

## Forum on Telecom Regulation in Africa and in the Arab States, Rabat, 17 September 2001

### Opening Address by Prof. Jens Arnbak Chairman, Independent Post & Telecommunications Authority (OPTA), The Netherlands

Mr. Chairman, dear Colleagues, Ladies and Gentlemen,

It is a special honour for an independent regulator from a rather small European country to address the Forum of regulators here in Africa and here in an Arab State. An event on these shores of the Atlantic Ocean is an excellent opportunity for a professional discussion of the regulatory practices needed to deliver the maximum benefits of modern communications technology and services to consumers and business users, in the widely different cultural, geographical and economical circumstances of this region. I believe Morocco and its regulatory authority, the ANRT, are setting an important example for us all.

In the address just delivered to you by the president of the French regulatory authority, Monsieur J.-M. Hubert summed up three key measures of successful development of contemporary telecommunications. They are important enough to merit iteration here:

- first, consumer satisfaction
- second, the new economic and institutional arrangements to meet this objective
- third, understanding and responding to different market movements in a timely manner.

As mentioned by my French colleague, an informal group of Independent Regulators in Europe – called the IRG – comprise the 15 member states of the European Union and the other 4 countries following the common legal principles enshrined in the EU telecommunications directives. The 19 IRG members and professional staff members from their different national agencies work together to determine the common principles of regulation in the different national markets. (And by the way, as the modest personality Jean-Michel Hubert is, he did not in his speed mention the fact that he is the incoming chairman of the IRG.) The IRG agree and publish the principles and best practices of our regulatory work as a guidance to achieve a more harmonised internal communications market in Europe.

Now, what are the practical advantages of such a harmonised international approach? I hope you will allow me to illustrate that with a brief personal example. The person I am referring to is not me, but my second son, who is in his fourth year and a student of computer science at the University of Amsterdam. He has just been three months in Africa, travelling from Cape Town to Nairobi. He used local buses and ferries, trains, his bicycle and his feet, crossing many borders and staying in both towns and villages in the country side. And wherever he came, his most successful and immediate way of communication with the local people would be as a new entrant to the football games at the local markets!

Just think of that, soccer, as a four-level global system long agreed by all countries for both the co-operation, *and* the competition, necessary for games at international, national and local levels:

- 1) The top level is the international football federation (FIFA) and its regional organisations which set the broad common rules and principles.

- 2) National soccer associations set the domestic rules for organising competition in different leagues. These rules are, of course, modelled on the international rules.
- 3) The third level - which corresponds to us national regulators - comprises the national independent referees who must apply and quickly enforce the international football rules in the complicated practical situations of individual competitive matches. Of course, although they are independent, their sanctions, such as red cards given to players who misbehave, may be appealed to an independent complaints board.
- 4) Finally, the fourth level - and obviously the most one for the public - is that of the individual teams of players, generally organised in a competitive league, and sometimes with professionals from other countries.

Now, swiftly changing the subject from soccer back to telecommunications, what are the evident benefits of such an international approach of common regulatory practices? I should like to propose to you the following four advantages:

- a targetted application of the broad legal principles laid down in international telecommunication treaties and national law to the practical realities of the dynamic, often uncertain or even turbulent conditions on a given market;
- more predictability for investors to make reliable decisions about the capital injections required in the national markets for new technologies such as cellular networks, wireless local loops to connect new users, and better customer services such as call centres. Bank analysts clearly emphasise the importance of national regulatory credibility and stability for investment in a given country;
- more transparency for users and consumer organisations. This allows them to make informed choices from the various market offerings and to insist on their specific rights in the national Telecommunications Act, such as universal service and reasonable prices;
- a learning environment for us regulators to adopt the best proven practices in the various complicated and very dynamic situations that arise in modern competitive markets. Later this morning, Professor Melody from Delft University of Technology will describe initiatives taken to share the various national experiences on regulation of dynamic markets, and to benchmark the best practices.

In finishing, I wish to repeat how impressed I am with the understanding of the needs for effective and reliable regulation as voiced in the Royal message this morning, as executed by our host, the ANRT, and as illustrated in the ITU country study of Morocco. I am sure that this early understanding has given Morocco its present position as a leading example in the development of telecommunications in Africa and in the Arab States.

May I wish you all a very successful conference, leading to the fruitful use in your own countries of the advantages of the joint experiences and best practices of so many regulators gathered here in Rabat!