Workshop in Network Interconnection Rules and Rates and Universal Access for English Speaking African Countries

MISSION REPORT

Pape Gorgui TOURE, Head, Financing Strategies Unit

Margarida Evora-Sagna, Field Office in Dakar
Arno Wirzinius (Expert in regulatory issues hired by the Field Office)

Accra (GHANA), 18-22 June, 2001

(02/07/01)

PURPOSE OF THE MISSION

Under the framework of OP2001 Action 3816, this mission was intended to provide Operators and Regulators in the West African English Speaking Countries with a practical approach of costs, tariffs and interconnection rates calculations, in addition to assessing the impact of Universal Service Obligations (USO) policies on those, based on real cost and traffic information of each operator.

This workshop was the last of four conducted this year which will, in addition to the direct usefulness to countries, provide me with valuable information with a view to illustrate the findings awaited from action 3785.

It regrouped: The Gambia, Ghana, Guinea Bissau, Liberia, Nigeria, Sierra Leone and Kenya (The chairman of the TAF Group as an observer).

PERSONS MET:

In addition to the list of participants attached in Annex 1, Two Ministers and the Managing Directors of the main operators and of the regulatory body in Ghana visited the workshop

MAIN ACTIVITIES AND RESULTS:

After the presentations of issues in costs, tariffs and interconnection calculation and regulation during the first day, the workshop was divided into two groups: each of those groups (made of operators and regulators) spent two days with Mr. Touré, Tariff Expert and two days with A. Wirzinius, Regulatory Issues Expert.

The part on TAF Cost Model consisted of, on the basis of available data as they came from the audited accounts and the traffic engineering information of the operators, put together each operator with his National Regulatory Authority (NRA) and conduct case studies on the following basis:

1. Show how to extract relevant cost data from the specific audited accounts of each operator;
2. Explain which data were relevant for tariffs and interconnection rates in a multi-operator environment and extract them;
3. Acknowledge, confirm and/or estimate various traffic volumes;
4. Calculate endogenous costs of providing retail and wholesale telephone services;
5. Provide online benchmarks with other African operators;
6. Consider the effect of corporation tax;
7. Highlight the issues of USO (Availability, Accessibility and Affordability) regulation and their impact on the overall cost orientated tariff catalogue;
8. Compare cost orientated and cost based tariffs;
9. Simulate on various parameters relevant to NRAs or to operators

The data collection phase have been started by electronic means about ten days before the physical meeting. With the exception of Nigeria delegation appointed too late, all the other participants presented a valuable information basis on which we were able to build reasonable results.

With the exception mentioned above, the participants succeeded in obtaining results they very useful and reflective of their national situation.

The most important result, as during the former workshop, the occasion given to both operators and regulators to work together on such a sensitive matter and reach common understanding on how to get the competition fair to all the operators without denying to the NRA the right to enforce the USO policy as defined by the public powers.

CONCLUSIONS:

The Field Office Representative, coordinator of the workshop, prepared evaluation forms for the participants. The results are certainly being analysed. Nevertheless, we have heard all participants, regulators and operators, in addition to the Ghanaian officials, saying how helpful the workshop will be to them and claimed such type of practical events on interconnection to be organised in the coming years in order to update them as the environment evolves.

Ghana expressed their readiness to host the next one. As usual many thanks were forwarded to the BDT Director and his staff.

_____