



Dr. Imad Hobballah's Speech –

### Samena Beyond Connectivity 2011 Conference

Your Excellencies, Ladies and Gentlemen, on behalf of Dr Hoballah, I am glad to be part of this conference aiming at accelerating and communicating the economic and social benefits of ICT infrastructure and services deployments.

I think we all already know that ICT infrastructure and advanced e-Services:

1. Improve GDP : 1.38% increase per year for every 10% point increase of Broadband penetration.
2. improve fiscal returns: 90 million USD per year for every 10% point increase of Broadband penetration.
3. generate new sources of revenues to the Government through auction proceeds, spectrum fees, RoW fees and revenue sharing ect..
4. improves quality of service and reduces prices for end users.
5. increase profitability and improves productivity and efficiency of various sectors
6. create new job opportunities especially in remote areas,
7. and finally, it builds trust by enabling citizen engagement in the policy process, promoting open and accountable government and enhancing transparency

There is no doubt that both public and private sectors should be involved in driving the changes and transformations in ICT infrastructure and e-Services, not only to reduce the huge CapEx and OpEx, but also to meet the market demand for more and more converged services.

In fact, Convergence, of Voice, Video, Data, and the Internet, is increasingly blurring distinctions between traditional market segments.

That's why ensuring convergence requires a radical shift in thinking, shedding decades-old business models, changes in regulatory policy, and bold moves by government to spur development, involving this way all stakeholders: Public sector, Private sector, and Regulators,



In this regard, **Private and Public Partnership (PPP)** represents a durable solution for strengthening ICT infrastructure and generating economic growth.

- Analysis shows that a 1% increase in PPP investment will increase GDP per capita by 0.3%.

Thus, **Governments** have several options to consider in establishing successful PPP:

- They should give incentives to private investments in ICT infrastructure (Reduce administrative burdens, loans),
- They should also allow access to Government-owned infrastructure (such as ducts, and sewers...),
- They could offer tax breaks for investments in ICT infrastructure and subsidize the rollout of expensive, passive ICT infrastructure.
- They should support content and media development,
- and definitely, they should raise awareness and trigger demand for broadband services.

⇒ On the other side, **SPs** should focus on:

- Building scale and cost efficiency in the utility-like infrastructure layer
- And offering reliability and affordability in the service layer,
- While competing on innovation and speed in the application layer.

⇒ Within this context, **the Role of the Lebanese Regulator remains crucial:**

As you all probably know, Lebanon is still facing difficulties in liberalizing its telecom market, mainly due to the current political situation.

Although we have a fair telecom law issued in 2002, and a telecom regulatory authority created 5 years later, (board appointment in 2007), our country didn't succeed yet in opening its market to competition, and is still suffering from the monopoly of 90% of its telecom services, all state-owned till date, including fixed, mobile and the majority of the available basic broadband services.

However, this critical situation didn't halt the Lebanese TRA from defining a modern regulatory framework, even if not applied and enforced yet.



If we put aside the liberalization of the market as one of the mandatory objective of the telecom law, we have worked on **three “enabling” draft decrees** aiming to provide more clarity to SP and investors and to reduce the capital needed to deploy new ICT infrastructures.

1. **First is the “Rights of Way” decree:** which will not only clarify the terms and conditions on which the licensed Service Providers will be provided access to rights of way and existing infrastructure –such as ducts, conduits, etc., but it will also provide a mechanism for dispute resolution in line with best international practice. Ensuring Rights of Way and access to the ducts will definitely incentivize new entrants by reducing significantly the sunk costs and by eliminating the needless duplication of infrastructure.
2. **Second is “spectrum rights to use fees”:** which will charge existents and new entrants the true value of the spectrum, and will drive SPs to use the spectrum efficiently and will ensure recurrent governmental proceeds,
3. **And Third is the “Annex to Building Code - New Building Requirements for Broadband Service Delivery,”** will require that all new buildings be designed and built in such a way so as to provide for the right infrastructure to be “fiber” ready.

The TRA has also been working on an infrastructure sharing regulation that will impose providers with SMP to share their existing infrastructure.

Furthermore, we are promoting e-Security and specifying recommendations for the provision of secure ICT infrastructure used by different services and applications.

Despite the above mentioned efforts, The TRA recognizes that **the best regulations alone are not enough, and that the success of broadband liberalization and ICT development depends, in large part, on GOL policy.**

Even with the disturbance of the political situation and the delay of market opening to competition, we still have hundreds of reasons and a real deep motivation to continue to work in close coordination with all stakeholders in general and with the MOT in particular to mainly:

1. speed-up the issuance of a new telecom policy that addresses ICT infrastructure needs,
2. and to involve the private sector as a full partner counting on him to play a major role in the development of the telecom sector.



In conclusion, The TRA won't stop developing a modern regulatory framework, hoping it would become soon, once enforced and implemented, the major accelerator of the ICT infrastructure and services' development in Lebanon.