



Independent Communications Authority of South Africa

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MEDIA STATEMENT

Regulatory Measures to Address Mobile Termination Rate Processes

28 October 2009

Chapter 10 of the Electronic Communications Act No. 36 of 2005 empowers the Independent Communications Authority of South Africa (ICASA) to impose pro-competitive remedies on identified licensees who have significant market power (SMP) or are dominant and operating in markets that are not competitive.

There are several retail and wholesale markets in the electronic communications industry that need to be studied and reviewed with the aim of determining their level of competitiveness. A market that has, in recent months, attracted a much closer public and media attention is the Call Termination Market (Interconnection Rates).

The Authority now issues one of a series of updates on what it is doing to address the issue.

The Authority began the process of addressing Wholesale Call Termination, Line Access and Leased Lines, in terms of the ECA and the ICASA Acts, during 2007-8. The Authority has been and will continue to adhere to the following steps:

- Identify and define relevant markets
- Identify licensees with Significant Market Power (SMP)
- Assess competitiveness in these markets and

- Impose pro-competitive remedies

In 2007, the Authority issues a Findings Document, following a public consultation process, regarding the regulation of Call Termination (Interconnection Rates) which was identified as one of the priority markets to be subjected to pro-competitive regulation.

The Findings Document concluded that all operators, regardless of their scales of operation, were significant players in their respective call termination markets. However, the Findings Document did not assess the competitiveness of these markets.

The assessment of competitiveness and the imposition of pro-competitive regulatory framework would then constitute the second phase of the process.

The Authority has already begun the second phase process of assessing competitiveness in the Call Termination Market and will develop regulations to impose pro-competitive remedies in the individual markets with significant market power and which are characterised by lack of competition.

It is estimated that the process will be finalised by June 2010.

In addition to the abovementioned markets the Authority has also undertaken the following competition related regulatory projects:

- Generic Interconnection regulations which will apply to all operators;
- Carrier Pre-selection regulations which will be concluded before the end of the current financial year;
- Concluded research on the Unbundling of the Local Loop or the Last Mile;
- Monitoring of the implementation of regulations on mobile number portability with a view to improve their effectiveness;
- Wholesale Competition Framework for Broadcasting to promote competition in both content and transmission services.

