



Independent Communications Authority of South Africa

Pinmill Farm, 164 Katherine Street, Sandton
Private Bag X10002, Sandton, 2146

OFFICE OF THE CEO
Tel +2711 566-3085
Fax +2711 566-3086

MEDIA RELEASE

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Call Termination Consultative Talks

Johannesburg - The Independent Communications Authority of SA (ICASA) met with the representatives of Vodacom, MTN, Cell-C, Telkom, and ISPA with the hope of persuading mobile operators to reduce the mobile termination rates. The meeting was a follow-up of the previous consultative meeting which resolved to explore avenues for arriving at a cost-oriented price.

After deliberations, the Authority noted that mobile operators had nothing to put on the table as they could not come up with an agreed mobile termination rate amongst themselves. As a matter of fact, Vodacom and MTN refused to disclose their bilateral mobile termination rate agreement at the meeting.

Given that the moral suasion process did not yield positive results, the Authority will nevertheless continue with its regulatory processes of developing a framework for competition and cost-based pricing in the voice market as set out in Chapter 10 of the Electronic Communications Act (ECA).

The Authority has already declared all mobile operators as having Significant Market Power (SMP) in terms of mobile termination rate. And, in terms of Chapter 10 of the ECA, the Authority has already identified and defined the call termination market as one of the priority markets to be subjected to competition regulation. The other supplementary regulatory processes that the Authority is to embark upon are:

- Assessing the competitiveness or anti-competitiveness of the market; and
- Imposing pro-competitive remedies, including cost based pricing

The Authority is convinced that the conclusion of its regulatory work, as outlined in the law, remains the most optimal way to the resolution of this matters. This process will also be concluded by end of this financial year (31 March 2010).

For more information contact: Jubie Matlou 082 376 0015 jmatlou@icasa.org.za