

Address by Mr. Charles J.K. Njoroge, CCK Director-General, during the the award of licence to M/s Porting Access Kenya Ltd for provision of number portability services in Kenya on 30th June 2010

Representatives of M/s Porting Access Kenya Limited

CCK senior managers

Ladies and gentlemen of the Media

Good afternoon

Today marks yet another significant milestone for the communications sector in Kenya as we usher in a new era of enhanced choice for consumers of mobile telecommunications services. We are gathered here to witness the award of the licence for the provision of number portability services to M/s Porting Access Kenya Ltd.

The award of this licence is expected to bolster the level of competition in the mobile telecommunications market to the benefit of consumers. It is also expected to play a significant role in levelling the playing ground for operators in the market.

Ladies and gentlemen, the ICT industry is one of the most innovative and fastest growing sectors the world over, attracting many players and playing a significant role in the provision of cost effective solutions to businesses, end users and consumers from across all sectors of the economy. In Kenya the sector currently contributes close to three (3) per cent to GDP and its contribution is expected to remain on a growth trajectory.

However, one area that has drawn a lot of interest from both consumers and service providers is the ability to change service providers without changing the subscriber number. We note that changing subscriber numbers can be a major inconvenience at both the individual and business levels. This is because our subscriber or telephone numbers have now come to be considered as part of our identity, and any change affects the circle of friends, family, acquaintances and business associates.

For businesses, changes in telephone contacts is even more inconveniencing given the costs involved in printing new stationery and communicating the changes to clients, which more often than not includes advertising.

In an effort to enhance consumer convenience and the competitive environment in the ICT sector in line with the global best practice, the Commission resolved to introduce Number Portability in Kenya to enable consumers retain their telephone numbers whenever they decide to change service providers and service types (e.g. broadband services).

In this regard, the Commission embarked on the process of stakeholder consultation which involved industry players, consumers and the general public. The initial consultation exercise

was initiated in 2004 which clearly showed that the market was not ready for number portability due to the existence of a duopoly. The second and final consultation exercises were conducted in 2008 and 2009 respectively. At the end of a comprehensive consultative process, there was an overwhelming consensus in favour of the introduction of number portability services in Kenya. The Commission subsequently initiated the process of licensing a Number Portability Service provider, through an international tendering process. The tendering process began in October 2009 and was completed in March 2010.

At the conclusion of the tender process, which had attracted a total of Seven (7) consortia, M/s Porting Access BV of Netherlands was selected the winner.

In line with the communications sector policy, the winning firm proceeded to register a company in Kenya, M/s Porting Access Kenya Limited, and applied for an Application Service Provider (ASP) licence under the Unified Licensing Framework (ULF). The application successfully went through the usual licensing process and today we are ready to award the licence to M/s Porting Access Kenya Limited. On behalf of the Commission, I would like to congratulate M/s Porting Access for winning the tender/licence.

I wish to note here that M/s Porting Access Kenya Limited, have committed to set up and run the necessary infrastructure for the provision of Number Portability services in Kenya and to charge **a per port transaction fee** of at most Kshs 173 (exclusive of VAT) during the first year of operation. This one time fee per port is considered competitive, and unlikely to act as a barrier to the uptake of the service.

I wish to hasten to add that this process shall involve all cellular mobile service providers in Kenya. The Commission, in consultation with the licensed mobile service providers, is formulating the requisite procedures and guidelines for the provision of the number portability services which are expected to be ready by July 2010. The implementation of number portability is expected to be completed before the close of the year.

Ladies and Gentlemen, it is my now my great pleasure to award an Application Service Provider licence to M/s Porting Access Kenya Limited for the provision of number portability services in Kenya. **Thank you**