

28 October 2016



THE POWER IS IN YOUR HANDS

Cell C (Pty) Ltd
Waterfall Campus
Cnr Maxwell Drive and Pretoria Main Road
Buccleuch, Ext 10, 2090
Private Bag X36, Benmore 2010
Johannesburg, South Africa
General Tel: +27 (0)84 174 4000
Fax: +27 (0)84 167 6598
Website: www.cellc.co.za
Reg. no: 1999/007722/07

Mr Lordwill Zwane

Project Leader

ICASA

Per e-mail: Lzwane@icasa.org.za

Numberportability@icasa.org.za

Dear Mr Zwane

RESPONSE TO QUESTIONNAIRE: INQUIRY INTO NUMBER PORTABILITY REGULATIONS, GAZETTE 40232

1. Cell C would like to thank ICASA for the opportunity to provide written responses to the number portability questionnaire.
2. Cell C looks forward to engaging with ICASA should ICASA have any queries on Cell C's written responses and Annexure A and B.
3. Cell C confirms its readiness to participate in any subsequent hearings that might be called by ICASA.

Yours sincerely

A handwritten signature in black ink, appearing to read "Graham Mackinnon", written over a horizontal line.

Graham Mackinnon
Chief Legal Officer



Annexure A

QUESTIONNAIRE: INQUIRY INTO NUMBER PORTABILITY REGULATIONS

SECTION A - GENERAL	
Licensee Details	
Licensee Name	Cell C (Proprietary) Limited
Address	Cnr Maxwell Drive and Pretoria Main Road
Contact Person	Mr Graham Mackinnon
Designation	Chief Legal Officer
Telephone	084 174 4013
Email	g.raham@cellc.co.za

Services Offered by Licensee (select all that are applicable):	
Retail	
Geographic	
Mobile	X
Wholesale	
Other (Specify)	Resale mobile capacity

Any confidential information must be marked as such and a request for confidentiality made in terms of Section 4D of the ICASA Act

Signature	
Designation	CHIEF LEGAL OFFICER
Date:	28 / 10 / 2016

I, SPANTAN MACKINTOSH, in my capacity as CHIEF LEGAL OFFICER hereby confirm that the information provided herein is true and correct.

Notes:

Cell C has been engaging with ICASA on the issue of number portability for many years. We have attached our letters in this regard with the relevant portions highlighted, as **Annexure A**.

In order to situate some of our submissions within an international context, we have also prepared a memorandum on some readings, which is attached as **Annexure B**.

Mobile and Geographic Numbering Indicators

SECTION B: MOBILE NUMBER INDICATORS			
Indicators	From Inception to Date	Comments	
Total Mobile Numbers Allocated	44m (August 2016)		
Total Mobile Number subscriptions	21901216 (March 2016)	Excludes CST and BB data ito Cell C Compliance report	
Prepaid	20439970	Excludes CST and BB data ito Cell C Compliance report	
Post-paid	1461246	Excludes CST and BB data ito Cell C Compliance report	
Mobile Numbers Ported In	3212160 (30 September 2016)	As per CRDB	
Mobile Numbers Ported Out	764908 (30 September 2016)	As per CRDB	

SECTION C: GEOGRAPHIC NUMBER INDICATORS

Geographic Number Indicators		Indicators	From Inception to Date	Comments
	Total Geographic Numbers Allocated	N/A		
	Total Geographic Numbers' subscriptions			
	Prepaid			
	Post-paid			
	Geographic Numbers Ported In			
	Geographic Numbers Ported Out			

Numbering Portability Regulations Questionnaire

1. Describe your company or personal involvement in number portability

Cell C was licensed as the third mobile operator in 2001 whilst Vodacom and MTN were licenced in 1993 and 1994 respectively. This has resulted in Cell C becoming a challenger network operator in a now saturated mobile market where many subscribers have more than one phone (and/or SIM card). Therefore mobile number portability is a key competition enabler for Cell C in attracting new subscribers to its network as these must be ported away from other networks.

Cell C fully supports a competitive environment and to this end, is the only mobile network operator that has embraced Mobile Virtual Network Operators (MVNOs) and Mobile Virtual Network Enablers (MVNEs) in order to support competition at the service level. Mobile number portability is also necessary to ensure such downstream service providers enjoy the benefits of appearing to offer even more competition to the incumbent mobile operators resulting in enhanced choice and improved quality of service for the subscriber, thus supporting the objectives of the sector statutes.

Cell C was actively involved in all the consultations on number portability and supported the introduction of this important tool of competition as early on as possible. Since the Regulations were passed in 2005, Cell C has been urging ICASA to review them to ensure that they are sufficient for their purpose (see **Annexure A**).

The Electronic Communications Act 36 of 2005, as amended ("ECA") required the establishment of a central number portability database. This initially resulted in Cell C, Vodacom and MTN forming and funding a private

company called the Number Portability Company ("NPC") which is intended to operate on a non-profit basis. Later Telkom and Neotel also joined the NPC. All five entities have equal representation at the NPC.

The NPC is the administration arm of the central number portability database and a third party technical entity, performs the clearing house functionality. The roles and responsibilities of the abovementioned licensees and the NPC are governed by the number portability regulations and functions under normal commercial principles. Cell C is one of the five directors on the NPC board where it actively participates in the efficient decision making of the management of the NPC.

However Cell C was the only operator to call for a reduction by the MNOs in the charges they levy on the porting of numbers. This is because NPC is making a substantial amount of money and this is not the intention of the company. The company was intended to act as a facilitator of porting – and to merely cover costs. From a retail perspective the introduction of mobile number portability, has enabled Cell C to introduce value added services and products (both data and voice). This has resulted in subscribers exercising their right to choice by moving to Cell C without the inconvenience of losing the Mobile Station International Subscriber Directory Number (MSISDN).

2. Describe your company's positioning in the fixed line and/or mobile markets.

Cell C is the third mobile entrant with approximately 23.42 million subscribers (30 June 2016). It has approximately 10% of the mobile market by revenue as a result. It has always been the third MNO and has never managed to achieve an increase much above this threshold because of, among other problems, the difficulties it constantly faces in relation to portability.

Chief of these is the fact that incumbent behaviour typically protects its network share by increasing its club – it incentivises subscribers to remain “on-net” by offering discounts for on-net calls and promotions that are primarily or only available to subscribers of that network. Such behaviour increases the perceived risk of moving to a smaller network.

Coupled with delays in the port process and other risks including port rejections, Cell C's market share has not been able to grow.

3. What would you consider to be the advantages and/or disadvantages with the current number portability framework and administration thereof?

Cell C recommends that the Authority publishes in a Government Gazette the Order System Specification ("OSS") and the Mobile Number Portability Code of Practice. Currently these documents are not in the prescribed format. Before publishing them in a Gazette, ICASA should make the necessary amendments to them.

Administration (PST Meetings)

The OSS requires that there should be frequent meetings for Team leaders and Port Authorisations Representatives ("PAR") of each Operator and Service Provider. Port Support Teams ("PST") have since agreed that due to time and discussion points these meetings should be quarterly. However, it is challenging when PST's do not commit or decline the meeting request at the 1th hour. This means waiting another three months to address any porting matter that may arise in the previous three months. Therefore Cell C recommends that the OSS be amended to include provisions that require PSTs to meet quarterly and meeting attendance must be compulsory with representation from each licensee. The OSS should in our view, be specifically reviewed.

PAR in the OSS is responsible for handling Port Authorisation issues and thus escalates the Port Authorisation issues whilst the PST is responsible to handle technical porting issues. In practice, PST's perform both functions. Therefore for certainty to existing and new comers to porting, Cell C recommends that PST is the only entity that manages both authorisation and technical porting challenges within a specified set of timelines.

Escalation Process

Cell C recommends a more detailed escalation and response process when dealing with both technical and authorisation disputes. The table below illustrates various timelines for each escalation level which will avoid disputes been held at one escalation level without reason.

Escalation Process			
Process	Required Time in Hours to Regulation	Recommended Response Time in Hours	Level of Escalation
Port Authorisation	1 hour Consumer, <i>16 Business Hours Corporate</i>	1 business hour	Port Support Team (PST)
		<i>8 Business hours</i>	PST Team Leader/Supervisor/Manager
		<i>16 to 52 Business Hours</i>	Sales/PST Executive
Port Deactivations	During NST or at least 1 hour after NST	<i>56 Business hours</i>	Dispute Resolution as per OSS Clause 2 page 60
		8 hours	PST
		<i>16 Business Hours</i>	PST Team Leader/Supervisor/Manager
		<i>24 Business hours</i>	Sales/PST Executive
Routing Table Updates	During NST or at least 1 hour after NST	<i>56 Business Hours</i>	Dispute Resolution as per OSS Clause 2 page 60
		8 hours	PST
		<i>16 Business Hours</i>	PST Team Leader/Supervisor/Manager
		<i>24 Business hours</i>	Sales/PST Executive

			56 Business Hours	Dispute Resolution as per OSS Clause 2 page 60
Unauthorised Porting Complaints			24 Hours	PST
			48 Hours	PST Team Leader/Supervisor/Manager
			72 hours	Sales/PST Executive
			167 hours	Dispute Resolution as per OSS Clause 2 page 60
Port Reversal Agreement		3 Business Hours	3 Business Hours	PST
			24 Hours	PST Team Leader/Supervisor/Manager
			72 hours	Sales/PST Executive
			167 hours	Dispute Resolution as per OSS Clause 2 page 60

4. Would you consider the fees structure associated with participating in Number Portability such as cost recovery, subscription to number portability administration and charging of ports to be effective?

Cell C considers the existing NPC porting fees arrangement to be effective although we believe the amount can be reduced. We say so because the existing arrangement provides for an amount which is paid for upfront by the Recipient Network Operator (RNO) per port activity which amount is intended to cover costs incurred in porting and we are satisfied that it covers those costs adequately at this time.

Cell C does not believe that regulatory invention is required other than in relation to fees, as it is functioning well without any disputes or challenges.

5. Would you say that there is a need to review the block sizes for Number porting? Please elaborate.

If a geographic service provider assigns block sizes other than 10 000 and 1 000 units to its subscribers, then the porting block sizes must be reviewed. The review should take into account the other quantity of block sizes and Units. Cell C recommends that if it is technically feasible by both the geographic service provider and the NPC to port geographic number blocks other than units of 10 000 and 1 000, the block sizes then should be reviewed.

6. What is the mean porting timeframe, in hours, have your subscribers experienced? Do you consider it to be reasonable? If not, please indicate what challenges have you experienced and what measures could be taken to reduce the porting timeframe.

In general the prescribed timeframe is adequate although we are aware that in other countries including India, the port time is extremely short –minutes rather than hours. The shorter the port time the less delay in concluding the port, the more likely the subscriber is to proceed with the port and the less likely the subscriber is to conclude that porting is either difficult or not worth the wait.

Cell C has considered the psychological effects of delays in porting which are confirmed by international evidence (see **Annexure B**), and is convinced that weekend ports can be carried out more quickly and that long delays in porting are unnecessary given the sophistication of the systems. Obviously however, quicker porting times are unlikely to benefit the two larger network operators, namely MTN and Vodacom, and it is not in their interests as a result to promote or support quicker porting times as they are most likely to lose customers to porting in this saturated market.

7. Do you think the current geographic porting at the local area code exchange promotes effective number portability? If not, please elaborate and propose alternatives if any

Cell C understands that due to systems limitation on the Telkom network it was decided as far back as 2006 that geographic portability be limited to the ONN ABC XXXX local exchange area code. However much has changed since in the intervening 10 year period and the sector law has created a technological-neutral licensing regime, therefore this limitation should be relooked at and revised accordingly. This will allow all licensees with geographic numbers to participate in geographic portability at an ONN exchange area code level. This will contribute to more choice and better quality of service to the geographic porting subscriber.

A systems limitation (particularly one that has apparently not been solved despite a long period of time having elapsed) should not be a barrier to geographic portability.

8. What other non-geographic numbers do you think should be subjected to number portability besides mobile numbers? Please elaborate

Cell C believes that the Toll-Free 080 X and 14 Digit Machine Related (M2M) 096/7/8 X number ranges must be subject to number portability. In the case of Toll-Free numbers, the Authority is reminded that during their consultation process on the Toll-Free framework, various models were presented. Each model had its pros and cons with its own set of requirements. The model prescribed by Authority in the Numbering Plan Regulations is a model that is not sustainable without number portability and discourages competition.

We say this because the majority of active Toll-Free services is accessed through one licensee, namely Telkom (the incumbent fixed operator). The Receiving Party (B-Party) who has a commercial relationship with this licensee is locked by the regulatory issued Toll-Free number. If the Receiving Party decides to move to another licensee as a right of choice, it has to obtain a different Toll-Free number. Having to obtain a new Toll-Free number

inconveniences the Receiving Party as it has to change all its marketing material and any other matter related to its existing Toll-Free number.

Cell C believes that this is a barrier to choice and hence a barrier to consumers having access to better quality of service. Therefore Cell C recommends that Toll-Free number porting be a priority in the number portability review process.

In Cell C's view, MRS number ranges should also be subject to number portability. We say this because subscribers to MRS services should not be locked to a particular licensee on the type of number range assigned, the contract arrangement with the licensee, or the device used for the provision of the MRS service.

The Authority should note that the existing regulations contemplate the implementation, management, performance and specifications of porting geographic/mobile numbers only. The contract arrangements with or without the device between the subscriber and licensee is dealt with separately. The Authority must consider that the future is likely to consist from a technology point of view, in "embedded sims", which means that all future devices will be simless (no physical simcard). However, systems and processes must be in place to ensure that the subscriber information contained in the embedded sim can be updated remotely to accommodate porting from one licensee to another.

This will mean for example, the NPC systems need to cater for a 14 digit format and manage the port process which will allow licensees to communicate with each other through the these systems. The amendment of the number portability regulations including the functional and order system specifications would be required. It is our view that these requirements are entirely possible from a systems point of view. The regulations need to be updated to accommodate technical changes that have taken place in the past 10 years and that are likely to take place in the near future.

Whilst Cell C welcomes the consideration of new types of number ranges that will be subject to number portability, Cell C recommends that different number range types must not be bundled for the provision of different electronic services which requires the porting of all the types at once and not each type of number range.

For example, if a subscriber subscribes to a bundled geographic and mobile service, if the subscriber who requests to port only his mobile number, he should not be prevented to do so on the basis that he is also subscribing to a geographic service and that it is one account. This issue is currently not addressed at all in the regulations. The consumer's ability to unbundle product offerings is a cornerstone of a competitive market.

9. Do you think the port back waiting period of two (2) months in the current number portability regulations promotes effective number portability? If not, please elaborate and propose alternatives if any

Cell C recommends that the two month winback period remain although we have little evidence to show that any subscriber makes use of this period. In our view it could even be reduced to one month. Consumers who choose to port back to their original network generally do so quite quickly.

We do not believe it promotes effective number portability however – it merely facilitates a change of mind by a consumer. This has nothing to do with porting as a concept.

10. Which provisions of the Number Portability regulations including the functional specifications do you think should be reviewed to improve the efficiency and effectiveness of porting?

The Number Portability Code of Practice contains a dispute procedure for licensees, however, the ECA also contains a procedure for handling complaints. To ensure alignment and the effective handling of porting complaints, the Authority must ensure that the dispute resolution procedures are aligned. In our view the initial port of call for disputes relating to ports must be the internal PST mechanism. Only if port disputes cannot be resolved in this forum within a stipulated period of time, should parties be able to turn to the CCC. The current process is not clear in this regard and this can lead (and has led) to many disputes simply about which forum to approach. This delays the port process further and causes confusion and frustration for consumers.

The port authorisation time for corporate ports must be reviewed. Cell C recommends that the 16 business hours for corporate port authorisation time must be reviewed and reduced to 8 business hours. We say this because, if a corporate port request is sent to a DNO/DNO SP on a Thursday at 13h00, the DNO/DNO SP may only respond with a port authorisation response on Monday 9h00 irrespective if there is a challenge with the port request or not. From a technical or systems point of view there is no reason for this excessive delay. It simply serves to entrench the existing (originating) operator's position with that customer. Their perception is that the recipient (receiving or new operator) cannot attend to the port quickly enough and this perception influences the customer's perception of the recipient network in general and can – based on our evidence – result in a change of heart. This does nothing for competition or for the consumer. There is no legal or practical reason for delaying corporate ports in this way.

Cell C notes that in April 2014 an ICASA representative who was not a councillor, indicated in a set of minutes of a meeting between operators to which ICASA was invited purely as a courtesy, that they considered that a certain process was acceptable to attempt to limit the occurrence of bank fraud using mobile phones. Cell C itself has not experienced this to any significant degree at all but apparently MTN and Vodacom customers have been the victims of such fraud. The effect of this unauthorised minute (which cannot lawfully have had any effect since the person issuing the minute was not a councillor, had no delegated authority, and could not on his own have amended a regulation) was that MTN and Vodacom changed their port processes to accommodate contact with the outgoing (porting) subscriber. They have maintained this contact for 2 years despite the fact that the change was unlawful. The system in operation in South Africa requires the recipient operator to lead the port process and prohibits the donor network from contacting the subscriber.

No evidence has ever been adduced by these operators that the introduction of the contact with the outgoing subscriber has had any effect whatsoever on banking fraud. Despite this, the process has been ongoing to the detriment of Cell C. High Court litigation has been required in order to protect Cell C and its right to port customers from MTN and Vodacom to its network without their intervention in the form of this contact. In the case of MTN,

MTN effectively rejected over 40,000 ports without any reason to do so, on the basis that they may have been fraudulently initiated. This in fact had nothing to do with banking fraud at all.

Cell C is strongly resistant to any change in the recipient-led process in a market that is so skewed in favour of two large operators who have created, between themselves, a duopoly, stifling competition and innovation. It is vital to ensure that the donor operator does not have contact with porting-out subscribers during the port process. We have attached a note recording international observations on the effect of such contact (and delay) on the port process and as a result, on the market share of smaller operators, and hence, on competition as a whole.

Port incentives should not apply in a saturated market. Our market is saturated – thus the best way of attracting customers to a network and away from their current provider is to offer incentives. Incentives are a common marketing tool used among competitors in many other markets for services and products. This sort of behaviour ensures a vibrant, dynamic, and consumer-focused market. There is no good reason why one operator should not incentivise customers from any other source including its competitors, to join its network. The regulations anticipated a market that would be competitive by this time – which is manifestly not the case. This market is heavily skewed in favour of the duopoly.

11. Do you think the number of days it takes to port should be increased or decreased? Please elaborate and provide alternatives if any

The retail sector, especially the shops in malls are constantly extending the shopping hours in general, during public holidays and over weekends. This is more likely due to factors of convenience, safety and time of the year. Another shopping medium, online shopping is also on the increase and not time dependent. Therefore it is Cell C view that the porting business hours should be reconsidered and increased to align with the abovementioned shopping behaviour.

As we have indicated above, there is no technical or other reason why porting could not take place at any time, and in a far quicker manner. This would be in the interests of consumers in general and smaller operators.

12. Do you think the current recipient led porting process is effective? Please elaborate and provide alternatives if any

NO, the current recipient led process has been exploited by licensees and has lamentably not been properly monitored or enforced by the Authority. The Authority itself has indicated that nothing prevents the DNO/DNO SP from contacting the porting subscriber when a port is initiated. Cell C recommends that the Regulations must be unambiguous and clearly state that the porting process including port validations is recipient-led, as set out above. This will prevent the DNO/DNO SP's from contacting subscribers who request a port with alarmist sms's. Furthermore this will also provide the Authority with certainty when faced with future challenges like the bank fraud and sim swapping and prevent licensees to unlawful self-help. Please see above.

It must be noted that some jurisdictions are moving away from using the SMS medium for banking transaction authentication purposes. Therefore it is a matter of time that the authentication process will move away from the SMS medium to more secure application based platforms. This means that the SMS medium will most probably be used only for notifications purposes. With this in mind, the opportunity to commit bank fraud through a sim swap and a port will be removed.

We strongly recommend that ICASA review the so-called banking fraud issue, require empirical evidence that is significant, or otherwise dismiss this so-called problem with porting which is in fact more likely to be a problem with the security applicable on the affected operators' networks and not porting-related at all.

13. Do you think there should be a standard/uniform call routing mechanism? Please elaborate

Cell C has not been able to develop its thoughts in this regard in the time available. We do not know what ICASA's position on this is and what has given rise to this inquiry. Cell C is supportive of initiatives that will promote competition but not increase costs to the operators above what is reasonable.

14. Do you think the processes and procedures for resolving subscriber complaints and providing subscribers remedies are efficient? Please elaborate.

Mobile Number Portability Framework

Licensees apply different rules with regards to the port authorisations to those contained in Regulations. Cell C has observed that non-PST departments e.g. Business Sales/Cancellation/Credit Control Departments/Retentions apply rules that are not consistent with the Regulations. This occurs after the query/port rejection/technical challenges has been escalated to the relevant PST and that PST in turn escalates to its Business Sales/Cancellation/Credit Control Departments/Retentions departments. These departments at times tend to not respond on time, may have an opportunity to practice winback and respond with an SP009 message error code (i.e. unspecified or "other" reasons to reject a port) but do not provide valid reasons for doing so. Cell C feels strongly that this is not pro-competitive nor is it what the regulations anticipate but rather an ad hoc or chaotic way of dealing with a very narrow issue.

It must be noted that no other reasons have been agreed with the Authority in writing for the SP009 error code. Some DNO/DNO SP's require that customers must sign a pre-cancellation quote and thereafter send the customer cancellation letters prior to their ports getting approved.

There is no requirement in the Regulations placing an obligation on the DNO/DNO SP's to follow these processes. In our view the regulations must require proper process to be followed in all cases.

The OSS needs to have separate rules applicable for Prepaid, Contract (Individual) and Corporate porting. Cell C experiences more challenges from DNO/DNO SP's when managing corporate ports. Cell C recommends that a corporate port request form be put in place to avoid unnecessary challenges with corporate ports.

Below is a table demonstrating timer violations and proposed recommendations

PROCESS	QUERY RESOLUTION SERVICE LEVEL	
	CURRENT AS PER OSS	CHALLENGES
Timer Violations	Port Authorisation	Cases where DNO/DNO SP take over 48 hours to resolve queries prior to authorisation.
	Port Deactivations	Cases where DNO/DNO SP's take over 48 hours to resolve queries
	Routing Table Updates	Cases where DNO/DNO SP's take over 48 hours to resolve queries
		RECOMMENDED SERVICE LEVEL PARAMETERS
	1 hour for Consumer Ports 16 business hours for Corporate Ports.	Consumer Port authorisation queries – Maximum resolution time = 23 hours. Corporate queries Maximum resolution time = 4 business hours after the 16 business hours for port authorisation.
	During NST or at least 1 hour after NST	DNO/DNO SP's are required to resolve Port Deactivation queries within 8 hours.
	During NST or at least 1 hour after NST	DNO/DNO SP's are required to resolve Port Deactivation queries within 8 hours.

<p>Port Reversals</p>	<p>Unauthorised Porting Complaints</p>	<p>No time requirement specified. OSS doesn't specify how these issues should be handled.</p>	<p>Cases where DNO/DNO SP take over 24 hours to respond to queries. DNO/DNO SP choose not to provide details of how the port reversals were done, when requested, as there is no obligation as per Regulations.</p>	<p>DNO/DNO SP's must respond to queries within 24 hours.</p> <p>DNO/DNO SP's must be required to provide proof from the subscriber to validate the port reversal request. A port should only be reversed when this is provided to the RNO/RNO SP by the DNO/DNO SP.</p>
<p>Port Reversal Agreement</p>	<p>Port Reversal Agreement</p>	<p>OSS states that for a port reversal to take place there has to be an agreement between the DNO/DNO SP, the RNO/RNO SP and the customer.</p>	<p>Cases where DNO/DNO SP's take long to respond to requests for permission to initiate reversals.</p>	<p>When requests for permissions are sent to a PST, practical response time is 3 hours. The DNO/DNO SP is not obliged to give permission for a reversal.</p>

Cell C believes that the complaint resolution mechanisms in terms of the End-user and Subscriber Service Charter Regulations should not apply to porting which should have its own specific and narrow set of resolution guidelines that apply only to porting issues and not general complaints.

It must be noted that a negative experience for a subscriber requesting a port for the first time, will more likely deter the subscriber from requesting a port in future.

15. Do you think that consumers are adequately protected by the Number Portability regulations? If not, please elaborate and provide alternatives.

Cell C does not believe that consumers have adequate protection at all. Cell C has submitted many arguments in this regard to ICASA, which are attached to the submission for your ease of reference. Consumers in our experience, are unaware of the real rights that apply to them in relation to porting – they do not understand that they can port even if they are within a contract period. They do not understand that they can obtain benefits like free calls and promotions on every network, not just the one they are on. They also are often misled about the loss of these benefits on the current network and the costs to port out. Cell C also has concerns about the calculation of the amount that contract customers must pay to exit a contract early. Whilst Cell C charges only the amount remaining on the handset, we are aware that MTN and Vodacom have applied (and may still apply) a penalty-type termination fee to porting-out consumers. This on its own is a disincentive to port.

Worldwide porting has been regarded as one of the most important features of a competitive market. If a consumer wishes to port he or she should be able to do so with the utmost ease. Instead our experience as the small operator and the challenger network, has been that consumers face significant barriers and lack of information or disinformation about the process, are subjected to unnecessary delays and rejections, and are often put off the process altogether because of a perception that they get “more” on their current network by virtue of the club effect (the offers of on-net discounts and promotions within the club tends to create a larger club, and this is a self-fulfilling prophecy, resulting in continued growth in the same network’s subscriber base).

Competition cannot thrive in an environment where the regulatory authority does not support it – without regulations that ensure that donor operators cannot impose penalties for porting, do not delay porting unnecessarily, and do not reject ports without good reason, number porting can never achieve its goal. In Cell C’s view, the fact that the regulations have not been reviewed for 10 years is simply not acceptable.

16. Please submit any other information that you believe the Authority should consider.

We have attached previous submissions on porting. We have highlighted the portions that are not already covered in this submission for your ease of reference. When ICASA engages on amendments, Cell C would be happy to assist with suggestions.

See Annexure A (previous submissions) and Annexure B (international references).