

11 July 2017

Independent Communications Authority of South Africa

For attention of The Chairperson: Call Termination Committee

Per email: ctrreview@icasa.org.za

Dear Sir / Madam

Submissions: ICASA Discussion Document n the review of the 2014 pro-competitive remedies in accordance with section 67(8) of the Electronic Communications Act 36 of 2005

1. ISPA has noted the publication by the Authority of a Notice and accompanying Discussion Document n the review of the 2014 pro-competitive remedies in accordance with section 67(8) of the Electronic Communications Act 36 of 2005 (“**the Discussion Document**”).
2. ISPA confirms its interest in this process and in participating in further steps taken towards conclusion.
3. ISPA is in broad agreement with most of the analysis and conclusions set out in the Discussion Document.

Submission: ongoing competitive failure in the market for fixed voice call termination services

4. ISPA submits that the analysis undertaken of the market for fixed line call termination shows very clearly that the pro-competitive remedies introduced by the Authority into this market have not been effective.
5. ISPA therefore submits that there is a clear case for more aggressive asymmetry to be imposed in this market. ISPA understands the historical focus on mobile call termination markets, but is of the view that the same levels of asymmetry should be applied (at least) in the fixed voice call termination market to facilitate greater competition to the ongoing dominance of Telkom in this market.
6. Such an approach would prevent the current absurdity of non-SMP licensees subsidising any other non-SMP player (even across markets).

Submission: termination of voice calls originated outside of South Africa

7. The Authority expresses the view (Discussion Document p20) that “voice calls originating outside of South Africa and terminating in South Africa do not fall within the geographic scope of Mobile termination markets and Fixed termination markets”.
8. ISPA notes that such a view is at odds with that expressed in the Authority’s correspondence to ISPA date 20 March 2016, which clearly stated that there is no differentiation in where the call was originated for the purpose of defining call termination markets.

Submission: Identification of relevant markets

9. ISPA submits that – subsequent to the publication of the Numbering Plan Regulations 2015 – there is a separate market for the origination of toll-free calls which shares many of the characteristics of the markets identified in the Discussion Document.
10. This market could possibly be defined as the market for wholesale voice call origination services on the network of each licensee offering call origination services in South Africa to a toll-free number assigned from the National Numbering Plan. Since the promulgation of the Numbering Plan Regulations 2015 calls to toll-free numbers originated off-net are required to zero-rated (which was not the position beforehand) effectively opening a new market.
11. It is evident that this market is failing - as was the case with purported interventions by the Authority into carrier selection and carrier preselection – due to the failure of the Authority to define and intervene in these markets.

Conclusion

12. We trust that the above will assist the Authority in its further deliberations.

Regards

ISPA Regulatory Advisors