



Liberia Telecommunications Authority (LTA)

Annual Report
2009

The premier regulatory authority...



“Technology is not kind. It does not wait. It does not say please. It slams into existing systems. Often destroying them, while creating new ones”

Joseph Alois Schumpeter (1937)



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Hon. Angelique E. Weeks, Esq.
Chairperson
LTA Board of Commissioners

1.0 CHAIRPERSON'S MESSAGE

In September 2009 President Ellen Johnson Sirleaf reconstituted the Board of Commissioners of the LTA and appointed Mr. Harry T. Yuan, Mr. Abdullah K. Kamara, Mr. Henry W. Benson, and Mr. Lamini A. Waritay, as Commissioners of the LTA. I was also privileged to be appointed as a Commissioner and Chairman of the Board of Commissioners (BOC).

Recognizing the regulatory and sectoral challenges confronting the LTA, the BOC hit the ground running in the implementation of its statutory duties and responsibilities, and has since gone about this through a consultative approach in dealing with all issues involving the regulator and other stakeholders. This approach has engendered a climate of cooperation and constructive engagement with sector players. An interactive networking engagement approach with relevant government ministries and agencies has also been successful in ensuring a synergistic relationship with policy makers.

A major imperative for the BOC was the development of a strategic framework for the LTA to give coherence and direction to the activities of the Authority. While defining the overall strategic focus for the broad context in which the LTA is to function, very clear Vision and Mission statements were developed to project the LTA's future and to articulate our core purposes as a regulatory authority.

A strategic plan of action has been put in place to reflect short, medium and long term goals and objectives for the LTA. These goals and objectives are specific, measurable, achievable, realistic, and time-bound and provide a mechanism by which to assess the performance of the LTA.

Due to the stable and predictable regulatory environment that has been created by the LTA, Liberia now has a vibrant telecommunications sector that is engendering one of the fastest growing mobile markets in the ECOWAS region. Indeed, effective competition combined with market forces in the mobile sector has led to one of the lowest call prices in Africa. The four GSM mobile operators, (Cellcom, Comium, LiberCell and Lonestar) are engaged in a robust and healthy competition for customers and market share. There are also two CDMA operators, Libtelco, the national operator, and West Africa Telecom (WAT), which, at this writing, is going through the license standardization process.

During the period under review, with the assistance of the World Bank, the LTA completed over 95 percent of

the new Interconnection regime. The rates were set and the regulations completed. The prevailing cost-driven interconnection regime reverses a situation in which interconnection rates were set based on preeminence in the market. Also, the LTA's licensing standardization and frequency harmonization led to upgrades in license fees for existing GSM operators which had 'prior' licenses predating the Telecom Act 2007. The ongoing process of harmonizing frequency assignments amongst licensees is underway; when completed, frequency interference, impedance and other distortions will be minimized or eliminated and end-users will experience significant improvements in quality of services delivered by licensees.

Internet services are provided by a number of wireless ISPs and all mobile networks through the use of various information communication technologies. Unfortunately, the lack of true broadband access, coupled with the high cost and limited bandwidth of existing satellite connections, results in service offerings that are relatively expensive and slow.

Recognizing these limitations, the LTA has made significant contributions to developing the ICT Policy of the Government of Liberia, which will be unveiled following a process of country-wide consultations. The Policy articulates the Government's vision for the telecommunications and Information and Communication Technologies (ICT) sectors and their roles in support of GoL's Poverty Reduction Strategy (PRS). It reinforces the determination of the Government to accelerate Liberia's economic development and gain global competitiveness to improve the wellbeing of its people through the effective development, deployment, regulation and use of telecommunications and ICT services. The LTA will continue to remain an integral part of this process.

Of major importance during the period under review, was the appropriate and constructive response of the LTA to the audit report of the General Auditing Commission (GAC) covering activities of the LTA from its inception to December 31, 2008. In this connection, the Board of Commissioners has gone to great lengths in addressing the observations, findings and recommendations in the GAC report to ensure that internationally acceptable standards of governance, internal controls and transparency are implemented at the LTA.

Another noteworthy achievement during the year 2009 was the accomplishment of LTA's first '90 days deliverables' under the Poverty Reduction Strategy (PRS), relative to implementing a Universal Access Program (UAP) which, as provided for in the Telecom Act 2007, is intended to ensure the provision of telecommuni-

cations services and telecommunications facilities to residents and other members of the unserved and underserved rural areas in Liberia.

Given the plethora of administrative and regulatory activities the LTA is poised to undertake, personnel recruitment has been high on the LTA's list of priorities. This expansion process has inevitably led to the need for more office space. The imperative of increasing personnel and revenue generating equipment purchases to meet the demands of the entity has however been tempered by budgetary constraints beyond the control of the LTA.

As reflected in the financial section of this report, the LTA, for the year under review, was limited in its revenue intake, which is hinged principally on spectrum fees payment. Nonetheless, it managed to live within its available means by cutting down significantly on its expenditure activities, even as it remains one of the low-budget regulators in our sub-region.

As the new BOC looks forward to 2010 and beyond, it hopes to continue its consultative and proactive approach to sector issues/challenges with fairness, transparency, efficiency and the highest level of professionalism. The LTA will place high premium on maximizing the benefits of the sector for the generality of our people, encouraging more sector investment through investor-friendly, flexible and sophisticated licensing regimes, and fostering a robust approach to protecting consumer interests.

All these efforts, we hope, will consolidate the regulatory gains made during the year under review, and ensure that the ultimate benefits of liberalization and telecommunications market reform accrue to the Liberian consumers of telecommunications products and services in very real terms; specifically, in respect of accessibility, affordability, and quality of service.

Indeed, while thanking all stakeholders for the cooperation and assistance extended to the LTA during the year under review, the BOC sincerely looks forward to the continuing support of the three branches of our Government, sector players, our international partners, and our consumer population in achieving our statutory sector role(s) and responsibilities.



Hon. Angelique E. Weeks, Esq.
Chairperson
LTA Board of Commissioners

2.0 OUR VISION AND MISSION

2.1 VISION

The premier regulatory authority, providing trusted leadership in the creation of a vibrant socio-economic environment through the effective use of telecommunications and Information Communications Technologies (ICT).

2.2 MISSION

To consistently create an enabling environment that promotes market driven fair competition, which provides accessible and affordable communication services for all.



3.0 ABOUT THE LTA

The LTA was established by the Telecommunications Act of 2007 (Telecom Act 2007) of the National Legislature - an Act to amend the *1973 Act to Amend the Public Authorities Law to create the Liberia Telecommunication Corporation*; to amend the '1978 Executive Law' creating The Ministry of Posts and Telecommunications (MoPT); to repeal Act No.18 of the National Transitional Legislative Assembly of Liberia, establishing an interim framework for telecommunications regulation; and to establish a legislative framework for policy making, regulation and development of the telecommunications sector in the Republic of Liberia.

3.1 OBJECTIVES

In accordance with the Telecom Act 2007, the objectives of the LTA, inter alias, are to:

- facilitate development of the telecommunications sector in order to promote social and economic development throughout Liberia
- promote the efficient and reliable provision of telecommunications services, relying as much as possible on market forces such as competition and private sector investment to achieve this objective;
- promote affordable telecommunications access in all regions of Liberia, relying on market forces and private sector investment when feasible and Government initiatives where appropriate
- establish a fair, objective and transparent regulatory regime for service providers, including the licensing of service providers

- establish a framework for the control of anti-competitive conduct in the telecommunications sector, and otherwise protect the interests of subscribers and other customers of telecommunications services
- ensure the safety of telecommunications networks and users of telecommunications services, and the privacy and proper use of customer information
- promote the use of new and more efficient technologies and efficient management and use of radio spectrum and other scarce resources
- encourage sustainable foreign and domestic investment in the telecommunications sector
- establish measures to enforce the implementation of this Act and to prohibit certain types of conduct contrary to the orderly development and regulation of the telecommunications sector
- encourage participation of Liberians in the ownership, control and management of communications companies and organizations
- promote and safeguard national interests in the development and implementation of telecommunications policies.
- ensure that national security policies, applicable to both domestic and international activities are adhered to including through regulations, rules or orders under this Act.

3.2 FUNCTIONS

The LTA shall have the capacity and responsibility under the Telecom Act to:

- advise the Minister on policy for the telecommunications sector
- implement the Telecom Act, the regulations and other elements of the legal and regulatory framework for the telecommunications sector
- issue individual and class licences, including licences for international telecommunications facilities and services, and design and implement the processes for issuing such licences
- monitor and enforce compliance by licensees with the conditions of their licences
- amend, modify, suspend or revoke licences in accordance with this Act and the regulations
- implement tariff regulation, in accordance with Part IX of the Telecom Act 2007
- define network termination points, if required for the proper interpretation and administration of the Act, the regulations and rules
- prescribe procedures for the approval of telecommunications equipment for attachment to telecommunications networks in Liberia, using the least onerous method available, such as approval

- of equipment previously approved for attachment in specified countries or regions
- establish a radio spectrum plan and manage radio spectrum allocated to the telecommunications sector
- regulate interconnection between telecommunications networks of different service providers
- establish and manage a numbering plan and allocate numbers to service providers
- resolve disputes between service providers, and between customers and service providers;
- institute and maintain appropriate measures for the purpose of preventing service providers from engaging in or continuing anti-competitive practices, including the identification of telecommunications markets, determining dominance and abuse of dominance in identified telecommunications markets and responding to anti-competitive agreements
- represent Liberia in international telecommunications regulatory organizations;
- carry out any responsibilities, functions and powers assigned to the LTA in any universal access policy or program established pursuant to Part V of the Telecom Act
- maintain records of licences and licence applications, equipment approvals and applications and interconnection agreements and, except where the LTA considers it justified for reasons of commercial confidentiality, make the documents in such records available to the public
- require information to be provided that the LTA needs in order to exercise its powers or perform its functions under the Act, including network or service development plans, financial, technical and statistical information, accounting records and any other information that the LTA reasonably requires
- on the initiative of the LTA or upon request by another person, investigate complaints against licensees or other service providers, and conduct such other investigations as the LTA deems necessary to ensure compliance with this Act, a regulation, rule or order, and issue an order in respect of anything prohibited, required or permitted to be done under the Telecom Act 2007, a regulation, rule or order.

3.3 STRUCTURE

The Commission is governed by a five-person Board of Commissioners. The Commissioners are appointed by the President for a tenured four-year period. The appointment of any Commissioner may be renewed by the President for another term of four (4) years. No



(R to L) Commissioner Harry T. Yuan makes presentation as Commissioners Henry W. Benson, Abdullah L. Kamara and Lamini A. Waritay listen

member of the Commission shall serve for more than two (2) terms. The President designates one of the five appointed Commissioners to be Chairperson of the Commission. The appointment of Commissioners is subject to Senate confirmation. All five commissioners have equal rights and obligations.

3.4 POLICY RELATIONSHIP

Before the advent of the LTA, the MoPT served as both the policy maker and regulator. The Telecom Act 2007 substantially changed this sector framework by creating an independent regulator and clearly delineating the functions and responsibilities of both the Ministry and the LTA.

The Act states that “Prior to adopting any policy applicable to the telecommunications sector, or exercising another authority that is likely to have any substantial impact on the telecommunications sector, the MoPT shall seek the views and recommendations of the LTA and conduct a process of public consultation appropriate to the circumstances, and take account of the results of the public consultation in determining the relevant policy, decision or other exercise of authority.

The Ministry shall facilitate, and shall not interfere with, the proper exercise of authority by the LTA, including by considering the recommendations of the LTA regarding policy development or any other Government initiative relevant to the telecommunications sector.

4.0 BOARD OF COMMISSIONERS AND RESPONSIBILITIES



Hon. Henry W. Benson
Commissioner
Engineering



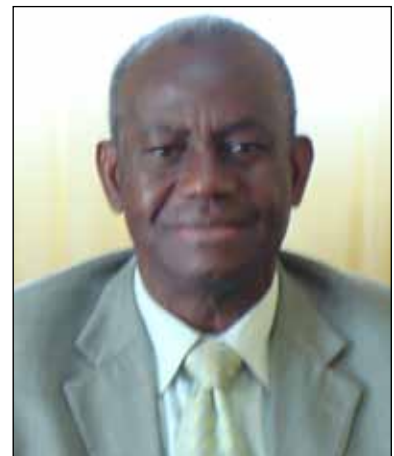
Hon. Abdullah L. Kamara
Commissioner
Service Development & Market
Structure



**Hon. Angelique E. Weeks,
Esquire**
Chairperson
Administration



Hon. Lamini A. Waritay
Commissioner
Public, Consumer & Legal Affairs



Hon. Harry T. Yuan
Commissioner
Government Affairs and National
Policy



(L to R) Minister Jeremiah Sulunteh, ITU Secretary General Hamadoun Touré and LTA Chairperson Angelique E. Weeks

4.1 OVERSIGHT RESPONSIBILITIES

The Chairperson, Ms. Angelique E. Weeks, provides oversight for the Department of Administration and Strategy Development and Implementation of the Authority. Functions include finance, internal audit, human resource management and development, procurement and logistics.

Commissioner Abdullah L. Kamara provides oversight for the Department of Service Development and Market Structure (SDMS)—including licensing, market monitoring, new service and product development and coordinating universal access programs.

Commissioner Henry W. Benson provides oversight responsibility for the Engineering Department, including Spectrum planning and Frequency allocation to ensure Liberia's adherence to ITU guidelines and foster efficient use of scarce national resources.

Commissioner Lamini A. Waritay oversees the Department of Public, Consumer and Legal Affairs, exercising functions relating to public information dissemination strategy, protection of public/consumer interests and legal matters.

Commissioner Harry T. Yuan provides oversight for the Department of Government Affairs and National Policy, responsible for interagency coordination, liaison with national institutions/agencies, and providing advice on policy issues.



LTA Board of Commissioners in working session with service providers

5.0 SECTOR OVERVIEW

One of the reasons leading to the establishment of the LTA was the lopsided telecommunications landscape that existed before the liberalization of the telecom sector in Liberia. Prior to the existence of the LTA, and with the insertion of new telecommunications technologies into the country, the MoPT served as both policy-maker and regulator for the sector. This created a very asymmetrical telecommunications environment in light of international best practices.

Indeed, a GoL review of the pre-LTA situation and a subsequent independent assessment of the sector carried out by the World Bank, soon confirmed that telecommunications services in Liberia were suffering from a lack of capital, modern technology, an enabling environment, and that the industry was extensively wanting in development: there was a poor regulatory framework; inadequate and conflicting legislations; insufficient policies and strategies; weak institutional capacities; conflicting frequencies; non-standardized licenses between the Government and GSM operators; and a low and non-standardized fees structure.

Additionally, the World Bank desk study found out that the operational environment was weak, as reflected in damaged and obsolete infrastructure; that is, no modern operating switching system; no interconnection platform capability; poorly functioning fixed line system; too many GSM license holders; no interconnection between GSM cellular phones and land lines services, and no interconnection between the various cellular companies; and policy-making, regulations, and operations were not sufficiently separated thus resulting into many inter-organizational conflicts.

In such a sector environment, the regulator at that time, MoPT, issued several blanket licenses that spanned large segments of the spectrum band. This resulted in multiple licensees having overlapping frequencies—a situation that caused considerable chaos in the telecom sector, and deprived Liberia of the much needed benefits of a more properly regulated telecom sector.

In order to rectify these growing sector anomalies and maximize the benefits of the telecom industry for the country, the GoL/World Bank review ultimately put in place the requisite policy, regulatory and legal framework for the emerging sector landscape. The Liberia Telecommunications Authority, created by the Telecom Act 2007 as an independent and autonomous regulatory outfit, became one of the key outputs of the sector review exercise. The Act empowered the LTA with the regulatory functions of the sector, with the Ministry of Posts and Telecommunication retaining only the policy responsibilities of the industry.

Pursuant to the Telecom Act 2007, the LTA was obliged to speedily undertake the license standardization and frequency harmonization processes with respect to service providers that had been issued “prior licenses” before the advent of the new regulatory regime. These included the four existing Global System for Mobile Communications (GSM) companies: Cellcom, Comium, LiberCell, and LoneStar.

5. 1 TYPES OF LICENSES/LICENSING PROCEDURE

The Telecom Act 2007 requires the LTA to issue two types of licenses. (1) Individual and (2) Class licenses. Class licenses are issued for a period of 12 months and may be renewed on an annual basis. Individual licenses are issued for a longer period--for up to 15 years.

The department of Service Development and Market Structure provides direct oversight over the issuance of Licenses. For class licenses, the process involves a formal letter of intent to the LTA. Following a review

of the application by the Board of Commissioners and the conduct of a due diligence process, the Department of Engineering assigns frequencies upon payment of all applicable fees. For individual licenses, the procedure is similar, except that in the latter case, a bidding process is included because it involves a long term investment of assets.

(See Annex... for detailed licensing requirements)

5. 2 MARKET SHARE & PENETRATION:

With the liberalization of the telecommunications market, competition for market shares continued to rise during the year under review with service providers utilizing every available tool to reach out to prospective consumers.

There are five mobile operators currently operating in Liberia (four GSM and one CDMA). The total number of prepaid and postpaid mobile subscribers in Liberia, according to data provided by the four GSM licensed mobile service providers, is approximately 1.1 million. (Liberia’s population officially stands at 3.5 million)

Prior to the introduction of mobile telephony into Liberia, the Liberia Telecommunication Corporation (LTC) was the only service provider with 10,000 telephone exchange landlines, of which 8,000 served the capital city, Monrovia.¹ This figure is infinitesimally small compared to figures acquired since the liberalization of the sector, which has seen the current market penetration of mobile telephony registering a towering 10,000% over the pre-liberalization level.

Available statistics provided by service providers indicate that the operator with the highest number of subscribers is the LoneStar Cell/MTN, boasting a market share of 58.28%, followed by Cellcom with 33.62%, Comium 5.56%, and LiberCell² 2.53% (see chart below). LoneStar was the first GSM Company to effectively set up shop in the Liberia market on very liberal licensing conditions, and eventually gained a foothold long before the subsequent arrival in the sector of the others.

The Tele-density of mobile telephony in Liberia is estimated at 29.74%. The challenge for the LTA is to ensure that the Tele-density improves by 60% in 2012, relying both on market expansion and the evolving universal service program.

1 Privatization of incumbent telecom operators in developing countries: lessons for Liberia by Kolubahzizi T. Howard, Sr.

2 LiberCell data was extrapolated from their traffic data.

GSM Subscriber distribution by operator

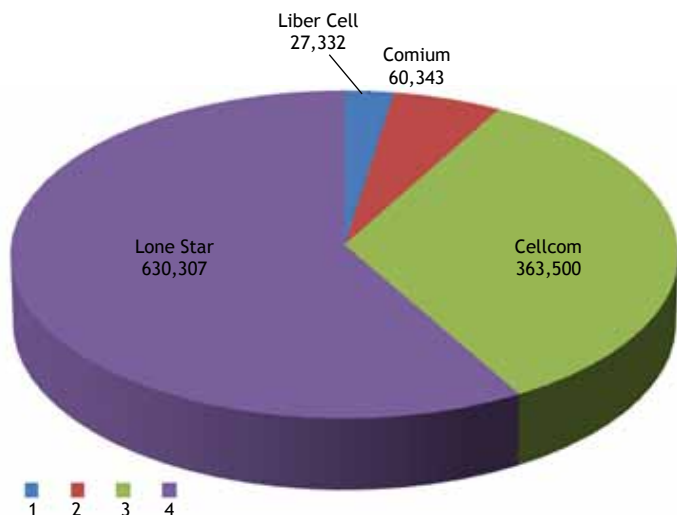
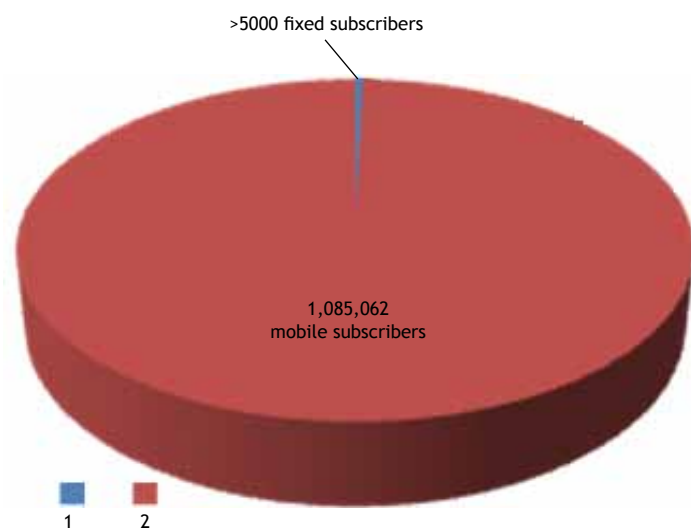


Table 5.1 shows subscriber data for the four GSM mobile operators in Liberia:

Subscriber Data			
Prepaid Subscribers			
	2007	2008	2009
Libercell	N/A	N/A	27,332
Comium	63,734	64,373	60,343
Cellcom	201,000	282,500	363,500
Lonestar	321,982	504,385	630,307
Total prepaid subscriber	1,081,482		
Postpaid subscribers			
	2007	2008	2009
Libercell	N/A	N/A	N/A
Comium	3,027	3,369	3,553
Cellcom	N/A	N/A	N/A
Lonestar	N/A	N/A	27
Total Mobile Subscribers	1,085,062		

Fixed Wireless Telephony

There are two fixed wireless telephone operators in Liberia, and the penetration for fixed wireless is estimated below 0.5% of all telephone subscribers.



5.3 TARIFFS AND RATES

A tariff regime involves the filing and review/approval of rates for services. During the past year, the LTA endeavored to establish the rating and costing principles that will apply to the various service categories in the country. The LTA reviews its existing tariffs every two years and make appropriate adjustments to reflect cost of regulation and economic realities. A new tariff structure was developed by close of 2009 and is expected to come into effect during the 1st half of 2010.



Chairperson Angelique E. Weeks congratulates Director of Engineering Emmanuel J. Payegar upon successful completion of the Numbering Plan for Liberia. Looking on is Alexander Zlehwolo, Spectrum Engineer.

6.0 REGULATORY ACTIVITIES

6.1 LICENSING

The Telecom Act 2007 gives the LTA the power to issue licenses/permits to operators of telecommunications services/networks and to issue exemption order when appropriate and in accordance with the Act.

The Act, among other licensing related functions, provides that:

1. The LTA shall determine the terms, conditions, procedures and criteria for granting telecommunications licenses, in accordance with the Act and any related regulations, rules, orders or notices.
2. The LTA may issue regulations, rules, orders or notices clarifying the requirements of telecommunications licensing from time to time.
3. Licenses shall be issued by the LTA, and shall be signed by a simple majority of the Commissioners or another representative of the LTA to whom authority has been delegated in accordance with the by-laws or operating rules adopted by the Commission from time to time.

Within the context of this statutory mandate, the LTA, during the year under review (following labyrinthine and marathon sessions of meetings and discussions involving industry stakeholders, particularly the GSM companies) finally hammered out a comprehensive licensing framework for the companies—aimed at the harmonization of frequencies and the standardization of licenses of all GSM networks.

As a result of this licensing success, the Government of Liberia (GoL) has been able to derive millions of dollars as licensing fees from the GSM companies during the year under review—a far cry from what obtained during the pre-LTA sector environment.

The LTA also embarked upon and completed ninety percent (90%) of the standardization of non-GSM service providers (including internet services) licenses. It received forty two (42) applications for licenses to provide various forms of telecommunications services, ranging from community radio stations to Next Generation services. Sixty percent (60%) of these applications have thus far been processed.

The LTA assigned CDMA frequency for the smooth operations of the Liberia Telecommunications Corporation (Libtelco), which, consistent with the Telecom Law, is designated as the National Operator.

The standardization of West African Telecommunication (WAT) was also initiated during the year under review and was awaiting finalization at the close of 2009. Licenses for additional WiMax operators were proposed and are awaiting board review and approval. The completion of these regulatory efforts will produce a major boost in the revenue generation ability of the LTA.

6.2 SPECTRUM MANAGEMENT

One of LTA's key functions is to ensure the efficient utilization of spectrum, which is a scarce resource. Thus, spectrum planning and allocation of frequencies to users for different radio services are part of LTA's major regulatory activities. The LTA's frequency allocation is carried out in line with the International Telecommunication Union's (ITU) Radio Regulation guidelines but with local dissimilarity.

During the year in review, the LTA granted frequency authorizations ranging from 9,000 Hertz to 275,000,000,000 Hertz, showing a significant increase in the demand for telecommunications products and services. In addition, the department allocated 8 FM

frequencies, 26 HF frequencies, 29 VHF frequencies and 26 UHF frequencies (See Chart below). The frequencies allocated cover several parts of the country including Montserrado, Grand Bassa and Margibi Counties

Given the rather chaotic sector situation inherited by the LTA, the regulator has since determined that a high level of illegal frequency usage is taking place in the country. This state of affairs cannot continue without redress, as this has implications not only for sector stability, but also for national security and Government of Liberia’s revenue intake from the industry.

It is in this context, that the LTA felt the compelling need last year to undertake a series of measures that will eventually lead to the installation of a Spectrum Monitoring System. This system is capable of identifying unauthorized and illegal frequency users by use of its directional finding capability. It is a reliable solution for spectrum monitoring and promises to substantially increase LTA/GoL revenue generation capabilities relative to the sector, while boosting LTA’s efficient spectrum management capacity.

6.3 NUMBERING PLAN

During the period under review, the LTA prepared a new National Numbering Plan for the country based on ITU E.164 recommendation to use “Closed Numbering” Schemes. The new plan has a three digit access code and a seven digit significant subscriber number. This development will allow for 800 million permutations, thereby negating the need to revise Liberia’s numbering plan for generations to come. As a result, all four GSM operators and the National Operator, have each been assigned a block of numbers, and given a timeline to effect migration in 2010 from the open numbering plan to the closed numbering plan.

The new national numbering plan was proposed to lessen the confusion inherent in the usage of an open numbering plan. An open numbering plan contains uneven digits. In this kind of numbering plan, confusion is inevitable when making inbound calls. Liberians calling from abroad have often had problems dialing into Liberia because of the uneven digits used by the operators.

The new closed numbering plan provides the following benefits to all:

- It provides equal digits to all operators
- A 7-digit numbering plan allows 10,000,000 numbers for each Access Code
- Therefore an operator with one Access Code will have 10,000,000 numbers, which, in the view of the Commission, will be more than enough for an operator during its lifespan
- Each operator will therefore have a unique Access Code (However, this may change if/when number portability is introduced in Liberia)
- This will make identification easier

Table 6.1 Frequency allocation

Category of Frequency	Total number of frequencies issued	Total issued by LTA	Total Issued by MP&T
FM (Frequency Modulation)	30	8	22
HF (High Frequency)	66	26	40
VHF (Very High Frequency)	76	29	44
UHF (Ultra High Frequency)	53	26	27
VSAT (Very Small Aperture Terminal)	19	19	-0-
TV (Television)	1	1	-0-



7.0 REGULATIONS

7.1 REGULATIONS

The Liberia Telecommunications Authority has thus far issued three Regulations in line with the Telecommunications Act of 2007. The Regulations include, Telecommunications Licensing and Authorization (LTA Reg-0001); Interconnection (LTA Reg-0002); and Confidentiality and Dispute Resolution (LTA Reg-0003).

The **Licensing and Authorization Regulations** issued in 2008, detail the guidelines and procedures for the issuance of telecommunications license (s) under the authority of the LTA as stipulated in parts IV and V of the Telecommunications Act of 2007. These Regulations deal with the license scope and classification covering exempt orders, categories of licenses, scope of license and confidentiality. The Regulations also cover application procedures, individual and class licenses, procedure for the transfer of ownership and control, frequency authorization, license and authorization fees and enforcement of license or frequency authorization.

The **Confidentiality and Dispute Resolution Regulations** establish procedures for interactions between and among the LTA, service providers and other stakeholders in the telecommunications sector. These Regulations embody provisions applicable to all information submitted hereunder, confidential information and review of LTA decisions regarding confidentiality. Other provisions of the Confidentiality Regulations apply to dispute resolution proceedings, binding effect of initial submissions, LTA's enforcement powers, liability for failure to comply, interim directive to cease and desist, enforcement measures and time limitations.

The **Interconnection Regulations** issued in 2009 provide further definition and direction regarding interconnection of telecommunications networks and telecommunications services in Liberia, to encourage the

conclusion of agreements on transparent, fair and reasonable terms. The Interconnection Regulations define the powers of the LTA as well as prescribe the rights and obligations of all network operators and dominant service providers. Dispute resolution and compliance and enforcement measures are also covered hereunder.

7.2 NATIONAL ICT AND TELECOMMUNICATIONS POLICY

Being the implementing entity for policy issues in the sector, the LTA has committed itself to collaborating with the Ministry of Posts and Telecommunications and the Ministry of Planning, in producing a workable ICT and Telecommunication Policy that will steer the sector for the coming five years. In the course of 2009, LTA Commissioners and Staff actively participated in several stakeholder consultative meetings held in various regions of the country for the ICT and Telecommunications Policy verification exercise—during which the LTA addressed concerns relating to regulatory implications for ICTs. When the Policy is finally unveiled in 2010, it should enrich the telecom industry and create the enabling policy and regulatory framework for enhancing access, affordability and reliability in respect of telecommunications services in the country.

7.3 CONSUMER AFFAIRS

Ideally, the best protection for consumers of telecom services is by way of the competitive marketplace. However, notwithstanding the presence of several wireless operators, protection for consumers especially in the areas of accessibility and availability and deceptive information became a major part of LTA's deliberations during 2009.

Accordingly, the LTA extensively discussed modalities for the establishment of a Consumer Desk at the LTA in 2010. The Consumer Desk will seek to inform and educate subscribers on how to make informed decisions about telecommunications products and services. A proposal for convening a major stakeholder forum for deliberating on key consumer concerns was approved by the Board and is to be implemented in 2010.

A website in support of LTA's educational and informational activities and promotion of much broader sector dialoguing was considered and approved for construction and operation. When launched in 2010, the site will be an addition to other media/communications platforms the LTA periodically uses for disseminating information about LTA's activities, and facilitating exchange of views on sector issues among stakeholders,



National Telecommunications & ICT Policy Stakeholders Forum



ITU Senior Expert Milicent Hamilton-Hazeley lead stakeholder discussion on transposition of ECOWAS supplementary Acts into national telecommunications legal instruments

especially consumers, service providers, and potential sector investors.

The LTA has embarked on a key step in enhancing consumer knowledge on the LTA by producing and distributing thousands of brochures on the nature and functions of the LTA. The brochures raised pertinent questions in this regard and provided answers to these questions. Also, in order to enhance its scope of consumer needs, the LTA participated in a major consumer related **National Law Symposium on Trade and Commerce** sponsored and hosted by the Ministry of Commerce & Industry, the Law Reform Commission and RLJ Companies. Issues related to consumer education and consumer protection law were highlighted at the forum, which provided the LTA much needed insight into various aspects of consumer affairs.

7.4 UNIVERSAL ACCESS

The availability of basic telecommunications services throughout the country is clearly a policy priority of the GoL. The development of a plan for ensuring that this happens is therefore essential. To the extent that services in many parts of the country will not be offered any time soon by existing service providers and or potential new entrants, there is a need for a strategy to ensure that operators are motivated or required to provide services in unserved and underserved, non-

commercially viable, remote and rural areas of the country.

Indeed, the Telecom Act 2007 requires the LTA to develop a policy for approval by the MoPT for the establishment of a Universal Access Fund. The plan for implementation of this objective will include a definition of the term “Universal Access” - specifying how basic services will be deployed and funded.

In furtherance of this key policy and regulatory objective, the LTA, with the support of the ITU, organized a four-day local training workshop in Monrovia in October 2009. The workshop involved the training of 25 selected participants from service providers, the MoPT, Libtelco, and the LTA. Concepts and issues discussed at the workshop included:

- Vision, policy direction and objectives
- Strategy and mechanism(s) for the implementation and funding of universal access
- Key challenges and barriers
- Principles of operation of the Universal Access Fund

The LTA is poised to use inputs from the stakeholder workshop to formulate appropriate guidelines for a more efficient universal access program in the shortest possible time.



LTA employees at strategic planning retreat in Monrovia

8.0 STRATEGIC PLAN

In November 2009, the LTA held a strategic planning retreat to analyze the strength, weaknesses, opportunities and threats (SWOT) relative to the Authority. The employees, with support of the BOC, crafted a short, medium and long term strategy to position the LTA as “The Premier Regulator”.

To start the implementation of its three year strategic plan, the LTA completed a functional review and staff realignment. The functional review was aimed at building capacities across the LTA to enable the regulatory entity respond effectively to the growing demand for telecommunication services in Liberia. The goal is to provide a business experience for service providers and consumers that will promote socio-economic growth and development.

The matrix below reflects the contours of the LTA's strategic plan and target completion dates.

GOALS	DELIVERABLES
Complete the Interconnection Regulatory Framework	Completed and being implemented
Complete the transposition of international instruments into national laws	Submission to the President and the Legislature of transposed Acts for their subsequent ratification. Process underway
Complete the implementation of a national telecom market monitoring mechanism and the rationalization and segmentation of the telecom market	Market Survey completed by 1st Quarter 2010; New tariff by March 2010; Standardization of license and spectrum fees by September 2010 ; operational data from operators requested for and analyzed by 4th Quarter 2010.
Begin the implementation of a National Numbering Plan	Ensure the efficient allocation and use of numbers by operators and lay the framework for number portability. To begin June 2010
Complete the Consumer Education Framework and activate a Consumer Complaint Desk at the LTA	1st Quarter 2010, acquire additional staff, Consumer Desk to be established by March 2010, establish procedure for logging and analyzing consumer complaint by March 2010.
Complete the spectrum management and harmonization process	Increase LTA monetary intake from spectrum management by 10% by December 2010
Streamline the licensing process to enhance regulatory predictability	Publication of application process and completion of information package and commence renewal of applications February 2010
Develop a Data Repository of laws (national and international) and national policies that impact the LTA.	Completion of local area network (LAN) at the LTA to facilitate the installation of Software and Hardware for Data Repository, to be completed by September 2010
Ensure the issuance of appropriate regulations, orders and rules, when necessary, and the conclusive settlement of all legal issues	Ensure compliance with the Telecom 2007 Act by developing the operating conditions for telecom sector by April 2010
Begin implementation of the Universal Access program	Completion of action plan by end of 1st Quarter 2010, completion of Universal Service road map by 2nd Quarter 2010, completion of Universal Service Project Plan by 3rd Quarter 2010
Facilitate formation of a Consumer Association	Stakeholders meeting with consumer associations, capacity building workshop for consumer associations, institutional support for consumer organizations by April 2010

9.0 FINANCIAL REPORT

Actual Revenue Received for 2009			
No.	GSM/WIMAX	Description	Amount
1	Cellcom	Spectrum	601,111.00
2	Comium	Spectrum	319,006.00
3	Lonestar	Spectrum	745,273.24
4	Lonestar-WIMAX	Spectrum	250,000.00
5	LiberCell	Spectrum	170,000.00
	Sub-total		2,085,390.24
	Non-GSM		
1	West Africa Telecom (WAT)	Standardization Fee	60,000.00
2	Others		129,174.00
	Sub-total		189,174.00
	Total Revenue-2009		2,274,564.24
Expenses			
	Personnel & associated cost		1,180,891.75
	Repair & Maintenance		31,695.91
	Fuel/Gasoline		102,814.82
	Professional Services		59,525.00
	Travel & Subsistence		167,073.39
	Others		153,180.95
	Total Operating Expenses		1,695,181.82
Assets			
	Current		1,132,211.82
	Fixed		212,531.85
	Total Assets		1,344,743.67

LTA receipts for Spectrum and Frequency Usage from the GSM and non-GSM operators increased from US\$ 1.7m in 2008 to US\$2.2m in 2009.

Long standing tax liabilities and other obligations to local vendors amounting to US\$268,719 were settled.

A total amount of US\$12M was paid into GOL revenue representing license fees from GSM service providers.



10.0 CHALLENGES

As an infant regulator trying to navigate uncharted sector waters, and operating in a post conflict industry environment in which independent regulatory experience is a new phenomenon, the going has certainly not been smooth sailing. Several challenges beckon on the regulatory horizon, including the following:

10.1 FREQUENCY HARMONIZATION

Despite some significant achievements in the harmonization of frequencies, there is still scope for more efficient and proactive management of the country's finite spectrum, especially in regard to the 3.5 GHz band. The LTA is working on measures aimed at achieving much more efficient usage of this bandwidth.

10.2 CONSUMER EDUCATION

At this point in time in the sector, consumers seem not to be that much interested in the activities of service providers beyond the usage of their mobile phones and their limited access to internet services. This might be the function of limited awareness on the part of consumers of their power and rights relative to the telecom sector. This in turn could be attributed to limited diffusion of information on these rights.

The LTA is determined to reverse this situation by, among other measures, establishing consumer guidelines in consultation with industry stakeholders, including consumer advocates and relevant government agencies that are concerned with consumer issues, and ensuring a sustained engagement with the public through information and outreach campaigns.

10.3 FIBER OPTIC CONNECTIVITY

A major challenge for the LTA remains the bringing of broadband connectivity to Liberia. The lack of access to submarine cable and the non-availability of a terrestrial fiber network are twin challenges that must be addressed if Liberia is to effectively connect its people, institutions and places by way of communications services that guarantee large bandwidth, speed, and reliability.

To meet the challenges, the MoPT, as the sector policy

maker, has designated fiber optic networks as the preferred platform to enhance the smooth growth and development of the ICT and telecommunications sector in both the short and long term. The Ministry has also designated the LTA to play a crucial role in conformity with its regulatory functions with specific responsibilities to, among other things, spearhead consultations among willing parties in forming a possible consortium towards the realization of this policy; formulate the necessary regulations in implementing this crucial policy objective; evaluate the implementation of the project to determine progress and challenges, and discourage any situation or condition that will lead to one or more operators having monopoly control over the fiber optic facility.

In this connection, the LTA is currently working with the national operator and other service providers to make the dream of broadband connectivity a reality through the Africa Coast Europe (ACE) submarine cable project. The ACE consortium financing the project consists of over twenty telecommunications operators determined to build a submarine cable system more than 14,000 km long which will become operational in 2011 with a minimum capacity of 1.92 Tbits/s.

As 2009 gave way to 2010, the major challenge in moving forward on this front remains the formation of a national consortium of GSM operators, the banking sector and other potential investors with large broadband requirements, that will provide the funding for the construction of a landing facility in Liberia and the purchase of bandwidth. If all goes well, Liberians should have access to true broadband by 2012.

10.4 UNIVERSAL ACCESS SERVICE

Following the October 2009 workshop held on Universal Access, the LTA now faces the implementation of the Universal Access Program (UAP) pending the unveiling of ICT policy which provides the roadmap for the UAP. The following highlights the regulatory considerations being studied by the LTA in this regard:

- the kind of services to be deployed - public calling offices, kiosks providing telephone and internet services, etc.
- areas of the country requiring such basic services
- the estimated demand for such services
- technologies suited for providing the services
- who will be requested/required to provide the services
- how will the revenue/cost shortfall for some areas be met
- how will the deployment of such services be monitored
- mechanism to determine funding for the program— e.g. through an industry-wide “tax”, or cost sharing between the government and the private sector

10.5 OFFICE SPACE

Despite the misperception that LTA is well funded, the regulator still lacks capital funds to construct its own office building and acquire the technological/ operational capabilities it certainly needs to become a much more effective sector regulator. There is indeed a compelling need for the LTA to mobilize the requisite resources that will enable it to become the viable regulatory entity it must be if the sector is to be efficiently administered.

10.6 AWARENESS ABOUT THE LTA'S MANDATE

A major constraint being experienced by the LTA is the limited awareness on the part of some stakeholders about the LTA's autonomous/independent status, its statutory right to transparently use fees derived from spectrum payment for the purpose of carrying out its sector mandate, as well as its quasi-judicial nature. The resulting continued budgetary/regulatory constraints remain a major hindrance to its effectiveness and efficiency as a best practice oriented telecom regulator.

10.7 REFORM OF LICENSING REGIME

The LTA needs to expedite the policy process in respect of the emerging global telecommunications technological changes and their impact on licensing regimes. The LTA's legacy regime is no longer in sync with the emerging trends and the sooner the LTA undertakes a timely situation analysis on the issue, the better it will be for sector development and investment. In this regard, unified licensing based on technology neutrality is being actively considered by the Board in consultation with the MoPT.

10.8 GoL SUPPORT

The LTA relies on the GoL (including the Executive, Legislative and Judiciary branches) for its continued understanding and support as the regulatory entity diligently executes its legislative and fiduciary responsibilities to the sector, the Government and the people of Liberia. Clearly, without this, the LTA will be hard-pressed to effectively carry out its statutory mandate. Consolidating the regulator's independence/autonomy and ring-fencing resources intended to enhance its regulatory capacity will go a long way in achieving this strategic and statutory goal.

11.0 THE LTA TEAM



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Mr. Anthony George
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Mr. Andrew O. Flomo
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ANNEX

STATEMENT OF LICENSING TERMS AND PROCESS

Pursuant to the Telecom Act 2007, the Board of Commissioners of the Liberia Telecommunications Authority (LTA) employs the following approach for the standardization of licenses including radio frequency authorizations, to all new applicants and service providers who are continuing to operate under prior licenses.

All new applicants as well as existing telecommunications operators and service providers in the Republic of Liberia are mandated to comply with the following licensing requirements and submit to the LTA the requisite documents and information.

1. Articles of Incorporation from the Ministry of Foreign Affairs, Republic of Liberia - for business entities regardless of classification *
2. Certificate of Business Registration from the Ministry of Commerce, Republic of Liberia;
3. Tax Clearance from the Ministry of Finance, Republic of Liberia (This clearance applies to business entities that have been operating in the Republic of Liberia for a year or more)
4. Two years Annual Reports in all areas of operation to include audited financial records of, and equity ownership (shareholders) in, the business entity or company
5. Minimum five years of documented performance and experience in providing telecommunications services anywhere on the globe.
6. Business Plan to include:
 - A. Initial investment
 - B. Type(s) of telecommunications service(s) for which applicant is seeking license, permit, spectrum and radio frequency
 - C. Market Information / Marketing Plan
 - D. Technical Plan
 - E. Implementation Plan
 - F. Operational Plan
 - G. Rollout Plan
7. Demonstrated financial capability, where the LTA reserves the right to validate any such capability
8. Compliance with all Government of Liberia Investment requirements;
9. Authorization and Releases for the LTA to conduct due diligence on the Applicant.

*BUSINESS ENTITY CLASSIFICATIONS are Sole Proprietorship, Partnerships, Corporations and Joint Ventures (Domestic & Foreign)

THE LICENSING PROCESS LEADING TO THE AWARD OF LICENSES AND PERMITS TO SUCCESSFUL APPLICANTS IS AS FOLLOWS:

1. LTA acknowledges receipt of documentation on licensing requirements listed above
2. Upon submission of all the required 9-point licensing information (where applicable) listed above, LTA issues Application Form
3. Applicants return Application Form(s)
4. LTA evaluates all submissions
5. LTA notifies successful applicants
6. LTA issues license to successful applicants

All applicants are strongly advised against submitting false statements and declarations in respect of required licensing information, as this will lead to the disqualification of all such applicants.



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