



Independent Communications Authority of South Africa

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**ICASA CHAIRPERSON STATEMENT REGARDING THE 2014 CALL
TERMINATION REGULATIONS AND EXPLANATORY NOTE TO
ACCOMPANY THE REGULATIONS**

29 January 2014

Johannesburg – Colleagues and Councillors of the Independent Communications Authority of South Africa, our new Chief Executive Officer, electronic communications industry representatives, stakeholders and members of the media present, ladies and gentlemen. My name is Nomvuyiso Batyi, and I am accompanied by Councillor William Stucke, Pieter Grootes, Christian Mhlanga and Selelo Ramohlola.

Let me, at the outset, apologise for Dr Stephen Mncube, who has been booked off-sick in the past two weeks, for not being with us today.

However, I must commend the collective will and cooperation of the ICASA Council for working as a team to ensure that we deliver on our legislative mandate on time.

Talking about the Authority's mandate, it is one of regulating the postal, broadcasting and electronic communications sector in the public interest.

Regulating in the public interest means the will and commitment to aggregate differing and sometimes conflicting societal interest, and to ensure that the public interest prevails at the end of the day.

South Africa is an emerging economy, with pockets of wealth and affluence here and there, amidst a sea of poverty, deprivation, unemployment and glaring inequalities.

Our role as a regulatory agency for this sector is to ensure that postal, broadcasting and electronic communications take their rightful place in the country's economy.

As we get down to the business of regulating this sector, our beacon is to attract local and foreign investors, and position this industry as a sector of choice.

We regulate to create competition and choice for the consumer and end-users so that they can get value for money and quality of service.

We regulate so that our young people can get opportunities not just to gain employment, but to generate employment and establish enterprises that would stimulate economic growth and opportunities.

As an Authority, we also regulate to ensure that the majority of our people have access to affordable electronic and ICT services wherever they are, in Orange Farm and Diepsloot, in Tsolo and Pongola, Lephalale and Springbok, Thaba Nchu, Giyani or Makhado.

This is the Authority's mandate, and I know not of any other but one of regulating in the public interest.

This mandate is captured in our organisational Strategy and Annual Performance Plans.

But specifically for today, the focus is on reducing the cost to communicate. As an Authority we embarked on this route to cut wholesale Call Termination Rates as from the 1st of March 2011 to 1st March 2013.

This initial three-year glide path, reduced mobile rates from 73 cents to 40 cents and fixed termination rates from 20 cents to 12 cents.

A special Asymmetric dispensation was also created for smaller operators to charge maximum rates to enable them to benefit from this wholesale call termination rate framework.

Today the Authority is in a position to announce and outline a further reduction in wholesale call termination rates.

These Regulations will be effective as of the 1st March 2014, and will be published shortly.

The Authority has determined the following wholesale voice call termination rates for Market 1 (Mobile) and Market 2 (Fixed)

Table 1: Wholesale voice call termination rates to a mobile location (Market 1)

Period	Rate
1 March 2014	R 0.20
1 March 2015	R 0.15
1 March 2016	R 0.10

Table 2: Wholesale Voice Call Termination Rates to a Fixed Location (Market 2)

Period	WON	BON
1 March 2014	R0.12	R0.16
1 March 2015	R0.12	R0.12
1 March 2016	R0.10	R0.10

In addition, the Authority has determined the following asymmetric regimes for Market 1 (Mobile) and Market 2 (Fixed)

Table 3: Maximum Asymmetry Rate for Market 1 (Mobile)

	Maximum Rate
01 March 2014	R 0.44
01 March 2015	R 0.42
01 March 2016	R 0.40
01 March 2017	R 0.20

Table 4: Maximum Asymmetry Rate for Market 2 (Fixed)

Period	WON	BON
1 March 2013	R0.13	R0.21
1 March 2014	R0.13	R0.21
1 March 2015	R0.13	R0.13
1 March 2016	R0.13	R0.13

1 March 2017	R0.13	R0.13
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The Authority holds that the new regulations will go a long way in :

- Ensuring a free flow to retail process
- that although the Asymmetry is high for a limited period, it is intended to provide a conducive environment for smaller operators to invest in infrastructure; and that
- the Authority takes a dim view of any price discrimination.

Finally, let me point out that the Authority has developed a five-year Strategy for 2014-2018, and would like to share this and engage with operators, licensees and stakeholders.

This will be another discussion for another day, in the near future. A Stakeholders Meeting is indeed on the cards, and you will be informed and invited in due course.

Thank you very much for your attention. We have a panel of Councillors and technical experts present here, who are ready to respond to your questions and concerns.

You can also direct enquiries regarding the Final Call Termination Regulations and the Explanatory Note should be directed to Christian Mhlanga on (011) 566 3637 or CMhlanga@icasa.org.za and Mankopane Nkopane on (011) 566 3639 MNkopane@icasa.org.za

Enkosi, ndiyabulela, ke a leboga.