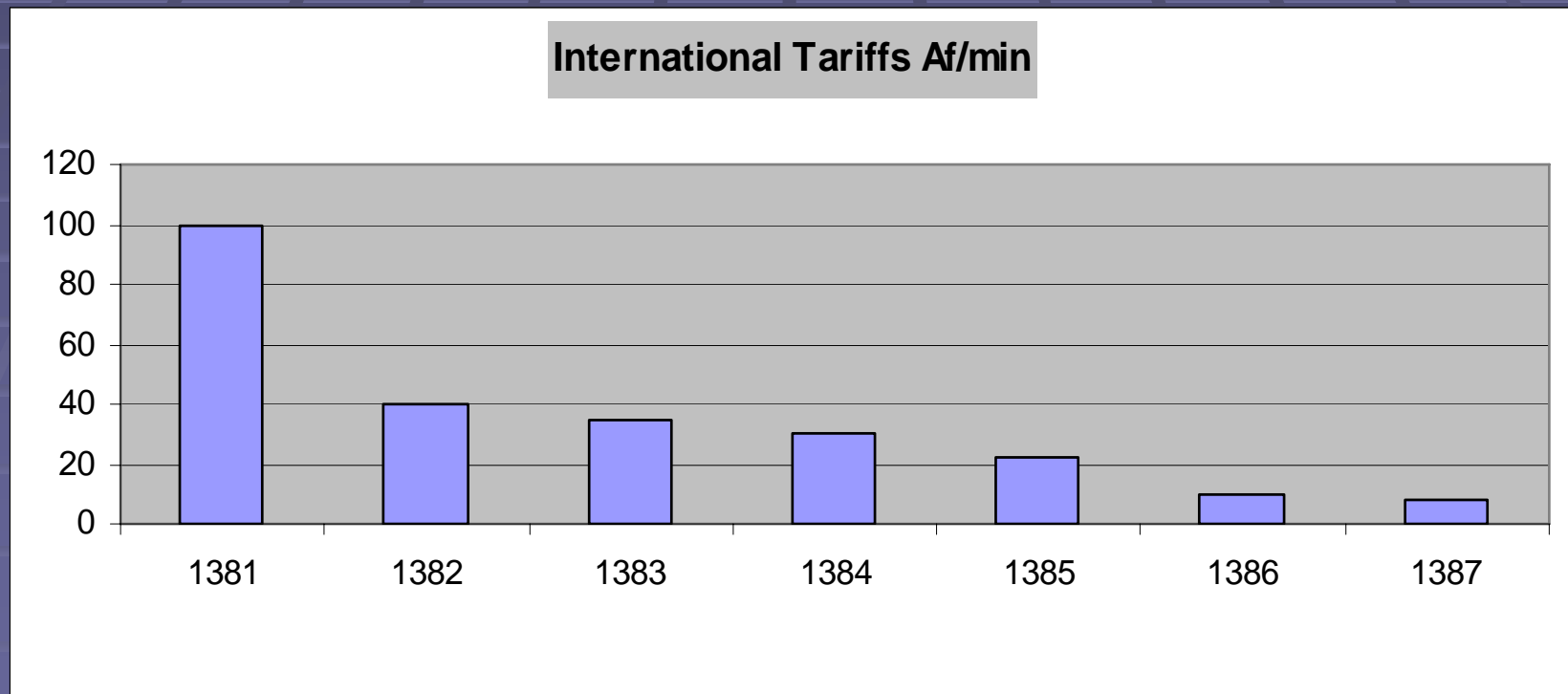
Telecom Facts

- Mobile Telephone National Tariffs



Telecom Facts

- International Tariffs (Mobile Telephony)



Telecommunication Licensing

- Definition of License: Telecommunication license is authorization of an entity to provide telecommunication services to the public, or operate telecommunication facilities, license also generally defines the terms and conditions of the authorization and describes rights and obligations of communications operator.

Why Licensing?

- The main objectives of licensing:
 - Provision of essential public services on regulation base.
 - Expansion of Networks, services and other Universal Service Objectives.
 - Privatization of communications.
 - Regulating of Telecom Market structure.

Why Licensing?

- Establishing of a competition framework.
- Allocation of scarce resources.
- Generating Government revenues.
- Consumer Protection.
- Regulatory certainty.

Aspects of Licensing

- There are 2 aspects of licensing in telecommunications
 - Grant of operating licences ; and
 - Spectrum licensing
- ATRA grants separated licenses for operating services and spectrum allocation.
- Spectrum Fee according Wireless Radio Equipment Regulation and GSM operators as a exception

Licensing Process

- GSM Licensing: no written procedure and no any mechanism for making decision to grant a license.
- For other types of licenses there are written procedures and the main steps are:
 - ATRA announces the licensing opportunities (practically we issue licenses to every applicant)
 - Receiving applications
 - Initial evaluation

Licensing Process...

- Additional information and documents
- Evaluation and report to ATRA's Board
- Board Approval (for Telecom Equipment Permission and Technology and Technical Solution Providers license this will be the final approval after payments the license will be issued).
- ISP, LFSP and GMPCS License application need for additional step:
 - Approval of Ministers Committee in Telecom
 - Payments
 - Issuance the license

Licensing Process...

- Evaluation factors:
 - Proposed Investment
 - Expected Users
 - Coverage Plan
 - Market Understanding
 - Available Cash
 - Current Turnover
 - Roll Out Plan
 - Proposed Employees
 - Management

License Contents

- Economic and Regulation issues
 - Tariff Regulation
 - Fees and performance bond
 - Interconnection issues
 - General Competition Issues
 - Technical issues in Interconnection
 - Numbering Plan issues
- Suspension and Revocation of Licence
- Universal Service and Quality of Service Obligations
- Reporting Requirements

License Contents

- SMP terms
- Rights of way
- Reporting requirements
- Facilities Sharing and Co-location
- Billing and Costumer Care
- Penalty and fines
- International Gateway and Roaming
- Standards
- Frequencies
- etc

Challenges

- Challenges facing ATRA as independent Regulator
- Low capacity of ATRA's staff (mother of problems)
- Weak transparency
- Feeble Non-discrimination in license terms and licensing.
- Poor evaluation in licensing process and lack of strong evaluation factors.
- Ignorance ATRA's authorization by market players (ATRA is at corner operators are in the ground).

Challenges...

- Long Licensing process (granting one license may take 6 months).
- Instability in structure and weak procurement process.
- Security problems and its affects on telecom sector.
- ATRA is a small organization located in Kabul with big responsibilities all over the country.
- Who is to dare for innovation and take responsibility.

Thanks

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