



CASE STUDY

Better Methods, Better Mobiles

Competitive, transparent licensing process makes Jordan's mobile system a model for others



Photo: Jordan TRC

With the signing of its third mobile operator license, Jordan became a regional leader in fair competitive licensing procedures.

After a thorough and meticulous application and screening process, Jordan issued its first ever competitively awarded telecommunications license in August 2004.

Challenge

In 2004, Jordan faced the complex task of licensing a third mobile telephone service provider to break the existing mobile duopoly and prove its commitment to trade reform and liberalization. The move was necessary to satisfy the requirements of the World Trade Organization and a free-trade agreement with the United States, but it was also unpopular, and the government was pressured to cancel the process. In addition, the licensing process would have to be competitive, transparent, and unbiased, but the Telecommunications Regulatory Commission lacked experience in designing and conducting such a contest; the first two mobile licenses had been issued through non-competitive processes.

Initiative

USAID had been working with the Telecommunications Regulatory Commission since 2002 to build capacity and assist its regulatory activities. In 2003, after analyzing the mobile market, USAID made recommendations for the licensing process and helped the commission implement it in two stages: pre-qualification and final evaluation. The process emphasized transparency at all times. Details of the criteria and procedures were published well in advance, and answers to applicants' questions were provided to all competitors. USAID and commission staff evaluated the final applications, then made recommendations to the board of commissioners.

Results

After a thorough and meticulous application and screening process, Jordan issued its first ever competitively awarded telecommunications license in August 2004. The undisputed integrity of the process allowed the government to resist tremendous pressure not to award the license at all — including an offer of more than \$88 million from the existing mobile service providers. This success not only provides Jordan with a homegrown example of good governance and a model for future competitions, but it also makes Jordan a regional leader in transparent licensing. Plus, a capable, new competitor in the mobile services market will lower costs to consumers, improve the quality of service and expand availability.