

**Achievement of Market-Friendly Initiatives and Results Program
(AMIR 2.0 Program)**

Funded By U.S. Agency for International Development

**Needs Assessment of the
Telecommunications Regulatory Commission (TRC)
of Jordan**

Final Report

**Deliverable for ICTI Component, Task No. 423.1
Contract No. 278-C-00-02-00201-00**

April 2002

This report was prepared by Mindel De La Torre, in collaboration with Chemonics International Inc., prime contractor to the U.S. Agency for International Development for the AMIR 2.0 Program in Jordan.

I. BACKGROUND

The recently passed telecommunications law allows for a substantial reorganization of the Telecommunications Regulatory Commission (TRC) and a redirection of the mission and responsibilities of the Ministry of Post and Communications. The updated law reflects the convergence of technologies and services currently under way in the telecommunications field, with the Ministry's focus being on the information technology and telecommunications sectors. The new law establishes a full-time board of commissioners and expands the responsibilities of the TRC to include administration of a universal service fund and stronger overall regulatory oversight of the telecommunications sector.

As part of the AMIR 2.0 project, Telecommunications Management Group (TMG) conducted an assessment of Jordan's TRC during February 1-8, 2002. While in Jordan conducting the detailed needs evaluation for the first year of the AMIR 2.0 project, Mindel De La Torre took into consideration the revised telecommunications law and the TRC's imminent transition to a full-time board and a more independent regulatory body. Ms. De La Torre's trip included meetings with the staff of government agencies and the private sector to assist in this work. In fact, at the TRC, Ms. De La Torre interviewed the senior staff in every division to gather first-hand information and experiences to use as a basis for the assessment. These meetings helped determine how the agency is functioning, and what are some of the strengths and weaknesses of the agency. While most of the meeting time centered on the agency's current role and challenges, the staff also stressed the need to adapt to the new realities of the telecommunications sector in Jordan (e.g., the lawsuits against the agency and the lack of public awareness of the TRC), as well as what the effects of the new law will be on the TRC.

II. ASSESSMENT

The TRC is currently a regulator under siege. The TRC lacks the adequate staff, resources and training to address the needs of the sector that it regulates. The agency is so short staffed that the various divisions must prioritize what few activities that can be undertaken and accomplished in the short term and what can wait until there is more staff to take on the additional duties. The current staff is aware of the TRC's shortcomings and is eager to address them in the near term, but they are also concerned about the new law and the reorganization of the TRC. There has been little explanation of the effects of the new law to the staff. Furthermore, the players in the telecommunications sector view the regulator in a negative light because of the lack of resources and the resulting amount of time that it takes to make decisions. Outside of the telecommunications sector, there is very little awareness of the agency.

First and foremost, the TRC is facing an exodus of experienced staff to the private sector and has not been able to replace the senior managers that have and are leaving due to a lack of a personnel law. Attractive pay and benefits packages in the private sector have lured valuable TRC professionals away from the agency to the point that the agency is currently severely understaffed with about 50% of authorized positions not filled. Low wages and the lack of a new employment framework for the TRC negatively affect the TRC's applicant pool as well. The TRC finds itself unable to

compete with the private sector for high caliber new staff. Moreover, managers find themselves overburdened with the responsibilities of more than one full-time management position with little or no staff backup. The hiring and retention of adequate and experienced staff is one of the highest priorities within the agency.

In addition, the staff is concerned and frustrated with the lack of information regarding the new law and the reorganization of the TRC. Uncertainty about how the new law will affect the management structure is resulting in great anxiety among the staff. In addition, the change in the agency's mission and responsibilities has not been clearly articulated yet and there is much speculation about what will happen next. This is particularly true in the area of spectrum management.

Relationships with groups outside the agency could be improved. Other parts of the Jordanian government, including the courts, are not well versed in the TRC's role and responsibilities. As the sector undergoes further market liberalization, appeals for court intervention in the TRC's decisions will increase. Today, the Commission lacks satisfactory legal support to deal with such challenges, and all legal work associated with the legal challenges is being outsourced. Corporate relations are strained as well. Those firms knowledgeable of the agency's activities generally view the TRC as an inefficient entity that reacts to situations rather than undertaking a proactive agenda. The agency's difficulties with spectrum management do not help the TRC's relationship to industry either. Given its lack of public visibility, the Commission currently has little interaction with consumers and takes no direct consumer protection role, which should become a priority for the TRC.

Although the TRC has made progress on a number of issues while facing considerable constraints, the TRC must move rapidly to position itself to meet responsibilities identified in the new law and effectively respond to consumer and industry complaints. Regulators will continually face challenges and be under siege; however, the TRC is facing significant human resource and management impediments that can have a significant impact on the success on the overall effort to liberalize the market and continue to attract foreign investment in Jordan.

There are many offers of technical and regulatory assistance to Jordan and the TRC. In fact, while in Jordan, Ms. De La Torre met with Mr. Mario Mariani of the EU to discuss ways that the AMIR 2.0 project could work with the EU's proposed cross-sectoral regulatory assistance project. The EU project still had not received approval from Brussels and realistically will not be in place before the second half of 2002. All parties realize the importance of working together to reduce overlap and avoid redundancies once the EU project gets started. However, due to the delays in the implementation of the EU project, it is recommended that the AMIR 2.0 work continue as planned until the EU implementation begins when detailed coordination between the two programs can be instituted.

III. Challenges and Recommended Actions for the TRC

This section focuses on the challenges and recommends possible actions that can resolve the issues currently facing the TRC. The issues are listed in priority order so that the highest priority is listed first. It is important to note that these are the results of the trip in February and may change as the year progresses, so they should be considered a flexible working list.

- 1) There is a lack of staff throughout the agency, even at the manager level where most managers are acting in more than one full-time slot. Experienced staff is being hired by the private sector. Low pay and uncertainties regarding the agency's bylaws have resulted in very few recent "new hires" for the TRC.
Actions to resolve the situation: The TRC bylaws need to be passed so that the agency can get and maintain appropriate staff. Now that the new law has been passed, political pressure can be exerted to achieve this and should be a priority for the Ministry. The agency must develop hiring and retention policies to bring on qualified staff and retain those that are already within the agency.
Timing: As soon as possible.
- 2) The new telecommunications law must be implemented, including appointing a new full-time Board of Commissioners.
Actions to resolve the situation: Assist the Ministry in developing a profile of possible candidates to be Commissioners, including the key position of Chair of the Board. Consider providing a full-time advisor for the regulator during the transition phase.
Timing: As soon as possible.
- 3) Many uncertainties face the regulator as the new law has been passed and some major changes will be occurring within the regulator regarding both its management structure and its mandate.
Actions to resolve the situation: Assist the TRC to restructure itself to reflect the new law and to be more efficient and effective. Ensure that the staff understands the new law and how it affects their duties and responsibilities. Assist the TRC and the Ministry to ease the anxieties in this time of transition, including beginning to develop a strategic plan that includes the new mandate and helps the staff transition to their new roles.
Timing: As soon as possible.
- 4) The TRC has little in-depth expertise on specific regulatory issues that it is facing as the market becomes more competitive. The training needs within the agency are great and span regulatory and human resource development areas.
Actions to resolve the situation: Work with the TRC to identify specific areas of assistance that are needed and to prioritize the training needs. Identify outside training opportunities and assist with in-house training on particular issues.
Timing: For priority issues, as soon as possible; for other issues, once the agency is able to hire more staff.

- 5) Recent TRC decisions are being challenged in the court system, while there is no senior legal counsel in the agency. Because the market is slowly liberalizing, more appeals and challenges can be expected.

Actions to resolve the situation: Appoint a new senior legal counsel to be able to provide and manage the necessary legal support to ensure that decisions are as legally sound as possible. Conduct training of legal staff to learn new skills and better understand the role of the legal affairs office in a regulatory agency.

Timing: Appoint senior legal counsel as soon as possible; conduct training in the next six months.

- 6) Little progress has been made in developing spectrum management policies and coordination procedures. The new law places most of the spectrum policy functions at the Ministry, including maintaining the spectrum databases for Jordan, but the TRC maintains authority to assign spectrum and issue spectrum licenses. The TRC staff is very concerned about this shared responsibility.

Actions to resolve the situation: Follow-up on the initial work that the AMIR 1.0 spectrum expert conducted last year. Assist the Ministry and the TRC develop coordination procedures for spectrum matters using experienced spectrum managers from the United States, which has a similar bifurcated spectrum management system.

Timing: Start work within the next two months and continue throughout the year.

- 7) E-government is a high priority for the King and the current administration in Jordan. The TRC is doing its best to be an e-government leader, with an informative web site and a move to on-line licensing. These efforts are all in spite of the lack of an in-house information technology division. The senior managers with computer expertise are trying to run the web site in addition to all their other duties.

Actions to resolve the situation: Assist the TRC become an e-government leader. Assist the TRC create an in-house IT division that will be able to maintain the web site, support the various TRC data bases, and assist with an on-line consumer outreach program (see below).

Timing: Within the next 3 months.

- 8) There is very little awareness of the TRC outside of the companies that it regulates. The sector views it as reacting to problems but not being proactive (partially due to the lack of resources and partially because of inefficiency).

Actions to resolve the situation: Transform the TRC from a reactive regulator to a proactive regulator. Once the TRC Commissioners are appointed, launch a public relations campaign to change the image of the TRC. To be successful, the TRC must have the proper resources on board. Ensure that there is a public affairs component of the regulator.

Timing: Once the TRC Commissioners are appointed and bylaws are passed so that more staff can be hired to support such a public relations campaign.

- 9) Currently, the TRC is not an agency that represents the consumer. It has no complaint procedure, little investigative and enforcement knowledge or resources, and no ethic of being pro-consumer. Consumers that have problems with telecommunications companies must currently complain to the company involved and/or the press; there is no telecommunications consumer advocate in Jordan.

The new law, however, provides that the agency will protect the consumer.

Actions to resolve the situation: Assist the TRC in changing its focus from being a regulator in a limited competition market to one that regulates a competitive market, including more actively representing the consumer. Assist the regulator to implement pro-consumer procedures and policies, including complaint mechanisms. Assist the TRC to develop means to educate consumers about their rights and the procedures that consumers can follow to redress their complaints.

Timing: This effort should take place at the same time as the public relations campaign mentioned above in 8.

IV. Short-term Action Plan

TMG, under the AMIR 2.0 program, will work with the TRC to ensure that the following tasks and activities are undertaken in order to meet the challenges described in Section III. For clarity and convenience, the section is divided into two parts, the first on institution strengthening and the second on regulatory issues. The goal is to determine where institutional assistance is required in the short term and integrate other assistance from donor agencies on projects that are already underway or that are planned to reduce duplication of efforts, expertise and resources. The AMIR personnel with the LOE and approximate timelines are included below as an initial identification of resources that may be necessary but are only illustrative not indicative. In addition, the LOE does not identify the personnel resources from the TRC that will be necessary to work in conjunction with the AMIR program on these activities. The LOE also does not indicate a division between work done in Jordan and in the home office.

Institution Strengthening

- 1) Evaluate the current staffing and organization of the TRC and determine what changes need to be made to be consistent with the new law and new responsibilities, including:
 - Review current organizational chart and develop new organizational chart
 - Determine number of personnel and managers, as well as staff/manager ratios
 - Determine current responsibilities of divisions within the TRC and what changes need to be made
 - Allocation of work between divisions and how to avoid redundancies
 - Review vacancies; prioritize personnel needs and define hiring strategies
 - Update position descriptions with qualifications
 - Physical office plans and location of staff

PERSONNEL: Regulatory Management Expert/Human Resource Expert

LOE: 10 days/5 days

TIMELINE: May

- 2) Develop strategic plan for TRC consistent with new law and new responsibilities, including:
 - Review current strategic plan
 - Identify new areas of responsibility
 - Meet with senior staff to evaluate strengths, weaknesses, opportunities and threats to revise strategic plan and articulate new mission
 - Identify short-term and long-term (broader) vision of where TRC should be headed
 - Draft and review revised strategic plan
 - Implement strategic plan

PERSONNEL: Regulatory Management Expert

LOE: 12 days

TIMELINE: May

- 3) Develop internal procedures for the TRC on the following issues:
- Delegation of authority
 - Approval and issuance procedures for Commission decisions
 - Implementation of conflict of interest rules, including restrictions placed on individual employees (e.g., no interest in the communications field)
 - Leave, flexible work program, credit hours
 - Personnel evaluation criteria and performance appraisals
 - Promotion and retention of staff
 - Methods for discipline and removal of personnel
 - Recruitment procedures for commissioners and other key staff members
 - Policies for hiring women and disadvantaged groups
 - Travel policies
 - Public relations policies (who can speak to the press, etc.)
 - Compilation of material in Personnel Handbook

PERSONNEL: Regulatory Personnel Manager

LOE: 20 days

TIMELINE: July-October (allowing time for input from TRC managers)

- 4) Develop training programs for new Commissioners and staff, including:
- Assess current skill sets and educational/training needs
 - Identify in-house and outside training resources in Jordan (academic and industry entities) and develop training programs using these resources
 - Develop orientation program for new employees
 - Assess specific training needs and design special programs that can be taped for future use, access existing training programs such as ITU and FCC modules, develop seminars in Amman, and some focused programs for TRC staff to attend overseas
 - Develop regulator's exchange program – attract foreign regulators to work side by side with TRC – 1, 3 or 6 month programs
 - Prioritize specific topics or areas of training needs, such as interconnection, tariffing/pricing, licensing, universal access/service, legal and regulatory practice, competition policy, management skills, spectrum management, satellite, broadcasting

PERSONNEL: *Training Expert**/Regulatory Expert

LOE: 20 days*/5 days

TIMELINE: May-July

* Entries in italics indicate personnel outside of TMG's core competency but within the AMIR 2.0 program.

- 5) Implement and maintain training programs, including:
- Managing regulator's exchange program
 - Provision of and ensuring access to training in areas that have been prioritized under item 4 above, such as interconnection, tariffing/pricing, licensing, universal access/service, legal and regulatory practice, competition policy, management skills, spectrum management, satellite, broadcasting

PERSONNEL: *Training Expert**/Regulatory Expert

LOE: 20 days*/20 days

TIMELINE: Ongoing (May-December)

- 6) Establish and publicize procedures for transparent and participatory regulatory decision-making, including:
- Notice and comment periods for regulatory decisions
 - Appeal procedures
 - On-line comment capabilities through web site
 - Possible integration of input from advisory bodies
 - Conduct workshop for TRC staff on new procedures

PERSONNEL: Legal and Regulatory Expert

LOE: 20 days

TIMELINE: July-August

- 7) Enhance public relations capabilities of TRC, including:
- Establish telecommunications resources data base accessible to the public
 - Ensure adequate staffing of the public affairs office
 - Establish points of contact for each proceeding issued by TRC
 - Develop procedures and contacts for inter-agency communications, including parliament
 - Assess web site of TRC and enhancing consumer-oriented features, and ensuring adequate IT resources to support enhancements

PERSONNEL: *Database Expert/Public Relations Advisor**

LOE: 15 days/5 days*

TIMELINE: June-August

* Entries in italics indicate personnel outside of TMG's core competency but within the AMIR 2.0 program.

- 8) Assist TRC to implement pro-consumer policies, including:
- Assess current TRC capabilities to address consumer complaints
 - Establish complaint procedures and mechanisms
 - Analyze arbitration and alternative dispute resolution mechanisms
 - Establish penalties and enforcement proceedings for violations of consumer rights
 - Develop handbook for use when investigating consumer complaints

PERSONNEL: Legal and Regulatory Expert

LOE: 25 days

TIMELINE: June/July

- 9) Launch public relations campaign, including:
- Increase understanding of how consumers and operators will interact with TRC
 - Publicize rights of consumers and complaint processes (including assessing whether toll-free number is necessary)
 - Distribute educational materials on rights of telecommunications consumers

PERSONNEL: *Public Relations Expert**

LOE: 15 days*

TIMELINE: TBD -- After new Board of Commissioners is in place

- 10) Review budget and budgetary needs, including:
- Determine costs associated with TRC regulatory work
 - Review TRC funding mechanisms, such as income from fees, licenses and enforcement
 - Develop short-term and long-term needs and wish list

PERSONNEL: Regulatory Budget Analyst

LOE: 15 days

TIMELINE: TBD -- Check on budget cycle

* Entries in italics indicate personnel outside of TMG's core competency but within the AMIR 2.0 program.

Regulatory Issues

- 1) Determine the level of responsibility and coverage of specific issues between the TRC and MoICT; identify new roles of each entity for overlapping areas of jurisdiction, particularly international and spectrum issues

PERSONNEL: Regulatory Expert

LOE: 5 days

TIMELINE: May

- 2) Prioritize regulatory initiatives, identify outside assistance and resources available for each initiative, and determine time frame for each initiative, such as:

- Interconnection
- Consumer interaction and complaint procedures
- Tariffs/rate rebalancing
- Numbering
- Status of universal service
- Convergence issues, including Internet issues (VoIP)
- Introduction of 2nd fixed line competitor
- Mobile competition
- Satellite regulation – VSAT, DTH
- Broadcasting

PERSONNEL: Regulatory Expert

LOE: 10 days

TIMELINE: May/June

- 3) Review and assist in the implementation of short-term and long-term spectrum management tools, including:

- Intra-agency coordination procedures
- Development of spectrum allocation tables and database of frequencies
- Monitoring programs for both commercial and government use
- Wireless licensing initiatives
- Status of existing license holders
- Status of spectrum fees
- Enabling greater participation by commercial and public users of spectrum
- Current approaches of dealing with identification, allocation and assignment of spectrum
- Establishing complaint and investigative procedures for interference complaints; implement enforcement procedures
- Review and assess issues related to broadcasting, such as initiatives relating to digital television or the status of broadcasting allocations

PERSONNEL: Spectrum Experts

LOE: 45 days

TIMELINE: May-December

TRC Action Plan Timeline

	Month 1*	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8
Institution Strengthening: Task 1 Evaluate staffing and organization of TRC	[Redacted]							
Institution Strengthening: Task 2 [Redacted] plan								
Institution Strengthening: [Redacted] Develop internal procedures	[Redacted]							
Institution Strengthening: Task 4 Develop training programs	[Redacted]							
Institution Strengthening: Ongoing Implement programs	[Redacted]							
Institution Strengthening: Task 6 Establish procedures for decision-making	[Redacted]							
Institution Strengthening: Task 7 Enhance public relations capabilities	[Redacted]							
Institution Strengthening: Task 8 Implement pro-consumer policies	[Redacted]							
Institution Strengthening: Task 9 Launch public relations campaign	TBD - After Board of Commissioners is in place							
Institution Strengthening: TBD [Redacted]								
<hr/>								
Regulatory Issues: [Redacted] Identify responsibilities of TRC and MoICT								
Regulatory Issues: Task 2 [Redacted] Prioritize mandates, identify resources/time								
Regulatory Issues: Ongoing [Redacted] spectrum management tools	[Redacted]							

* Month 1 is assumed to be May 2002.