

Telecom Driftwood
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During the turn of the last century log transport relied heavily on drifting logs along waterways to awaiting sawmills downstream. This method of transporting heavy logs was the most economically feasible, albeit dangerous, transport medium; to the dismay of log drivers who often succumbed to the drowning after falling in gaps between the logs on which they threaded.

Although technology made driftwood and log driving nearly obsolete, this practice imparted our vocabulary with several worthwhile terms. It can be said that a project or objective is 'Drifting', 'Adrift', or 'or simply 'Drifting', implying that it is floating with no clear directive and in dire need of a symbolic 'Log Driver'.

Hence, in my opinion, the word 'Driftwood' and the illusion it portrays compliment a contemporary description of the telecom industry in Liberia. Since the early 90s, Liberia's telecom sector has drifted from a tightly controlled industry to an industry marred by predatory mobile telecom operators masquerading as log drivers.

In mid 2005, the benevolent World Bank spent several million dollars on an elaborate study of Liberia's telecom industry. The study aimed at evaluating LTC, the poster child of Liberia failing telecom, other competitive forces in the market, and recommending best practices in policy and initiatives for the government to act on. What emerged was a virtual future and past seeing crystal ball with insight into Liberia's telecom industry.

The subsequent, and lengthy, World Bank report, squarely laid the blame for LTC's failure and current high, and variable, consumer mobile usage fees on the Taylor regime and his cronies. LTC fell victim to deliberate cannibalization and loss of hundreds of jobs to the advantage of the then emerging mobile carrier Lonestar. Besides gross mismanagement, LTC's once thriving infrastructure was left unpreserved, revenue was squandered or used for private expenses, the works. Eventually, Liberia's only land line operator was left standing on 'one leg' while the emerging mobile monopoly dictated mobile fees and consumers bled to pay.

But the past is the past and one cannot dwell on what has already transpired. However, as the old saying goes: "Fool me once, your fault, fool me twice, well, my indolence." To prevent a second telecom hijack, and to curtail the evolving effects of the first, the World Bank's report mentioned earlier made several in-depth suggestions for reforming the industry.

The report's primarily recommends improving policy and laws governing telecommunication in Liberia. Other key suggestions include holding an open tender to attract foreign investment to defibrillate LTC, expanding telecom services into rural areas, and better regulating the lucrative mobile phone market.

Let's take a closer look at the above suggestions and the implication on telecom in Liberia. New laws governing telecom are acutely necessary. Deficient regulation and blunt fraud allowed mobile carriers to strong-arm their way into the market and assume total control. Overnight, Lone Star, the largest mobile carrier, had carved an 86% share of the \$42 million, 200,000 subscribers, Liberian telecom market by 2005. With no other viable industry sector in the Liberian economy, the mobile telecom remains the largest industry by revenue, a size relatively 40% of Liberia's current federal budget forecast of \$129 million or 2% of Liberia annual Gross Domestic Product (GDP). With such a large footprint on the Liberian economy, the mobile sector naturally attracted scrutiny from the new, cash strapped, Liberian government. Fortunately, the World Bank's report has already provided concrete guidelines to the government to ensure fair competition and accountability in that industry.

A second critical component of the World Bank's report emphasized the need for breathing life back into LTC. The first LTC tender held in 2004 evolved into a total sham. Not leaving the next phase to chance, the report outlines detail guidelines for the next tender comprising of inviting local and foreign entities to apply for a chance to absolve LTC from the curse imposed on it. With it's facilities in shambles and its infrastructure broken, the new LTC tender would be one of the few development initiatives to cost the Liberian government nil, yet derive a certain payoff in a new, modern, telecom infrastructure, create thousands of job opportunities and training, provide fixed monthly telephone fees to consumers, provide affordable broadband and landline based faxing service, and, more important, generate substantial equity revenue directly to the government for its stake in the tender venture partnership with a private entity.

You ask why aren't the above mentioned service goodies in the goodie bag handed to Liberian mobile phone consumers and workers, by existing mobile and telecom carriers? The short answer is that there is no incentive for them to do so. The Liberian consumer is largely subsidized by wired funds from overseas. Therefore, even with sub-par service intermittent in rain conditions, mobile carriers will not introduce improved product and services to the Liberian market because consumers, facing no alternative, continue to find the means to afford existing costly mobile fees. Furthermore, no profit focused, entity blessed with 40-60% profit margins, can see a need to incur costs associated with expanding it service offering to consumers. Look at the international oil industry.

As iterated by the World Bank's report on Liberia's telecom market, only calculated government initiative such as telecom policy and legal reform, and creating a vibrant, privatized, LTC alternative via a new tender will help protect consumers and rescue the telecom market from its' inordinate state. Yet, as of this writing, and a year later, the plan, that expensive World Bank report, remains shelved while telecom consumers yearn

for better, affordable services. LTC hangs in a quagmire of fraudulent claims by telco wanabees, adrift, its doors shut while legitimate investors knock and knock.