

**Pieter Grootes**

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**To:** Pieter Grootes  
**Subject:** FW: Mobile Interconnect Rates - Submission  
**Attachments:** Mime.822

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**From:** [REDACTED]  
**Sent:** 02 June 2010 12:09 AM  
**To:** Pieter Grootes  
**Cc:** Pumela Cokie  
**Subject:** Mobile Interconnect Rates - Submission

Good day,

I would like to thank ICASA for the opportunity to present my views on the way forward for mobile & Fixed interconnection rates.

The only way we can force prices down is by strictly regulating ALL Termination Rates and let competition take over.

[http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1586464](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1586464)

While the Glide path for the Interconnection rates are welcome and are very acceptable for the moment.

Ofcom has already proposed that the Mobile Termination Rates for UK Mobile Networks be slashed to a new low of **16c ( SA )**

This clearly demonstrates that our final figure of **40c ( SA )** will be a bit high. Rather we include a further Glide path in now which will allow Operators sufficient time to plan themselves for future investments.

I would rather suggest that we include it in now so as not to come back to it as ICASA has spent a considerable amount of time and resources into this matter.

<http://about.datamonitor.com/media/archives/4003>

<http://www.techcentral.co.za/ofcom-rates-decision-could-pressure-sa-mobiles/13727/>

<http://www.itu.int/ITU-D/ict/newslog/CategoryView.category.Mobile%2Btermination%2Brates.aspx>

<http://pratiksrandomwalk.blogspot.com/2010/04/ofcom-says-thou-shallst-all-make.html>

**Table 1: Glide Path (July 2010 – July 2013)**

	<b>Mobile Call termination rates</b>	<b>Fixed call termination rates</b>
<b>From July 2010</b>	<b>R 0.65</b>	<b>R 0.15</b>
<b>From July 2011</b>	<b>R 0.50</b>	<b>R 0.12</b>
<b>From July 2012</b>	<b>R 0.40</b>	<b>R 0.10</b>

<b>From 1 July 2013</b>	<b>R 0.30</b>	<b>R 0.08</b>
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From 1 July 2014	R 0. 20	R 0. 05
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ICASA further needs to include in the final regulations the above rates all be based on per second billing even though they maybe Wholesale rates.

As I personally believe within the next year ICASA should tackle the Option of ALL calls across ALL Operators including ALL Tariffs be made per second Billing to the Retail Market. We must seriously look into doing away permanently with per minute Tariffs. As most of the poor of our country speak for 30-40 seconds and pay for a minute. This clearly shows that almost 33% of the Tariff could be saved by the consumer if the ALL Rates were per second Billing. Operators thrive on charging you for 60seconds when you have spoken for 15seconds.

Neotel and Telkom Mobile are doing it across all Tariffs – The Mobile Operators must do the Same. Not 6c per Second but 2c per Second.

This per minute Billing must **STOP** !

#### Clarity on Date issues :

The Mobile and Fixed Operators would take the July 2010 – July 2014 to mean **31 July**. ICASA needs to clearly indicate the interpretation that this is **1 July 2010** – and so ON.

Vodacom & MTN have a million excuses for not wanting to lower mobile interconnection rates. They want to maintain their high profit margins easily. However we must let competition work and the only way forward is to slash Mobile interconnection rates to a low a figure as technically possible. Icasa needs to inform Operators that deadlines must be met or else decent fines in the millions be handed out to them.

Vodacom – MTN – Cell-C – Telkom-Mobile

need to get their act together and start offering real value to customers based on the lower Mobile Interconnection Rates.

We need to see some cut throat competition in the Voice & SmS market.

Almost all the Tariffs of all the Operators are almost the same. i.e NO Competition

R2-85 c Peak and R1-35c OFF peak and 85c sms is very ludicrous.

Mobile Technology is not a luxury it is the only form of communication available to millions of poor people.

Telkom does not have last mile infrastructure in far flung areas. The poor have no choice but to use mobile telephony at ridiculously high prices under sufferance from price.

ICASA needs to remind – MTN – VodaCom – Cell-C that they own the 900mhz band with 11mhz uplink and 11mhz downlink Capacity.

They should be grateful for the fact that No other new Operators can access this spectrum any more unless ICASA decides to recall spectrum. And re-distribute it evenly including Telkom Mobile in the new re-distribution. **ICASA should conduct a review into this.**

5 – Operators Can easily share the current spectrum

With each operator getting the Spectrum below.

6.5mhz – 900mhz Band Uplink ----- 6.5mhz – 900mhz Band downlink

15mhz – 1800mhz Band Uplink ----- 15mhz – 1800mhz Band downlink

10mhz – 2100 mhz Band Uplink ----- 10mhz – 2100 mhz Band downlink

**Yet we have only 3 Mobile Operators.**

Most African Countries have 4 or more operators

Uganda has 7 Mobile Operators –

<http://telecomafrika.blogspot.com/2009/11/smiles-launches-as-ugandas-seventh.html>

Tanzania has 6 mobile Operators –

[http://www.tcra.go.tz/publications/determination2\\_of\\_07.pdf](http://www.tcra.go.tz/publications/determination2_of_07.pdf)

Ghana has 6 mobile Operators –

<http://www.cellular-news.com/story/30699.php>

The local Operators need to embrace the Silver Platter that ICASA has handed to them and they need to come to the party. Operators need to throw in a little more value to reclaim their profits rather than charge R2-85 per call and make Billions.

I find it strange that MTN wants to maintain higher Termination Rates in South Africa where it has a market share of approximately 42% market yet the very same MTN that has A network in Zambia where it has a 20% market Share wants Mobile Interconnection Rates to be heavily reduced.

<http://telecomafrika.blogspot.com/2010/06/mtn-wants-interconnection-fees.html>

<http://www.computerworldzambia.com/articles/2009/12/20/mtn-uganda-goes-court-over-interconnection-rates>

ICASA further needs to remind the Operators that they got 3G spectrum virtually for FREE in South Africa yet in every other country the operators paid dearly for 3G spectrum. In simple terms they should invest that money that should have been paid for spectrum into rural 3G Broadband.

[http://www.cellular-news.com/story/43087.php?source=rss&utm\\_source=feedburner&utm\\_medium=feed&utm\\_campaign=Feed%3A+cellular-news%2FLmiX+%28cellular-news%29](http://www.cellular-news.com/story/43087.php?source=rss&utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+cellular-news%2FLmiX+%28cellular-news%29)

**Dominant Operators worldwide always have excuses when it comes to lowering Termination Rates but ICASA must be strict and enforce the new rates with immediate effect.**

<http://www.theeastafrican.co.ke/business/Tanzania%20telcos%20get%20down%20to%20price%20wars/-/2560/906232/-/m9tqkk/-/index.html>

<http://www.computerworld.co.ke/articles/2009/09/30/african-providers-under-pressure-interconnection-charges>

**Regards**

**Ashley Madraymuthoo**

