

## Broadband Tele-me-when

On the brink of bandwidth bliss?

If you don't have it you are losing the game," said Gareth Locksley, author of a new study by the World Bank, which found that if broadband penetration had risen by just 10 percent in 2008, Lebanon's economy would have grown by an additional 1.2 percent to 1.5 percent, with similar growth for every 10 percent increase thereafter.

According to the study, Lebanon could accrue \$78 million to \$98 million for every 10 percent rise in broadband penetration. The economic growth allowed over just one year by such an increase would easily cover the costs of the required infrastructure upgrades, and even turn a profit.

"In some circumstances, [the cost to benefit ratio could be] substantially less, depending on the technology used," said the report.

### Smoothing internal strife

"The impact on the Lebanese economy if [it does not] embrace broadband now would be equivalent to Lebanon having not embraced learning foreign languages a generation ago," stated the report presented by Locksley, who spoke at a press conference last month alongside Telecom Minister Charbel Nahas and the chairman of Lebanon's Telecom Regulatory Authority (TRA) Kamal Shehadi. At the conference, Nahas announced that he would set out his general policies for the government-owned sector over the course of 2010.

With both Nahas and the previous minister hand picked by the parliamentary opposition leader Michel Aoun, it now seems that his party, the

Free Patriotic Movement, has chosen to change its telecommunications policy, which was previously highly critical of the TRA that was supported by the parliamentary majority in the run-up to last June's elections.

"The TRA is bound to fulfill all its duties and responsibilities under the minister's supervision, following all general rules for the regulation of telecommunications services in Lebanon, as set out by the minister," the previous policy read. The TRA is meant to regulate Liban Telecom, the corporate entity which would inherit the different areas of Lebanon's telecom infrastructure from the telecom ministry. However, the realization of Liban Telecom has been delayed since the telecom law was passed in 2002.

Since taking the helm, Nahas has promised to reorganize internal policies and external relationships with regards to licenses, pricing and prerogatives between the TRA and the Telecom Ministry which were still "not clear."

### Waiting on the government

As EXECUTIVE went to print, the *Shura* council, Lebanon's highest

court, had still to rule on several cases regarding prerogatives in the sector which arose during the conflicts between the TRA and the ministry, such as a national numbering plan that would outline how numbers are distributed to the public.

"If we don't have a real and practical partnership we won't get anywhere," said Shehadi.

The telecom minister also laid out a plan to implement broadband Internet in the country at a cost of some \$166 million, although the minister conceded that "we cannot know what the projects will [actually] cost."

According to Nahas, the proposed cost of the overhaul has been approved by the finance ministry and is included in the proposed 2010 budget, which had yet to be ratified by the cabinet or parliament when EXECUTIVE



went to print. The minister would not comment on issues regarding government-controlled pricing, which sets some of the highest rates in the world.

The first tenant of the proposed plan was to begin by connecting Lebanon to the International Middle East Western Europe 3 (IMEWE3) network by May, a major requirement of broadband infrastructure in Lebanon. The expansion plan also includes laying 400 kilometers of land lines, which would accommodate 400,000 new users, in addition to laying 830 km of fiber optic cables.

## LEBANON COULD ACCRUE \$78 MILLION TO \$98 MILLION FOR EVERY 10 PERCENT RISE IN BROADBAND PENETRATION

The upgrade would result in the national throughput capacity increasing from 2 gigabytes to 120 gigabytes and result in a corresponding increase in Internet speeds from 256 kilobits per second to 2 megabits per second, according to Nahas. The ministry also plans to increase the number of leased lines available to the private sector from 800 to 4,000 connections.

When queried by EXECUTIVE, Nahas refused to comment on the creation of Liban Telecom or the continued gross corporate governance violation within the ministry, whereby the director general of operations and maintenance, who has close ties to the parliamentary majority, heads the incumbent operator, Ogero, and the arm of the ministry that oversees its operations. ■