

II-2.8 : The Mauritanian Regulatory Authority orders three mobile telephone operators to increase quality of service.

Tuesday 9 November 2010, by Lorraine Boris, Junior Editor

MAIN INFORMATION

In a report published on October 26th, 2010, the *Autorité de Régulation de la République Islamique de Mauritanie* (the Mauritanian Multi-sector Regulatory Authority) orders three mobile telephony operators to enhance quality of service provided in the country. Mauritel SA, Mattel SA and Chinguitel SA all have one month from October 26th, 2010, to comply with their obligations to provide less than 5% of dropped phone calls.

CONTEXT AND SUMMARY

The *Autorité de Régulation de la République Islamique de Mauritanie* (the Mauritanian Multi-Sector Regulatory Authority) is in charge of regulating multiple sectors of the economy, notably telecommunications, post, electricity and water markets. It was implemented in 2001 by Act 2001-18 of January 25th, 2001, on the *Autorité de régulation multisectorielle* (Multi-sector Regulation Authority). This authority is an independent legal entity created by public law. It has financial and managerial autonomy. The authority is accountable to the Prime Minister of the Islamic Republic. It is divided between the National Council of Regulation, composed of 5 members, including the Authority's sanction commission, and benefits from the broadest powers to investigate and direct the authority's activity, and several divisions, each dedicated to one particular sector. Three of the Members of the National Council of Regulation are named by the President of the Republic, one by the President of the Senate and one by the President of the Chamber of Representatives, all for a four

years mandate.

One of the tasks of the Authority of Regulation in the telecommunications sector is to supervise the proper application of the standards it publishes, according to which the telecommunications' operators must comply in exchange for their use of telecommunication frequencies. Three operators are active on the local market: Mauritel SA, Mattel SA and Chinguitel SA. In 2008, the penetration rate of mobile telecommunications was 67% in the country, whereas only 2,5% of the population had a landline telephone subscription. The Authority of Regulation often performs inquiries in order to ensure that the requirements (quality of network coverage, quality of communications from town to town, etc.) are respected.

In March 2008, these three operators already had to pay several fines to the Public Treasury due to a lack of compliance with certain requirements. Those fines were between 12 million Ouguiyas (30.000 Euros ()) and 103 million Ouguiyas (261.000 Euros).

One year later, the three operators were again found guilty of not fulfilling their obligations and two of them, Mauritel SA and Chinguitel SA, were ordered to comply with their obligations for less than 5% of dropped calls .

Therefore, on October 26th, 2010, the Authority of Regulation once again performed an inquiry, which concluded that the three operators did not provide sufficient reliability of phone calls across the nation. Again, they all have a month to comply with and react to this order.

It remains unsure what the outcome of the order will be, since the Authority itself is granted with the power to condemn the operator and chose the most appropriate sanction. In reality, it

seems actually that the authority mostly resorts to fines.

BRIEF COMMENTARY

This order illustrates how precarious the equilibrium between a Regulation Authority and the sector might be. Indeed, between 2005 and 2010, the Regulation Authority has pronounced 14 sanctions against these operators. One can wonder to what extent such sanctions are efficient, for it seems — according to the annual reports of the agency — that the quality of national telecommunications has increased over the past 5 years. However, the recurrence of non-compliance with requirements, and the ongoing major problem of dropped calls could be due to a lack of means or a lack of will to comply. Thus, the question of regulatory effectiveness is raised.

One should note that the 2001 Act provides the Authority with financial independence, and provides that the sanctions imposed by the Authority will in any case be paid to the Public Treasury, which ensures that the Authority is not financially motivated in its issuance of penalties. Yet, it is difficult to assess the true extent of the Authority's intervention or effectiveness. Yet, the upside of the regular investigations performed by the Authority of Regulation is that it seeks to hold the operators to a standard, even by resorting to coercive measures, in order to enhance the quality of network coverage in the country.