



The Chairperson
ICASA
Pinmill Farm
164 Katherine Street
Sandton

19 June 2009

Per e-mail: lmolapisi@icasa.org.za
lmorobane@icasa.org.za

Dear Sir,

RE: Application for I-ECNS and I-ECS licences by public entity

Vodacom has considered the published notice of application for an I-ECNS and I-ECS for Broadband Infraco as per General Notice 427 (Government Gazette No. 32211) dated 6 May 2009 ("the Notice").

Vodacom accepts that the regulatory and legislative framework for establishment of Broadband Infraco is already in place and that the issuing of the licences is the last step in enabling the company to operate. In this regards, the Notice contemplates that Broadband Infraco will be issued with both an I-ECNS and I-ECS licence and sets out *inter alia* proposed terms and conditions and the market assessment report.

Having considered the Notice, Vodacom has decided that it would like to raise principle issues pertaining to how Broadband Infraco is licensed as well as how it will operate, instead of commenting on the specific issues detailed in the Notice. The issues of principle which we believe are critical to be addressed relate to the following:

- The market that Broadband Infraco will target – will it be primarily a wholesale ECNS / ECS service provider to other licensees (including former USALs) or is its objective to provide services to large corporates, SMMEs and government.
- The Pricing Regime which will be pursued by or applicable to Broadband Infraco
- The USO framework that Broadband Infraco will be subject to (including whether and how it will be treated in respect of the USAF), and
- The general regulatory framework to which Broadband Infraco will be subject (including its strategic position in the market as well as its relationship with other private / commercial orientated licensees).

Vodacom hereby confirms that it would like an opportunity to address the Authority on the above issues during the public hearings scheduled for 29 June 2009.

Yours faithfully

A handwritten signature in black ink, appearing to read 'P. Pongwana', written over a horizontal line.

PAKAMILE PONGWANA
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