Fixed mobile convergence – regulators response

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Low fixed-line teledensity and Internet penetration and the explosive growth of mobile telephony particularly prepaid are the chief characteristics of the telecom markets in Africa. The unprecedented growth of mobile telephony in Africa has opened up the continent to wider participation in the global economy. More people in Africa than in any other continent are using mobile telephony as the primary form of communications.

Fixed mobile convergence allows seamless services between fixed and mobile networks. This convergence provides opportunities for incumbent operators to implement 'one-stop-shopping' and integrated services for mobile operators. Fixed mobile convergence creates a situation where mobile networks can substitute fixed networks if mobile operators offer the similar tariffs, services and quality of services as fixed line operators. In this environment, therefore, the regulator role is to foster fair competition between fixed, mobile operators and value added service providers for the ultimate benefit of consumers.

The challenge for African regulators will be in applying uniform rules and principles for fixed and mobile operators through unified regulation, while at the same time optimizing on the provision of universal service. New competition frameworks will have to be formulated and implemented in order to facilitate the deregulation particularly for innovative technologies such as Voice over Internet Protocol (VoIP) telephony and wireless networks. An enabling policy and regulatory environment will be critical to ensure that these new global realities provide opportunities for developing countries in the African region to meet more effectively their developmental needs and that access to these technologies and the associated markets is fair and equitable.

The regulators response to fixed-mobile convergence particularly in Africa should be the development and implementation of policies that increase access to telecommunication services. These policies should address among other issues, artificial and historical barriers to market entry and competition, predictable tariff regulation, prohibition of abuse of dominant market position and universal services access.

In implementing these policies regulators in the African region should therefore consider eliminating market distortion through cost-based interconnection/tariff regulation, eliminating discriminatory practices resulting from asymmetrical airtime charges, facilitating open network access to data network operators and value added service providers and finally, preventing discriminatory bundling of services. The challenge therefore remains for regulators to respond pragmatically to this paradigm shift that will clearly continue to define the future.