

*BOTSWANA
COUNTRY REPORT*

TO

TRASA AGM 2004

REGULATOR'S CONTACT DETAILS

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OVERVIEW OF THE REGULATORS ACTIVITIES

Major Achievements/Successes

BTA licensed the incumbent operator, Botswana Telecommunications Corporation (BTC)

1. The BTA granted BTC a long-term licence in November 2003. The licence effected on 1 April 2004 upon expiry of the interim one under which BTC had been operating on.

BTA ruling on interconnection dispute

2. In September 2003, the BTA Executive Chairman issued a ruling on the interconnection dispute between the two mobile operators, Mascom Wireless (Pty) Ltd and Orange Botswana (Pty) Ltd. The two had referred the matter to BTA for adjudication after failing to amicably negotiate and enter into an interconnection agreement.

2.1 In resolving the matter, the BTA drew on the principle of fairness and reasonableness. Due to lack of reliable data and volumes of traffic, the BTA resorted to benchmarking to determine the efficient termination charge. BTA derived its benchmark from competitive sectors using best practice methodologies to determine their interconnection rates. The approach was used on a transitional and interim basis until reliable costing methodologies were in place. The two companies were directed to enter into and conclude a written agreement, and to submit the contract to BTA

for approval. Although the Telecommunications Act of Botswana allows disputants to appeal BTA's decisions at the High Court, none of the parties have done so.

2.2 The parties have since implemented the interconnection charges as per the ruling. (The full report is available on the BTA website)

World Telecommunication Day (WTD) 2004 commemoration

3. WTD 2004 commemoration was for the second time running taken to the people. Since Botswana started commemorating the day in May 1999, the activities have always been held in Gaborone until the year 2003 when it was for the first time, commemorated outside Gaborone. That year, the venue was Serowe, the second largest village in Botswana. This year, the event was taken to the far west of the country, in a village called Tsabong. A 'kgotla' (customary gathering) meeting preceded the event where the Minister of Communication, Science & Technology, Hon. L. B. Sebetela and representatives of his departments and parastatals were present. The Minister talked about telecommunication issues and thereafter the attendants had an opportunity to raise their concerns and questions. The commemoration was held the next day, and there was a live broadcast of the event, on both radio and television. The theme of the day was **"ICTs: leading the way to sustainable development"** as recommended by the ITU.

BTA adopts Strategic Plan

4. Towards the end of 2003, BTA took a decision to adopt a strategic plan, whose objective is to direct the BTA into the future and enhance its performance. Subsequently, the Authority engaged a consultancy company to assist in coming up with the plan. The process started with the executive team (BTA Board and the Directors) developing a desired vision, mission statement, and the purpose of the BTA. Following this, the staff developed values that would guide the organisation towards its desired vision and mission. The BTA Board has approved the plan and Communication Champions have been chosen from the BTA staff to train other staff on the different aspects of the strategic plan. Implementation of the project is expected to start on 1 September 2004.

TECHNICAL ASPECTS

Technologies - New or Advancements

Telecommunication Growth

5. The telecommunications industry continues to grow positively in the country. The Botswana Telecommunications Corporation (BTC) is still the sole fixed line operator with a subscriber base of 132 859 as at June 2004, reaching 8% of the population.

6.1 Mascom Wireless and Orange Botswana the country's two mobile operators recorded a combined subscriber base of 519 926 which represents a mobile teledensity of 31% as at June 2004. (Note: Population estimate is 1 680,000 according to the 2001 Population & Housing Census)

6.2 The number of licensed Internet Service Providers has grown to 15, including the Department of Information Technology, which is the government service provider.

OPERATIONS OF THE REGULATOR

New Issues/outstanding issues

Spectrum management equipment

7. In February 2004, BTA awarded a tender for the supply, installation and commissioning of an Automated Frequency Spectrum Management and Monitoring System (AFSMMS) to a California based company called TCI International. This project will cost approximately P57 million. The proposed system will among other things ensure that BTA manages the radio spectrum effectively to cater for the needs of all sectors of the economy and ensure that Botswana complies with its international obligations.

Liberalisation Study and Costing Consultancies

8. The BTA has awarded two tenders for the Study on Strategies for Further Liberalisation of the telecommunication market, and for Development of a Costing and Pricing Scheme. A United Kingdom based company, Ovum (Pty) Ltd was awarded a

tender to conduct a study of the Strategies for Further Liberalisation at a cost of GBP 89 615 (Sterling Pounds). This study aims at assisting the Authority find optimal strategies to further open up the market in Botswana. It will assess the viability or otherwise of introducing competition in monopoly areas within the sector. It will also look at the viability of allowing the current operators to provide both mobile and fixed telephony. Finally, the study seeks to come up with future strategies that may be adopted by the Authority for further unbundling of the local loop in order to facilitate competition and efficient service delivery.

8.2 On the other hand, Analysys McCathy Tetrault Consulting, a Canada based company was awarded the tender to develop a Costing and a Pricing Scheme for the telecommunication sector in Botswana. This was at a cost of \$372 000.00. The tender was issued with the realisation that the current pricing regimes used by operators in Botswana are not cost-based, and are often at the centre of interconnection disputes.

New Departments

9. The Strategic Plan exercise has recommended a change in some of the BTA departments. Communication & Consumer Affairs will now be Communication and Public Relations. Compliance and Monitoring will be Compliance and Consumer Affairs. Information Technology (IT) will now move from Communications to Security and form a two pronged division consisting Virtual security (IT) and Physical security.

Future Plans

Policy and Legislation Review

10. The BTA, in conjunction with the Ministry of Communication, Science and Technology is embarking on reviewing the Telecommunication Act, 1996 to align it with the developments in the sector and harmonise it with the current regulatory reforms.

The Ministry is also planning to merge the BTA with the National Broadcasting Board (NBB) and give them a new name.

SADC GUIDELINES/MODELS

11. In its review of the Telecommunication Policy and the Telecommunication Act, the BTA is taking into consideration the SADC Model Legislation with a view to align the documents with the SADC guidelines.

11.1 To this end, BTA has already developed guidelines on interconnection for the Botswana telecommunication sector. The BTA was guided by the existing SADC interconnection guidelines. These guidelines have now gone for printing and will be available to the public for a fee.

11.2 The Authority has also developed a National Radio Frequency Plan that has also gone for printing and will as well be available for a fee. The Botswana frequency plan is consistent with the SADC Frequency Band Plans 20 – 3100 MHZ and 3.1 GHZ – 100 GHZ.