

## **AFFORDABILITY AND ACCESSIBILITY OF TELECOMMUNICATION SERVICES in Kingdom of Morocco**

Since it has been liberalized in 1998 by the law 24-96, the Moroccan telecommunications sector has known a radical change, ending the monopole of "Itissalat Al Maghrib" and establishing the principle of competition in telecommunication services to citizens.

This change, embodied by an unprecedented development, since the size of the market and services have been greatly improved, has been made in accordance with legislative and regulatory rules predefined, ensuring both fair competition between all operators of public telecommunications networks and providing a minimum service of specified quality at affordable prices and, on the whole national territory and all layers of the population.

In order to make available and accessible telecommunication services to the entire population, regardless of its geographic location, the Moroccan legislator has ensured, through law 24-96 and its implementing texts as amended and completed, the principle of universal service is to impose to the all operators of public telecommunications networks to provide or fund the missions and the resulting costs.

### **Content of the universal service**

The furniture of universal service of telecommunication is now based on the following elements:

- Enlargement of the scope of the universal service, initially limited to a basic telephone service, to enclose a telecommunications service including a telephone service either fixed or mobile, missions of space planning and value-added services, including Internet access;
- Establishment of an interministerial committee called the "steering Committee of the Universal Telecommunication Service (CGSUT)" primarily responsible of definition and validation of programs to implement universal service to cover all localities with no telecommunications services, called "white areas" or those poorly served;
- Creation by the Finance Act 2005, of a fund in the form of special account called the "Universal Telecommunication Service Fund" (FSUT) for receiving financial contributions by the telecommunication operators and for financing universal service programs approved by the CGSUT, by awarding financial grants to operators responsible for carrying out such programs;
- Definition and clarification of the specific rules for implementing the universal service obligations by operators of public telecommunications networks, particularly in establishing the principle of "pay or play" , "fund or carry out", which gives the choice to the operator, either to achieve universal service projects, or pay the contribution they are due to the FSUT for each year.

The expansion of the scope of the universal service was made necessary by the increase of use of certain mobile and Internet services, and the willingness to put our country in the global information society and knowledge. The scope has been extended to following aspects:

- A telecommunication service, including telephone service based on a specified quality at affordable prices;
- Mandatory services, including the routing of emergency calls, providing an information service and a telephone directory in printed or electronic form;

- Services related to space planning, which are now an integral part of the missions of universal service. These services are no longer limited to a fixed conception of traditional goals of serving the national territory with "telephone boxes", as they now include the service coverage for the peripheral urban areas, industrial areas and rural areas by means of telecommunications ;
- The value-added services, including services for Internet access.

### **Universal service Steering Committee in charge of the Universal telecommunication Service (CGSUT)**

In order to efficiently manage the universal service and make it part of a coherent and integrated government strategy, an interministerial committee responsible for the management of the universal service for telecommunications (CGSUT) was established.

This Committee, chaired by the Head of Government is composed of the following members:

- The government authority responsible for the interior;
- The government authority responsible for the planning;
- The government authority responsible for finance;
- The Government Telecommunications Authority;
- The government authority responsible for national defense
- Chairman of the Management Committee of the ANRT;
- The Director General of the ANRT.

ANRT is the permanent secretariat of this committee.

This Committee is responsible for:

- Defining the main objectives and priorities for the development of universal service. These priorities are expressed, especially in terms of services and facilities to be provided and / or area to be served;
- Identifying the annual and / or multi-year programs for the implementation of universal service in the country and in accordance with the priorities he has learned;
- Suggesting, for each call up the contents of the universal service in accordance with the provisions of Law 55-01 amending and supplementing Law 24-96 as above;
- Approving the draft specifications for competitive bidding for the achievement of universal service programs adopted by the Committee.

### **Funding of universal service obligations**

The universal service funding is provided by the FSUT fund established for this purpose by the Finance Act 2005. This Fund is endowed by contributions from telecommunication operators up to 2% of their turnover excluding tax, net of interconnection fees, sales of terminals and of the payouts for value-added services suppliers.

The fund may also receive any contribution in the form of donations and bequests allocated by international organizations or in the development programs of universal telecommunications service.

The revenues of FSUT funds are intended to finance programs and projects approved by the universal service CGSUT.

### **Mechanisms for carrying out the missions of the universal service.**

The mechanism of "pay or play" chosen by the Moroccan legislator, offers to the existing operators two possibilities: to participate in carrying out the tasks of universal service. The operator can contribute to the missions and costs of universal service either by making financial contributions to the universal service fund, or by implementing the universal service programs approved by CGSUT .

The operator who chose to achieve by themselves the tasks of universal service, may submit to the appreciation of CGSUT, their proposals for universal service programs. In the case where these programs are approved by the CGSUT, the operator will carry out these programs under the conditions set by the committee and according to particular scope statement.

Regarding the programs defined by the CGSUT, a call for competition is organized. This call for competition, to which both existing operators and new entrants may participate, is intended to choose the operator which will be in charge of carrying out those programs, based on the best technical and pricing offer and in consideration of the lower financial contribution requested.

### **Universal Service projects for the deployment of the covering network**

Since its creation in July 2005, CGSUT has approved several universal telecommunication service projects conducted by existing telecommunication operators. These projects aim to cover digital divided rural localities/rural villages with required telecommunications infrastructure and services.

The table below describes the universal service projects whose realization was entrusted to the operators for the period 2005-2007:

<b>Project</b>	<b>Objectives</b>
Renovation of the rural service in Fixed line, ADSL and CDMA	<ul style="list-style-type: none"> <li>- 159 rural localities connected to ADSL</li> <li>- 826 rural localities connected to internet via CDMA-450</li> </ul>
Mobile coverage in rural area	Coverage of 243 rural localities with GSM technology
Strengthening the GSM network	Strengthening the coverage of 40 rural localities
Initiative of rural public telephony	Deployment of 42 Computer Access Centres (CAC) For phone services in the major souks of Morocco
Internet coverage in rural area	Furnishing the fixed network of 207 rural localities with the necessary equipments to provide Internet service via ADSL technology
Extension of the GSM coverage to remote areas : Installation of Computer Access Centres (CAC)	Coverage of 184 rural localities with GSM technology and VSAT

In 2007, and in order to have the global information about not covered rural localities, the CGSUT required the census of all rural localities/rural villages that were not covered by telecommunication services (voice and data) , called "white areas", and decided to launch a consultation with all existing operators, in order to ensure coverage of these locations.

Therefore, the census identified 9263 rural localities/rural village not covered by telecommunication services. A program has been defined to cover these areas and was named "PACTE " program.

PACT program was running with the participation of operators acting in fixed, mobile and Vsat telephony markets.

The state of progress of « PACTE » program at 31<sup>st</sup> December 2013 is as follows:

<b>Items</b>	<b>%</b>
Covered localities (rural villages)	90,5
Localities in the process of covering	7,4
Localities with electrification issues	0,9
Localities with land acquisition issues	1,0
Localities with operational difficulties for its coverage	0,2
<b>Offered services are using GSM (2G) EDGE, 3G, and Vsat (for Community access Centers)</b>	

The implementation of the PACTE program, expected during 2014, will allow all populated rural areas of the Kingdom, to be provided by a basic telecommunications service.