IV.   INDUSTRY PARTNERSHIPS AND REGIONAL OutrEACH

Industry Participation

An integral component of the FCC's efforts to assist regulators in developing countries in Africa has been input from U.S. and regional partners in industry and public interest fora. Indeed, as noted in Chapter V that follows, one key factor in the selection of countries for participation in the FCC development initiative is the extent of U.S. telecommunications industry interest in particular countries, as evidenced by industry licenses, applications or inquiries. Thus, industry perspectives were very useful contributions to the FCC's understanding of the issues and of the technological opportunities applicable to meeting critical needs in the region.

In this connection, the International Bureau met with a broad spectrum of industry representatives to gain their insight into creating a preliminary list of countries with which the FCC might undertake work plans, to ask for suggestions on what activities industry representatives thought would be relevant and the most useful, and to discuss how industry representatives might participate in various aspects of the initiative.

Initiative Rollout

Having identified the African countries that could serve as focal points for FCC efforts to assist regulators, FCC Chairman Kennard unveiled his development initiative at AFCOM '99 on June 2, 1999. Among other things, he pledged to work generally with African regional organizations, as well as with particular countries to provide regulatory assistance.

Outreach in Southern Africa

Botswana

In furtherance of this pledge, in August 1999, Chairman Kennard gave the keynote dinner address at the annual meeting of the Telecommunications Regulators Association of Southern Africa (TRASA) in Gaborone, Botswana. TRASA is a forward-looking association of the telecommunications regulators in the Southern African Development Community (SADC), a 14-country region (see Appendix 2) with a gross domestic product of $180 billion and 187 million people. TRASA is committed to pro-competitive reform that will attract private investment and benefit the citizens of southern Africa.

In Gaborone, Chairman Kennard met with telecommunications representatives from 12 of the SADC nations -- Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, and Zimbabwe -- congratulating them on the progress they've made in establishing a pro-competitive regional association of independent regulators and urging them to work with the United States to connect southern Africa, and all of Africa, to the opportunity and prosperity of the next century.

Chairman Kennard meets with representatives from 12 of the SADC member nations at the annual meeting of TRASA, in Gaborone, Botswana.
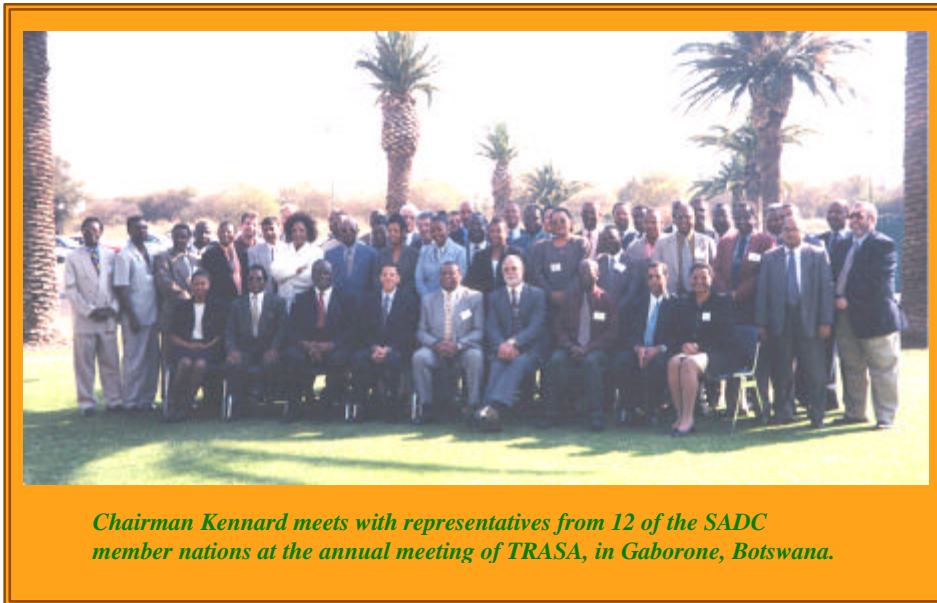
Chairman Kennard commended the SADC nations for establishing TRASA, for beginning to replace monopolies with competition, and, in seven countries, for creating independent regulatory agencies. He suggested that strong, independent, impartial regulatory agencies could lay the foundation for burgeoning, competitive markets, for investment, and for economic growth.

Chairman Kennard challenged the TRASA members to sign the World Trade Organization Basic Telecom Services Agreement during the next round of negotiations in 2000, and offered to work with the nations of southern Africa in the months leading up to the World Radiocommunication Conference in May 2000 to ensure that they can reap the benefits of satellite and wireless systems.

Further, Chairman Kennard met broadcasters, journalists and broadcast regulators in Botswana, emphasizing the importance of having multiple private broadcasters to promote diversity. The Chairman and FCC staff also met with the two cellular companies currently providing services in Botswana.
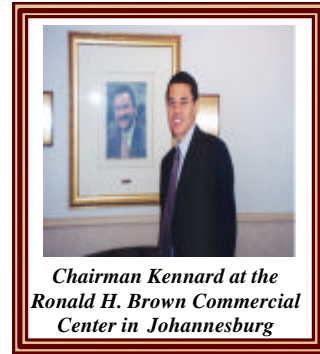
South Africa

In South Africa, Chairman Kennard was the featured speaker at a breakfast sponsored by the American Chamber of Commerce at the Rosebank Hotel. Several major U.S. telecommunications firms were represented, including SBC, WorldSpace, Sprint, Motorola, and Lucent. See Appendix 10 for a list of attendees. Chairman Kennard welcomed the guests and presented an overview of the bilateral meetings held in Botswana, as well as his generally positive impression of the pace of regulatory reform in the

Chairman Kennard at the Ronald H. Brown Commercial Center in Johannesburg

telecom sector throughout southern Africa. He also described his planned activities while in South Africa. He then opened the discussion by inviting company representatives to share their perspectives on the regulatory climate in South Africa and the key issues of concern. Much of the discussion centered on how the FCC could assist SATRA in strengthening its procedures and processes, as well as on an overview of SATRA's decisions on a number of specific policy issues.

Near the end of his stay in South Africa, the U.S. Department of Commerce Foreign Commercial Service (USFCS) sponsored a breakfast roundtable on behalf of the Chairman for both U.S. and South African companies at the Ronald H. Brown

Chairman Kennard and representatives from industry exchange ideas at the USFCS roundtable in Johannesburg.

Commercial Center in Johannesburg. At this meeting, the Chairman gave an overview of his activities during his stay in South Africa, specifically with regard to the FCC-SATRA work program, as well as his impressions of the burgeoning telecom sector and the general state of telecom competition in South Africa. The assembled companies, including several South African internet service providers, offered their views of the regulatory environment and highlighted specific issues of interest to each of them. The

Chairman concluded by inviting the representatives to share their ideas and concerns with him in the future, on both a formal and an informal basis.

A list of industry representatives who attended the USFCS roundtable meeting is attached as Appendix 11.

In Botswana and South Africa, Chairman Kennard and the FCC delegation met with Communications Minister David Magang, Mr. Moss Ngoasheng, Economic Advisor to South African President Thabo Mbeki, and the heads of regulatory agencies from Botswana, Malawi, South Africa, and Tanzania. These included: C. M. Lekaukau, Executive Chairman of the Botswana Telecommunications Authority; Danny Kamwaza, Chairman of the Board of the Malawi Communications Regulatory Authority; Evans J. Namanja, Director General of the Malawi Communications Regulatory Authority; Col. A. N. Nalingigwa, Director General of the Tanzanian Communications

Chairman Kennard and Mr. Moss Ngoasheng, Economic advisor to South African President Thabo Mbeki

Commission; Nape Maepa, Chairman of the South African Telecommunications Regulatory Authority; Eddie Funde, Deputy Chairman of the South African Telecommunications Regulatory Authority; and SATRA Councillors William Currie, Noluthando Gosa, Labius Lesibu, and Matshidiso Mayimele-Hatashatse.

COMESA

FCC staff also met with representatives of another African regional organization, the Common Market for Eastern and Southern Africa (COMESA). The countries belonging to COMESA include Angola, Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe. Several of these countries also are members of the Southern African Development Community regional organization and were the subject of bilateral meetings in August (see above). COMESA has as one of its objectives the creation of a common market in order to allow free movement of goods, capital, and labor within the sub-region. In the telecommunications area, COMESA has embarked on a project to improve the region's communication network.

Many of COMESA's members have established independent regulatory bodies. Several have initiated a process for liberalization and have taken some steps to open certain markets to competition. In the meeting with COMESA representatives, including COMESA Secretary General Erastus J. O. Mwencha, FCC staff stressed the importance of independent regulatory agencies as a key element in developing competitive market opportunities that can be used to address telecommunications service deficiencies.

Previously, bilateral meetings were held between FCC staff and regulatory officials in Kenya and Uganda. Similar meetings have been held at the FCC involving other COMESA countries including Egypt and Rwanda.

Post-Outreach Briefings

On August 31, 1999, in Washington, D.C., Chairman Kennard held an industry debriefing on the Africa initiative. Representatives from industry associations and the satellite, telecommunications, and equipment sectors attended.

Chairman Kennard spoke about the tremendous opportunities for telecommunications industry investment in southern Africa and about the efforts of the region's regulators to promote private sector investment, competition, and consumer welfare. He noted that there is still a great deal more work to be done to ensure a transparent and predictable regulatory structure.

During the question and answer period following Chairman Kennard's remarks, industry and press raised a number of topics. The Telecommunications Industry Association suggested that the Development Initiative tell the story of telecommunications equipment deregulation and certification in the United States, which could serve as a model as other countries liberalize this sector. Industry representatives spoke about the need for regulators abroad to develop sound spectrum management policies, the ability of new technologies to promote competition overseas, and the value of training foreign regulators on satellite issues. Industry attendees also commended the Chairman for his creation of the Development Initiative, and for providing an opportunity for greater dialogue and noted the FCC's efforts to seek industry input before, during, and after the southern Africa visit.

On September 29, 1999, Chairman Kennard held a second debriefing at the African Communications Development Breakfast Forum and Dialogue, an event co-sponsored by The Info/Change Foundation, WorldSpace Corporation and The Global Information Infrastructure Commission (GIIC Africa). Print and electronic press from the United States, Cameroon, Nigeria, South Africa and other parts of the continent covered this event. Chairman Kennard outlined his vision for how developed countries can assist developing countries in the use of competitive regulatory policies to increase teledensity and expand access to advanced services, citing specific examples of how these are working in Botswana and South Africa.

Chairman Kennard detailed a three-part plan that included universal access, the free flow of information across borders, and the development of an initiative dedicated to training in telecommunications regulation. Universal access, he said, meant not only assuring that the next generation of telecom services is available to as many people as possible, but, more importantly, that the level of teledensity throughout the world is raised so that everyone has at least basic telephone service. He said that governments need to embrace the internet and other new technology and the enormous access to information and ideas that it brings to all their citizens. Allowing the internet to develop free and unencumbered is not only desirable, but also inevitable, he stated.

Chairman Kennard also announced a desire to work with industry and other countries to establish a more structured process that can better provide the training and technical assistance necessary to establish transparent and predictable regulatory regimes. He said such a process would need to be focused and be technologically and ideologically neutral. He called upon the audience to find creative ways to ensure the transfer of the knowledge and training necessary to build a global information infrastructure.

Lists of industry representatives who attended the August 31 and September 29 briefings are attached as Appendix 13.