

## **Telephony - Part III: Who's Watching the Watchman**

### **By Lionel Bernard**

Quick question: What's the largest industry by total revenue in Liberia? Is it the retail sector (vendors selling everything from clothing to electrical parts), no; is it the mining sector (all that diamond and gold), no; well, it has to be the transportation sectors (all those yellow taxis and buses zooming around full to the brim with passengers). Generating over \$50 million annually from per minute calls that range from 20 cents per minute for call within a provider's network to 35 cents per minute for international calls, the telecom sectors is overwhelmingly the single largest revenue generating category of industry in Liberia. Underscoring its dominance, Liberia's revenue generating mobile telecom machinery not only contributes between 12-20% to the government's coffers in fees and taxes, but it has created a sub-industry of hundreds, if not thousands, of scratch-card vendors who sell the ubiquitous simm and scratch cards that are the lifeblood of the telecom industry in Liberia.

As the mobile industry evolves from its naissance by cannibalizing LTC, the responsibility for regulating the industry has fallen squarely on the new, shadowy, albeit partly functional agency named the Liberian Telecommunications Authority or LTA. But this agency's authority doesn't end with collecting fees from the mobile carriers and handing out expensive licenses for pieces of the radio spectrum used for GSM communications. LTA's authority to issue telecom licenses and regulate that industry is deep and broad. It has authority to issue licenses and regulate varying sub-telecom areas such as FM and AM radio stations, television broadcasters, satellite television providers, cellphone dealers, Internet cafes, aircraft and ship radio and navigation system providers, paging services, internet service providers, and even scratch card vendors. LTA even has the authority to impose tariffs and restrictions on imported telecom equipment such as computers and satellite dish. All providers of communication services or equipment in Liberia must pay homage to LTA in annual license renewal fees ranging from \$10 for an amateur radio license to \$100,000 for a broadcast television license. The proposed Telecom Act of 2006, which was seemingly written to the sound of cellphone ringtones in the background, barely scratches the surface of LTA's implied control over the telecom industry; instead, the act drools on in vague language about universal access, spectrum management, interconnectivity, and dispute management among 'mobile' service providers; it even succeed in further extending this young agency's authority over the industry.

No doubt, LTA is a cash cow feeding on the lush green revenues of the fast growing telecom industry in Liberia. Will this new agency rise to fulfill its benevolent intent to tame the telecom industry or will it become an analogy of

another Liberian public trust succumbing to the disease of corruption and incompetence? The verdict may still be out, but close examination of its fiscal controls and its blatant disregard (or ignorance) of certain areas it controls, reveals that mismanagement and nearsightedness, if left unchecked, may eventually lead LTA to that popular path of disgrace as a Liberian public trust.

Let's take a peak at its operations: LTA's 2006 budget stated that the agency had roughly 20 employees, include three (3) chauffeurs (drivers) and two (2) janitors with an operational budget of \$1.06 millions USD. The agency projected total revenue of \$1.5 million from mobile spectrum, VSAT, and other fees for the year 2006 and further projected revenue growth to \$5.1 million by 2010. The troubling thing about LTA's budget is not that it's the largest (and growing) of any agency of its size with no redeeming accomplishments on record; it's the discrepancy in the spending earmarks. The agency spends \$180,000 annually on 'vehicles' yet only \$6,000 on a required financial audit for the fiscal year; \$25,000 on laptops and desktops and \$20-40,000 on international travel, but \$0 on staff training and personnel development; \$30,000 annually on public relations and advertising yet, since its inception, hasn't published a single document for public review; spent \$5,000 on a LTA website that still doesn't exist; \$70,000 on computers and office equipment to support a core staff of 15; and a whopping \$125,000 on 'Technical Services' (no elaboration on what that entails). Hey, forget the Universal Access Fund mandate to help expand phone access in rural areas, let's spend frivolously since there's more where that came from.

The woes don't end there. In its drunken spending spree and nearsighted focus on its meal ticket mobile sector, LTA has neglected its implied role as an advocate for information technology efficiencies in the government and its explicit role as the regulator of the progressive web domain for Liberia. LTA could do so much more in galvanizing support within various government agencies to adapt modern technology to improve its services to the public. The agency could publish standards and best practices guidelines for integrating information technology and telecommunications in government operations. The agency could advocate for much needed broadband investment in Liberia (I'll elaborate more on the SAT3 project in article IV). The agency could, through its PR budget/program, develop a grant program to assist small and micro businesses in the purchase and integrate communications technology in their operations. The agency could advocate for a common government web portal to serve as an information gateway for a public hungry for information from its leaders. The agency could better regulate (rather, start regulating) the .LR web domain, Liberia's piece of the Internet, and encourage Liberian businesses to showcase themselves online and prevent unscrupulous individuals from establishing pornographic or gambling themed web sites under the Liberian designated domain name such as 'www.xxwebsite.com.lr' or from sending emails masquerading as government officials such as [president@mansion.gov.lr](mailto:president@mansion.gov.lr). It

could do all these things, but it probably will not until there is a public outcry for answers.

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