

BOTSWANA
COUNTRY REPORT
TO
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OVERVIEW OF THE REGULATORS ACTIVITIES

Introduction

This paper provides an overview of some of the major activities undertaken by Botswana Telecommunications Authority (BTA) since its last report to the 7th Annual General Meeting of TRASA held in Mauritius in 2004. The report also highlights some activities planned for the future.

MAJOR ACHIEVEMENTS/SUCSESSES

Development of Cost Model and Pricing Framework for Telecommunications Sector in Botswana

2. In accordance with the TRASA/SADC guidelines on Wholesale Pricing and Interconnection, the BTA developed a forward looking cost model which is known as the Long Run Average Incremental Cost (LRAIC) to be implemented by all telecommunications operators in Botswana by the year 2006. The cost model would help, among others, in the setting of interconnection charges between operators and the rebalancing of tariffs by the fixed line operator. The model has been handed over to the three operators for implementation and they have expressed appreciation and hope that the model will give guidance on their future interconnection negotiations.

Further Liberalisation of the Telecommunications Market in Botswana

3. In July 2004, the BTA commissioned a study to assess the telecommunications market in Botswana and make recommendations on how best the market can be further liberalised. The study commenced in July of 2004 and

ended in February 2005. One of the important milestones of the study was the major stakeholders' forum, which was conducted in late January 2005. The main objective of the forum was to give the industry stakeholders an opportunity to look at the Authority's report and freely air their views so that they may be taken on board in making the final decision. The forum also created a platform through which stakeholders could exchange views and share experiences on how further liberalisation could best proceed. The event was also attended by international experts who presented papers on various aspects of liberalisation process aimed at attracting foreign inward investment.

4. Following the completion of the study, the Government of Botswana is still considering BTA's recommendations with respect to drawing the liberalisation roadmap and charting the way forward.

Licensing

5. The National Broadcasting Board of Botswana (NBB) granted Multichoice Botswana a 10 year licence on Friday 21 October 2005. The operator was issued the licence in absentia as they declined to attend the licensing ceremony citing that there was still an outstanding issue to be addressed. On 15 November 2005, a Notice was submitted to the Board from Multichoice attorneys with a copy to the Attorney General of Botswana, NBB's legal adviser, indicating its intention to lodge the matter with the High Court seeking a review of NBB's decision.

6. Still on licensing, Botswana's first commercial television station, Gaborone Broadcasting Company (GBC), was awarded a 15 year licence on Friday 14 October 2005.

Automated Spectrum Management System (ASMS) -

7. The Botswana telecommunications Authority (BTA) awarded a contract for the Supply, Installation and Commissioning of an Automated Spectrum Management & Monitoring System (ASMMS) to TCI of the United States of America, in February 2004.

8. The radio frequency spectrum management and the monitoring system will simplify many of the responsibilities of radio spectrum administration such as licensing, engineering analysis, frequency assignment and monitoring. The integration of the monitoring system with the frequency management system allows the system to perform automatic detection of illegal radio transmitters. The system will also assist in the implementation of the National Frequency Plan. The ASMS system will assist the BTA to manage the radio spectrum effectively, to cater for the needs of all sectors of the economy. This system will also ensure that the

country can comply with its international obligations with respect to the elimination of local and cross-border interference.

9. Installation and commissioning of the project was completed in December 2005 except for one remote monitoring station that is still outstanding on account of difficulties of the access road.

Development of telecommunications technical specifications and type approval procedures

10. The BTA awarded a contract to InterConnect Communications and its local partner Business Online in February 2005 following a public tender, for the provision of consulting services to Develop Telecommunications Technical Specifications and Type Approval Procedures. The project activities were divided into two phases; phase one involved the development of the technical specifications for both radio and wired products, while phase two involved the development of type approval procedures and advise on type approval fees, staffing requirements and identification of laboratories for testing products against BTA technical specifications.

12. The Consultants report was presented to the stakeholders' workshop on the 5th October 2005. Invitations to the workshop and comments to the report were solicited from all stakeholders and the general public. The Consultants have since revised the First Draft Report in light of the comments received from the BTA and the stakeholders. The Final Report on the new regime on carrying out type approval of telecommunications products and the technical specifications is still being considered by the BTA.

BOCCIM/ Prize WaterHouseCoopers Annual Awards

13. The BTA's 2004/2005 Annual Report has been awarded first prize on the parastatal category during the Botswana Confederation of Commerce Industry and Manpower (BOCCIM)/PricewaterhouseCoopers Annual Awards held at the Gaborone International Convention Centre (GICC) on 17 November 2005. During the preceding year the BTA Annual Report was a runner -up for the same award.

Social Responsibility

14. It is the BTA's ardent believe that a portion of its funds should be ploughed back into the community in order to bridge the digital divide. It is against this background that the Authority annually makes donations to deserving institutions/organisations or individuals in the community. The contributions made by the BTA were in the form of computers, printers, photocopiers, cash donations etc.

TECHNICAL ASPECTS

Status of the Telecommunications Industry

15. The telecommunications sector in Botswana has experienced a wave of transformation since the establishment of the BTA. To date, the market comprises of 1 Fixed line operator, 2 Mobile operators, 28 Internet Service Providers, 13 Data Service Providers and 20 Private Network Operators. This phenomenal growth in the industry performance is attributable, in no small measure, to the effectiveness of the regulatory framework.

Subscriber Base.

16. Botswana Telecommunications Corporation registered about 140 000 customers as at the 31 December 2005 representing a teledensity of 8%. As regards the mobile telephone operators they had a combined subscriber base of about 774 000 customers as at the end of the reporting period representing a teledensity of 45%.

GSM Frequency Utilization Study

17. The BTA has also conducted a study to determine the utilization of GSM Frequencies allocated to the two mobile operators. The Study was essential and had given management an insight into the current usage of the GSM 900 frequencies. The Study had also made recommendations on long term spectrum management strategies. What came out clearly from the Study is the fact that there is need to allocate the mobile operators more spectrum especially in the 1800 MHz band especially in urban areas for purposes of alleviating congestion.

FUTURE PROJECTS

18. The BTA will undertake the following projects in the year 2006. The activities are meant to enhance the core functions of the BTA as mandated by the Telecommunications Act.

Spectrum Management Strategy

19. The BTA has issued a tender for the provision of consultancy services to develop Spectrum Management Strategy in the Republic of Botswana. The

consultancy will among other objectives; review the national radio frequency plan; develop a spectrum allocation strategies for various radio services; develop spectrum licensing policy for various frequency bands; and develop a spectrum pricing policy. The tender will close on the 28th February 2006.

Telephone Numbering Policy

20. Botswana Telecommunications Authority (BTA) has also issued a tender for the provision of consultancy services to develop telephone numbering Policy in the Republic of Botswana. The exercise will develop a telephone numbering policy, which takes into consideration, the current Telephone Numbering Plan, the existing International Telecommunication Union (ITU) numbering principles and other international best practices on numbering matters. The tender closes on the 6th February 2006.

Universal Access and Service Policy Study

21. In 2002 the BTA undertook a Universal Service and Access study whose main aim was to identify and make recommendations to the policy maker on how best the telecommunications services could be rolled out to reach all citizens of Botswana. The undertaking was in line with the recommendations enshrined in the Telecommunications Policy of 1995 that recognises the right to telecommunications as a basic right comparable to the right to education and primary health.

22. The draft Universal Service Strategy was subsequently submitted to the Ministry of Communications, Science and Technology for consideration. Following extensive consultation with the Ministry and in view of the digital convergence between the various services, it was resolved that the strategy should be expanded to cover broadcasting, media, postal services, in addition to telecommunications.

23. In pursuit of this resolution, the BTA published a public tender in December 2005, for the provision of consultancy services for the Development of Universal Service and Access Policy suitable for a competitive and converged communications sector. The tender for the study was opened on January 11, 2006 and eight companies submitted their bids. The Authority is currently evaluating the tender.

Development of the Broadcasting Frequency Plan

24. This project involves the development of a Botswana Broadcasting Frequency Plan, which takes into account the current ITU plans, current utilization and future uses of broadcasting spectrum in Botswana. The study will cover the FM, MW frequencies and the VHF and UHF Television broadcasting spectrum. The main objective is to review the current plans for both sound broadcasting and television broadcasting frequency plans and assess the current utilization, perform

engineering analysis to determine how many additional low power stations can be added and where the new frequencies can be added. The tender closed at the end of September 2005 and will be awarded before end of February, 2006.

Licensing of three (3) Private Radio Broadcasters

25. The National Broadcasting Board intends to issue an open tender for three (3) new national licences (that cover the entire country) for private (commercial) radio broadcasting services. The tender documents will be made available during the course of 2006.

BTA Communications Strategy

26. It is the Authority's staunch belief that for it to discharge its mandate there is need to have a well designed and implementable communication strategy that will assist it to build a meaningful partnership with its telecommunications stakeholders. A best-practice communications strategy will help facilitate the further promotion of the BTA's Mission Statement and Organisational objectives, enabling the Communications Department to lead the promotion of the BTA to its national and international stakeholders.

27. It is with the above stated belief in mind that the BTA had issued a tender for the design and implementation of a marketing and communication strategy that will lead the Authority to achieve its mission of being one of the leading world-class communications regulators. The BTA is in the process of evaluating the tender following its closure in December 2005.