



PROPOSAL FOR LICENSING PROCEDURES

LESOTHO TELECOMMUNICATIONS AUTHORITY

CONSULTATION DOCUMENT

APRIL 2004

## **TABLE OF CONTENTS**

SUMMARY	2
THE CURRENT ENVIRONMENT	3
GLOBAL LICENSING TRENDS	6
PROPOSAL FOR LESOTHO	9
PROPOSED LICENSING PROCESS FOR FACILITIES-BASED OPERATORS	12
PROPOSED APPLICATION PROCESS FOR FACILITIES-BASED OPERATORS	14
PROPOSED APPLICATION REQUIREMENTS FOR FACILITIES-BASED OPERATORS	17
PROCEDURES FOR GRANTING LICENCES FOR FREQUENCY ASSIGNMENTS	20
PROPOSED PROCESS FOR AUTHORISING SERVICE PROVIDERS	21
PROPOSED REGISTRATION PROCESS FOR SERVICE PROVIDERS	25
PROPOSED PROCEDURE FOR PROCESSING REGISTRATIONS	26

## 1. SUMMARY

1.1 The Authority is reviewing its licensing practices. The objective of this review is to ensure that the process for awarding licences is transparent and in accordance with the provisions of the Lesotho Telecommunications Act 2000 (herein after the Act) and the Lesotho Telecommunications Authority (LTA) Administrative, Procedural and Service Provision Rules 2000 (herein after the LTA Rules). It is also to establish whether LTA's Classification of Telecommunications Services Licences issued in 2000, is still relevant for the telecommunications market in Lesotho today and for the foreseeable future.

1.2 This Consultation invites stakeholders to comment on proposals for licence application requirements, award processes and timeframes. It also asks stakeholders to consider whether CPE, private network, resale, wireless local area network, value-added and content services should be delisted.

1.3 Key goals are to increase transparency in the licensing process as well as to reduce barriers to entry by minimising and simplifying the regulatory process. Proposals also recognise digital convergence and are intended to promote technology neutral concepts.

1.4 Comments must be made in writing and are due by 7 May 2004. Comments can be posted or hand delivered for the attention of: The Registrar, Lesotho Telecommunications Authority, 6<sup>th</sup> Floor, Moposo House, Kingsway Road, P.O. Box 15896, Maseru 100, or sent by email to [admin@lta.org.ls](mailto:admin@lta.org.ls).

1.5 The Authority will use comments received from stakeholders to assist it in its development of licensing procedures. Comments received from stakeholders will be made available to the public via the LTA website. Interested parties can also visit LTA to review comments in hard copy. The Authority envisions that the outcome of this

exercise will lead to amendments to existing LTA Rules and its current licence classification process.

## 2. THE CURRENT ENVIRONMENT

- 2.1 Section 26 of the Act requires the Authority to prescribe classes of services. Section 27 further requires that “no person shall establish or provide telecommunications services in Lesotho without a licence.” Thus, the Authority is required to issue licences to all providers of telecommunications services. Although this implies that the Authority must licence all providers of telecommunications services, Section 28 allows it to delist classes of licensed services so that they can be provided without prior approval or licensing. This means that the Authority may decide to delist licences such that specific service providers are not required to obtain licences before becoming operational.
- 2.2 In accordance with Section 26 of the Act, the LTA Board approved 8 classes of licenses in December 2000. These classifications are shown below in table 1.

**Table 1: LTA Classification of Telecommunications Services**

<b>Class</b>	<b>Category</b>	<b>Examples</b>	<b>Process</b>
1	Main Networks and Major Frequency Spectrum Bands	Fixed, Mobile & Satellite Network Operators	Public consultation or by open tenders
2	Resale Services	Telebureaus, Payphone operators, calling card services, private network operators and ISPs	Board approval
3	Customer Premises Equipment	Suppliers of PABXs, telephone sets, cell phones, fax machines, answering machines	Board approval
4	Individual Frequencies Assignments	Individual frequencies required by existing licence holders	LTA Staff approval
5	Value Added Services	Radio paging, voice mail, electronic messaging	Board approval
6	Permits	Short-term activities requiring frequency assignments or temporary telecoms facilities	LTA Staff approval
7	Broadcasting Networks and Services	Radio, TV, Video distribution, multimedia services	Public consultation or open tender
8	Delisted Services	None as of December 2000	

- 2.3 As illustrated above, the LTA Board effectively decided that all telecommunications services should be licensed in 2000. Thus, even providers of telephone handsets and accessories were required to be licensed before offering services to the public. Such an encompassing licensing process can help provide legitimacy to new service providers in a market where telecoms has virtually been the exclusive domain of one operator. On the other hand, it can also deter new entrants from entering the market if licencing requirements unduly tax service providers. It can further lead to high costs of regulation in terms of time involved with processing licence applications, issuing awards and policing service providers to ensure that they are compliant with relevant rules and regulations.
- 2.4 Furthermore, legal obligations related to awarding licences render an all encompassing classification of services difficult to implement in some cases. Most notably is the Act's requirement that the Authority publish each licence application, allow the public to object and inform the public of the timeframe in which to comment if so desired [see the Act; Schedule I; Section 5 (2)]. In practice, the Authority has found that publishing every licence application for public comment impractical for specific services. For example, LTA has licensed over 1,000 telebureau operators since its establishment. Seeking public consultation before licensing each application would have significantly slowed the award process and thereby delayed the provision of public telecoms services much needed by consumers. This situation is what largely motivated the Authority to seek public comment on whether to delist telebureau services in February 2004. The responses received by LTA clearly indicated that the existing licensing process, among other factors, was financially prohibitive, cumbersome and delayed services to the market. Subsequently, the LTA Board approved Management's recommendation to delist telebureau services, effective 1 April 2004.
- 2.5 Similarly in February 2003, the LTA Board approved Management's recommendation to delist providers of telephone sets, cell phones, fax machines,

answering machines, modems and other telephone accessories. Providers of these services had complained that existing annual licence fees of M2,500 and application requirements were market deterrents. The Authority also found that the time and associated costs involved with processing these applications and policing service providers was not warranted for such services.

- 2.6 A primary objective of this Consultation is to decide whether resale, CPE, private network, wireless local area network, and value-added and content services should also be delisted to facilitate growth of the private sector, speed delivery of services to the public and reduce the costs of regulation.

### 3. GLOBAL LICENSING TRENDS

3.1 There are three general approaches to authorising telecommunications networks and services used by regulators and other licensing bodies around the world. These approaches are often used in combination with each other and include:

- 3.1.1 Granting Individual Licences. Regulators typically grant individual licences to individual companies through some form of competitive selection process. Individual licences are useful where a scarce resource or right is to be licensed (e.g. spectrum) and/or the regulator has an interest in ensuring that the service is provided in a particular manner. For example, regulators often issue individual licences to companies that seek to roll-out network facilities (e.g. radio, fibre, copper wire, satellite etc.) to provide services to the public and to connect a large number of customer sites. Examples can include mobile and fixed network operators, providers of international facilities and other services requiring spectrum.
- 3.1.2 Granting General Authorisations or Class Licences. Regulators grant general authorisations, often referred to as class licences, where they believe that regulatory objectives can be achieved by establishing general conditions for service providers. This approach involves publishing terms and conditions for particular services. Service providers are then responsible for ensuring that they are compliant with these conditions as well as other relevant rules and legislation for the sector. Regulatory bodies do not issue licences and there is no competitive selection process. All qualified entities are authorised to provide services. Examples can include data transmission services, resale services, wireless local area networks, Internet Service Providers (ISPs) and private network operators.
- 3.1.3 Allowing open entry without a licencing process or qualification requirements – unregulated services. Some regulators attempt to distinguish between regulated and unregulated services. For example, the U.S. Federal Communications

Commission Service decided in 1980 that enhanced non-voice and data processing services would be free of regulation. Thus, these services are not regulated and there are no licence or authorisation requirements. Examples of unregulated services can include Internet services, data services and other value-added services.

3.2 There is a growing trend among regulatory bodies to move away from individual licences toward general authorisations. For example, in 2002, the European Parliament issued an “Authorisation Directive” which promotes the use of general authorisations for all electronic communications networks and services. The aim is to encourage competition by minimising regulation. Thus, all EU Member States are now required to replace individual licences with general authorisations. Exceptions are made for assigning frequencies and numbers. Although service providers are still subject to specific conditions and notifications, they do not have to seek prior approval in order to provide electronic communications networks and services.

3.3 Table 2 below illustrates other countries where regulators seek to encourage market entry and competition through licensing practices that minimise regulatory barriers. In these markets, the majority of service providers are not required to apply for a licence before being able to operate and supply services to consumers.

**Table 2: Countries with Minimal Licensing Requirements**

Country	Individual Licences: FBOs & Spectrum	No Licensing Process: General Registrations for Service Providers	No Licensing Process: Service providers follow Rules and Legislation	Unregulated Services: ISPs & Value-added Services
Australia	✓		✓	✓
Canada	Only for spectrum & undersea cables		✓	✓
Dominican Republic	✓	✓		
EU Member States	Only for spectrum & numbering	✓		
Hong Kong	✓	✓		
Singapore	✓	✓		
Togo	✓	✓		
USA	Spectrum & international carriers		✓	✓

## 4. PROPOSAL FOR LESOTHO

4.1 The Authority seeks views from stakeholders regarding whether to adopt a licensing approach that facilitates market entry. Key goals are to:

- Reduce financial barriers to entry for service providers
- Simplify time consuming and cumbersome procedures that deter entrepreneurs from entering the market
- Speed the delivery of services to consumers
- Increase transparency in awarding licences
- Reduce the cost of regulation in the sector.

4.2 LTA proposes the following licensing approach in Lesotho:

4.2.1 Individual licences for facilities-based operators (FBOs). LTA proposes to define FBOs as operators who wish to deploy telecommunications networks, systems and facilities to offer telecommunications switching and/or transmission capacity and/or services to existing licensed telecommunications operators, business and/or consumers beyond a single premise. Examples include mobile communications systems (e.g. base stations, mobile switching centres) needed to offer public mobile phone, paging, trunked radio, mobile data services; and fixed telecommunications services (e.g. exchanges, fibre, ducts, submarine cables, frontier stations, international gateways) to offer services like public local and international voice and data services, leased circuit services and leased packet switched services. Television and sound broadcasters are also included in this category.

4.2.2 Individual licences for frequency assignments. LTA will continue to require FBOs, service providers and private individuals to apply for a licence in order to obtain frequency assignments, as is currently the case. Examples include major frequency spectrum band assignments used by network operators as well as

assignments of individual frequencies required for private use. Exceptions will be made for bands designated as free bands by the ITU.

4.2.3 Authorisations/registrations for service providers. LTA proposes to define service providers as companies that lease telecommunications network elements (i.e. transmission capacity, switching services, ducts, fibre ect.) from FBO licensees in order to provide their own telecommunications services. LTA is proposing that such service providers be authorised to provide services through a registration process. This process would permit the operation of a wide range of telecoms services ranging from a public pay phone service to a private network service without first having to obtain a licence.

4.3 This proposal, if implemented, would change LTA's existing classification of licences. Effectively, licences currently required for resale services, customer premises equipment, value added services and content services would be delisted. LTA also proposes to include wireless local area network services among the delisted services. In place of licences, these service providers would be required to register with the Authority. Proposed changes are contrasted with the existing structure below in Table 3.

**Table 3: Existing and Proposed Classifications**

<b>Categories</b>	<b>Existing Classifications</b>	<b>Proposed Classifications</b>	<b>Existing Process for Award</b>	<b>Proposed Process for Award</b>
<u>Main Network Operators</u>	Class 1 Licence	Individual Licence No change	Public consultation & Board approval	No change
<u>Major Frequency Bands</u>	Class 1 Licence	Individual Licence No change	On a case-by-case basis. Public consultation and/or competitive bidding award process. Board approval	No change
<u>Resale Services</u>	Class 2 Licence	Registration	Board approval	Open to all applicants who meet established criteria. Board approval is not required.
<u>Customer Premises Equipment</u>	Class 3 Licence	Registration	Board approval	Open to all applicants who meet established criteria. Board approval is not required.
<u>Individual Frequency Assignments</u>	Class 4 Licence	Individual Licence No change	Open to all applicants who meet established criteria and if spectrum is available. Management approval	No change
<u>Value-added Services</u>	Class 5 Licence	Registration	Board approval	Open to all applicants who meet established criteria. Board approval is not required.
<u>Short-term Activities</u>	Class 6 Permits	Permits No change	Open to all applicants who meet established criteria. Management approval	No change
<u>Broadcasting Networks &amp; Services</u>	Class 7 Licence	Individual licence for network services. No change	Public consultation. Board approval	No change
		Registration for content services (e.g. multimedia)	N/A	Open to all applicants who meet established criteria. Board approval is not required.

## **5. PROPOSED LICENSING PROCESS FOR FACILITIES-BASED OPERATORS**

- 5.1 Because of the small addressable market in Lesotho, the Authority is considering whether an independent impact assessment and demand analysis should be conducted before making a decision to licence additional network operators of public telecommunications services in the future.
- 5.2 If an impact/demand analysis concludes that the market can support additional operators, the Authority would then issue a press release soliciting interested parties. The Authority is considering such an exercise only for major network operators of public telecommunications services such as fixed and mobile operators and international gateway providers.
- 5.3 Alternatively, LTA could allow open entry and thus entertain proposals from all interested applicants barring exclusivity rights. Thus, the decision to enter the market would be left to the investor.
- 5.4 LTA proposes that all applications for individual licences be treated on the basis of objective, non-discriminatory and transparent selection criteria and procedures as proposed in Sections 6 and 7 of this document. Licences will be awarded to applicants that best meet these requirements. In evaluating applications, LTA will consider, among other factors, the applicant's commitment in developing and investing in Lesotho's ICT sector growth, ability to deliver its proposed service and/or infrastructure commitments, and commitment to quality of service standards.
- 5.5 LTA proposes to adopt a technology neutral approach towards the licensing of FBOs. Thus, the configuration of the system deployed and the choice of technology platform will be left to the licensee, subject to spectrum and other constraints such as exclusivity rights.

5.6 Examples of services of that would be required to be licensed as FBOs include all wireless and mobile network services, fixed line network services, television and sound broadcasting services, international gateway services, services provided by Internet Access Providers (i.e. operators that deploy their own access infrastructure), VSAT services and pay phone network services where operators own their own facilities.

Q1. Do you agree with the list of proposed services that should be individually licensed?

Q2. Are there any other types of services other than those mentioned in paragraph 5.6 that should be licensed according to this proposal?

Q3: Do you agree that an independent impact/demand study should be conducted before deciding to licence additional network operators of public telecommunications services in Lesotho?

Q4.Or, do you believe that LTA should allow open entry barring exclusivity rights for all types of network services?

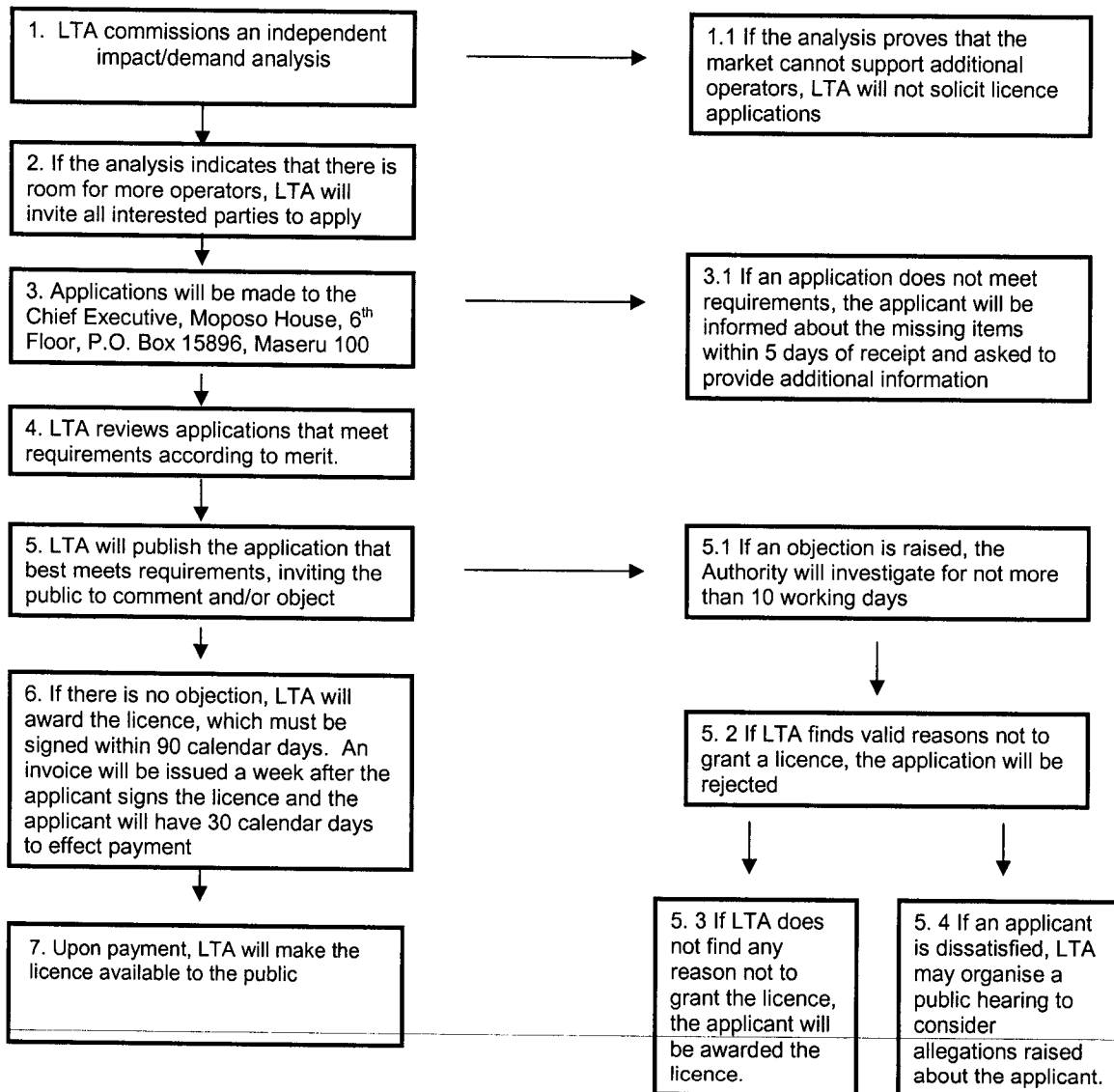
Q5. Should all licences be awarded according to merit, or are there some cases where public bidding may be used to select an applicant? Any other options?

## **6. PROPOSED APPLICATION PROCESS FOR FACILITIES BASED OPERATORS**

- 6.1 The Act requires the Authority to “establish procedures to be followed in proceedings before it, to determine applications for licences” [Schedule 1: Section 5 (1)]. It goes further to say that “such procedures shall establish the format of licence applications, full details to be provided, publication of licence application, invitation to objections and time schedule for replies to objections” [Schedule 1: Section 5 (2)].
- 6.2 The application process described below is a proposal for a standard procedure that LTA intends to use to process licence applications. The overall aim is to promote transparency as well as to inform the sector on how applications are received and processed.
- 6.3 The Authority first proposes to conduct an impact/demand analysis exercise in order to determine whether the market can support additional network operators of public telecommunications services.
- 6.4 If the impact/demand analysis indicates that there is room for additional operators, the Authority will publicise its intent to issue a new licence, inviting all interested parties to apply.
- 6.5 Applications for a licence will be made in writing to the Chief Executive at the Lesotho Telecommunications Authority, Moposo House, 6<sup>th</sup> Floor, Kingsway Road, P.O. Box 15896, Maseru 100.
- 6.6 If an application does not meet established requirements, LTA will inform the applicant about the missing items within 5 working days. Applicants will then be expected to provide the additional information in order to be considered for the licence. Proposed requirements for applying for an individual licence are described in Section 7 of this document.

- 6.7 The Authority will review applications that meet requirements according to merit. It will publish the application that best meets established requirements, inviting members of the public to give comments or object to the application.
- 6.8 If there is no objection raised, LTA will issue the applicant the licence, which must be signed and returned to the Authority within 90 calendar days. If the applicant does not return a signed licence within 90 calendar days, the licence offer will be withdrawn and the second highest ranked application, if applicable, will be considered.
- 6.8.1 If the applicant returns a signed licence within the required 90 days, LTA will issue an invoice within 5 working days. The applicant will then have 30 calendar days to effect payment, failure of which the award will be withdrawn. Upon payment, LTA will officially award the applicant the licence and make the licence available to the public.
- 6.9 If an objection is raised regarding the award, the Authority will investigate for not more than 10 working days.
- 6.10 If the Authority does not find any reason not to grant the licence, the applicant will be awarded the licence as per the process described in paras 6.8 and 6.8.1.
- 6.11 If during the investigation the Authority finds valid reasons not to grant a licence, the application will be rejected and the applicant will be informed within 5 working days after close of the investigation.
- 6.12 If the applicant is dissatisfied, it may request that the Authority organise a public hearing to consider allegations raised about its application. The hearing will be organised and conducted as per Section 46 of the LTA Rules. The Authority will issue its final decision regarding whether or not to grant the said applicant a licence when the hearing is finalised.

## 6.13 Proposed Application Process for Facilities Based Operators



Q6. Are there any other steps that should be added?

Q7. Are there any unnecessary steps?

Q8. Are the suggested timeframes appropriate?

## **7. PROPOSED APPLICATION REQUIRMENTS FOR FACILITIES BASED-OPERATORS**

7.1 LTA proposes to require the information detailed below to assess and thoroughly analyse future applicants' managerial, technical and financial capacity before granting approval for a license. The intent of this type of information is to ensure that an applicant is a legitimate company and capable of operating a telecommunications business for an extended period of time. These requirements build upon those already required by LTA Application Form 8 contained in the LTA Rules.

7.2 LTA is proposing that future applications for individual licences contain the following information, as a minimum:

### **7.3 General Information**

- 7.3.1 Name, address, telephone and facsimile numbers, and e-mail address of the applicant
- 7.3.2 The applicant's principal corporate officers and their biographies [requires amendment to LTA 8 application form]
- 7.3.3 Biographies of other senior managerial personnel principally responsible for operations in Lesotho [requires amendment to LTA 8 application form]
- 7.3.4 Biographies of the applicant's key technical management personnel responsible for operations in Lesotho [requires amendment to LTA 8 application form]
- 7.3.5 Information about the structure of the applicant's business organisation, including the names of all affiliates and subsidiaries, and if available, audited financial statements of the applicant's parent company [requires amendment to LTA 8 application form].
- 7.3.6 Description of proposed services
- 7.3.7 Where applicable, a list of Authorisations for other services previously granted by LTA [requires amendment to LTA 8 application form]
- 7.3.8 Zone of service or geographical area for which the applicant intends to serve
- 7.3.9 Term of licence duration requested.

## **7.4 Legal Information**

- 7.4.1 Legal form of applicant (e.g. company, trust, other)
- 7.4.2 Copy of memorandum and articles of association, incorporation, constitution or other founding document
- 7.4.3 Corporate registration number and date of registration
- 7.4.4 Tax identity number issued by the Lesotho Revenue Authority (LRA) and evidence that the applicant is up to date in the fulfillment of its tax obligations [requires amendment to LTA 8 application form].
- 7.4.5 Evidence that necessary consents and permissions needed from relevant authorities relating to the environment, town planning, or occupational health and safety have been obtained
- 7.4.6 Models of contracts that will regulate the relationships with the users of the various services to be provided [requires amendment to LTA 8 application form].
- 7.4.7 Copies of any existing contracts with other operators and service providers necessary to provide proposed licensed services [requires amendment to LTA 8 application form].
- 7.4.8 Information regarding whether any senior officers have been convicted of a crime.
- 7.4.9 Any other legal information that may be required by the Authority.

## **7.5 Technical Information**

- 7.5.1 Network configuration - plans for overall infrastructure and standards to enable provisions of the services. The description should include, where relevant, the network management capabilities, routing plan, transmission plan, signaling plan and diversity plans. Detailed diagrams should be included [requires amendment to LTA 8 application form]
- 7.5.2 Network coverage. The applicant should submit information, where necessary, regarding planned locations and technical details of stations, exchanges, radio

base station sites and other equipment to be installed and frequency spectrum to be used. [requires amendment to LTA 8 application form]

- 7.5.3 Information regarding network capacity and network performance, where necessary. [requires amendment to LTA 8 application form]
- 7.5.4 A description of the proposal to guarantee network security of the data in its flow through the network and physical network protection, where necessary. [requires amendment to LTA 8 application form]

## **7.6 Financial Information**

- 7.6.1 LTA proposes to require financial information from FBOs that intend to provide services to the public as follows:
  - 7.6.2 A bank guarantee or other financial instrument that indicates that the applicant has the financial resources available for the first year of operations in Lesotho [requires amendment to LTA 8 application form]
  - 7.6.3 A detailed business plan for the first 3 years of operations, including profit and loss accounts, balance sheets and cash flow statements [requires amendment to LTA 8 application form]
  - 7.6.4 Details of the proposed financing plan, including the proposed sources of funds; timing of funding initiatives and injection of funds; planned repayment terms and schedule for loans; credit facilities available and provisions for contingent sources of funds [requires amendment to LTA 8 application form]
  - 7.6.5 LTA may require additional financial information, which may be necessary for obtaining a Licence.

Q9. Is the list of information required comprehensive?

Q10. Should there be any other requirements?

Q11. Are there any unnecessary requirements?

Q12. Should LTA make application forms available on-line?

## **8. PROCEDURES FOR GRANTING LICENCES FOR FREQUENCY ASSIGNMENTS**

- 8.1 LTA is not proposing to amend its existing procedures for the assignment of individual frequencies. These procedures were approved by the LTA Board in December 2000 as part of the Authority's Classification of Telecommunications Services Licences.
- 8.2 The processes for submitting an application for spectrum allocation, criteria for approval, revocation, obligations of licensees and transfers are explained in Sections 68 through 73 of the LTA Rules.
- 8.3 In interest of efficiency, the LTA Board has delegated responsibility for assignment of individual frequencies to the staff of the Authority. Thus, applications are granted without prior LTA Board approval.
- 8.4 Applications are dealt with on a case-by-case basis. In cases where the availability of spectrum is scarce, the Authority reserves the right to award frequency assignments through a competitive bidding process. This right has been granted through Section 53 of the Act.

## **9. PROPOSED PROCESS FOR AUTHORISING SERVICE PROVIDERS**

9.1 LTA is proposing a streamlined process for non-facilities based service providers without the need for an individual licence. This is intended to facilitate business development in the sector. Thus, LTA is proposing to grant General Authorisations for telecommunications services that are open to full competition without limiting or controlling the number of entrants. However, any person who intends to provide a competitive telecommunications service will be required to register with LTA before commencing operations.

9.2 Implementing a General Authorisation scheme for service providers would not require amending the Act as Section 28 enables the Authority to “determine that a class of licensed services, shall in the future, be provided without prior approval or licensing...” However, in its decision process, the Authority must consider whether harm to other service providers or consumers would result from the delisting of licenses.

9.3 Under this scheme, service providers would not be required to pay a licence fee. However, LTA would charge a registration fee that covers the cost of processing registrations as well as keeping records and the public informed of new service providers. LTA will seek stakeholder feedback through a public consultation process before establishing any future registration fees.

9.4 Service providers would be required to meet specific minimum technical conditions and would be subject to the provisions of the Act, LTA Rules, conditions of service and other regulations pertaining to the delivery of telecommunications and ICT services.

9.5 Service providers who have already been licensed by the Authority to provide the services detailed in Sections 9.8.1 – 9.8.5 will be automatically registered by the

Authority if this proposal is adopted.

9.6 In more mature markets, service providers are usually not required to register for a General Authorisation. They simply have to ensure that they are operating within the general framework of communications and other appropriate legislation as well as complying with rules and regulation issued by the regulator. However, because the telecommunications/ICT sector is still in the developing stages in Lesotho, registering service providers that fall under the General Authorisation scheme could prove beneficial. For example, a registration process would help keep the Authority up to date on the number of service providers and the types of services offered to consumers. It could also provide a certain level of legitimacy for service providers and thereby assist them in negotiating contracts with external parties. Thus, LTA is proposing a General Authorisation scheme under which service providers must first register.

9.7 LTA may reserve the right to issue individual licences for select types of telecommunications services where deemed appropriate. LTA may also modify or expand the types of services subject to General Authorisations as needed.

9.8 LTA proposes to include resale, private network, wireless local area network, value-added and content services as well as services provided by suppliers of customer premises equipment under the General Authorisation scheme:

9.8.1 Resale

This Authorisation would permit any person to provide third parties with a wide range of telecommunications services. LTA defines resale as telecommunications services purchased from licensed operators, which are made available to a customer, together with such additional services as the requesting service provider may provide. This Authorisation is intended to cover the provision of national as well as international circuit and packet based telecommunications services. Other examples of resale services include telecoms services offered by hotels,

telebureau and pay phone operators as long as these parties are leasing network elements from FBOs.

#### 9.8.2 Private Network Operators.

This Authorisation would cover telecommunications systems run for private-use, i.e. where services are not offered to third parties. There are no restrictions on the extent of telecommunications equipment for private-use, which can be run both on and between premises. However, the infrastructure, leased lines for example, must be leased from FBOs. All call traffic must also originate or terminate with the licensee or a member of the licensee's group. Examples of this service include private networks of companies such as banks, supermarkets and embassies.

#### 9.8.3 Wireless Local Area Network (LAN) Services

This Authorisation would cover services that enable users within coverage of hotspots or LANs to gain access through wireless means to a public telecommunications network for voice and data communications such as surfing the Internet or sending/receiving electronic mail. These services include the provision of radio access to and resale of other licensed telecommunications services to customers within the coverage area of the radio device. This service is included under the General Authorisation scheme as allocation of spectrum is not necessarily required in order to provide this service. For example, if the service operates within the Industrial Scientific Medical (ISM) band (e.g. 2.4 – 2.8 GHz; 5.4 - 5.8 GHz), which has been designated as a free band by the ITU, LTA would not need to issue an individual licence in order to allocate spectrum. However, service providers that want to use spectrum that is not covered by the ISM band would need to apply for an individual frequency assignment according to the procedure outlined in Section 8. Providers of wireless LANs would be required to make use of FBO infrastructure in the provision of their services and to avoid interference with other allocated frequencies.

#### 9.8.4 Value-Added Service and Content Providers

This Authorisation would cover data services, services of added value, which enhance the utilization of communications networks and improve their efficiency and other specialised services. Included in this category are Internet Service Providers (ISPs) when they provide their services over the networks of third parties. Also included are providers of on-line data processing or data base retrieval services, electronic mail, video text, voice mail, telemedicine, multimedia, distance learning applications etc...

#### 9.8.5 Providers of Customer Premises Equipment

This Authorisation would cover private automated branch exchanges (PABX) services, a telephone exchange operated within an organisation, used for switching calls between internal lines and between internal and PSTN lines.

Q13. Can a General Authorisation process work in Lesotho? Alternatively, should LTA continue to issue individual licences to all service providers?

Q14. Would any harm come to either a service provider or to a consumer as a result of this proposal?

Q15. If you agree that a General Authorisation process can work in Lesotho, should service providers even be required to register with the Authority?

Q16. Is the list of services to be included under General Authorisation scheme inclusive? Should some services be added or deleted from this list?

Q17. Are the definitions of services acceptable and accurate? If not, how should they be improved?

Q18. Should any of these services fall under the individual licence scheme? If so, which ones and why?

## **10. PROPOSED REGISTRATION PROCESS FOR SERVICE PROVIDERS**

10.1 As discussed above, LTA proposes that service providers who qualify for a General Authorisation register with the Authority. The goal of the process described below is to reduce financial barriers to entry as well as time consuming and cumbersome procedures that deter entrepreneurs from entering the market and slow the delivery of services to consumers.

10.2 LTA proposes to request the following information from service providers:

10.2.1 Name, address, telephone and facsimile numbers, and e-mail address of the applicant

10.2.2 Tax ID number issued by the LRA.

10.2.3 Corporate registration identification number.

10.2.4 Proposed services

10.2.5 Geographical area in which the applicant proposes to provide or operate the service.

10.2.6 Providers of international data and voice resale services will be required to provide a business plan and statement of financial solvency. The intention of this requirement is to protect consumers from “fly by night” or unscrupulous service providers.

10.3 LTA proposes that applicants pay a registration fee based on associated costs incurred by the Authority.

10.4 LTA may request any additional information if so deemed necessary.

## **11. PROPOSED PROCEDURE FOR PROCESSING REGISTRATIONS**

11.1 LTA suggests below a procedure for processing registrations for service providers:

11.2 Service providers would submit their request, in writing, to the Chief Executive, Lesotho Telecommunications Authority, Moposo House, 6<sup>th</sup> Floor, Kingsway Road, P.O. Box 15898, Maseru 100.

11.3 If the application is incomplete or if additional information is required, the Authority will notify the applicant within 5 working days of receiving the application, indicating the missing, deficient, or incorrect information.

11.4 Service providers must submit any required amendments or corrections to the original application to the Authority within 10 working days after receiving notification.

11.5 LTA will issue a Certificate of Registration to service providers within 20 calendar days of having received an application that fully meets information requirements. This Certificate will be signed by the Chief Executive. LTA Board approval will not be required for issuing Certificates of Registration.

11.6 Certificates of Registration will be valid for periods of not less than 1 year and not greater than 5 years. For example, LTA suggests a term period of 1 year for telebureau operators, CPE providers, calling card companies and 5 years for ISPs, private network operators and providers of wireless local area network services.

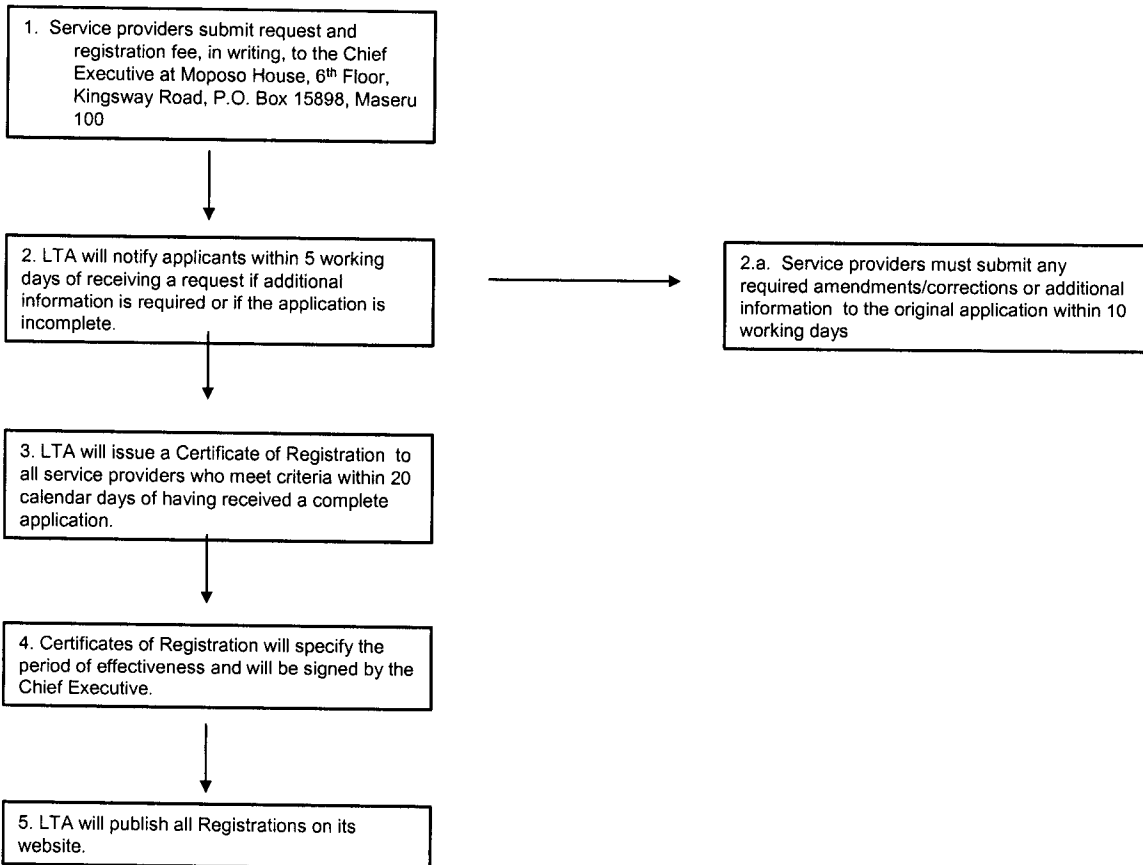
11.7 LTA will publish all Registrations on its website and the Chief Executive will make periodic reports to the Board regarding their issuance.

11.8 LTA proposes that all Certificates of Registration include the details shown below in the box.

**Certificate of Registration**

1. Name, address, telephone and facsimile numbers and email address of the owner
2. Authorised service(s)
3. Geographical area where the service will be provided
4. Number of the certificate
5. Period of effectiveness/duration
6. Notification that service providers are required to ensure that they are providing services under the General Authorisation scheme in accordance with the Act, LTA rules, conditions of service and other relevant legislation.

## 11.9 Proposed Procedure for Processing Registrations



Q19. Do you agree with the list of information requirements? If not, what should be included or not included?

Q20. Do you agree that term periods for registrations should be from 1 to 5 years depending upon the service? Other suggestions?

Q21. Do you agree with the proposed process for registering service providers? If not, how would you improve upon it?