

Consulting
DETECON

Regulation and Legislation

TELECOMS MEDIA SEMINAR



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Deutsche Telekom Group

Objective

Objective / Introduction

Objective:

- To give you a big picture overview on the development of telecommunications regulation.
- To give a overview of South African legislation and resulting regulatory environment.

Content

- 1. Introduction**
- 2. Evolution of Telecommunications Regulation**
- 3. South African Telecoms Regulatory Framework**



Content

1. Introduction

Introduction to Detecon

International ICT management consulting

We are a company specialized in providing ICT management consulting services with the infrastructure of a global player.

We are **established**, with more than 50 years of consulting know-how



We are **experienced**, thanks to the successful realization of more than 6000 projects



We are **international**, with worldwide representation, clients in 165 countries, and employees from more than 30 nations



We are **part of a globally active shareholder**, Deutsche Telekom AG



Introduction to Detecon

International presence

Numerous branch and project offices assure proximity to the client and global know-how in all our work.

The Detecon Branch Offices



Established:

1954 Diebold
1977 DETECON
2002 Detecon International GmbH

Shareholder:

T-Systems International GmbH

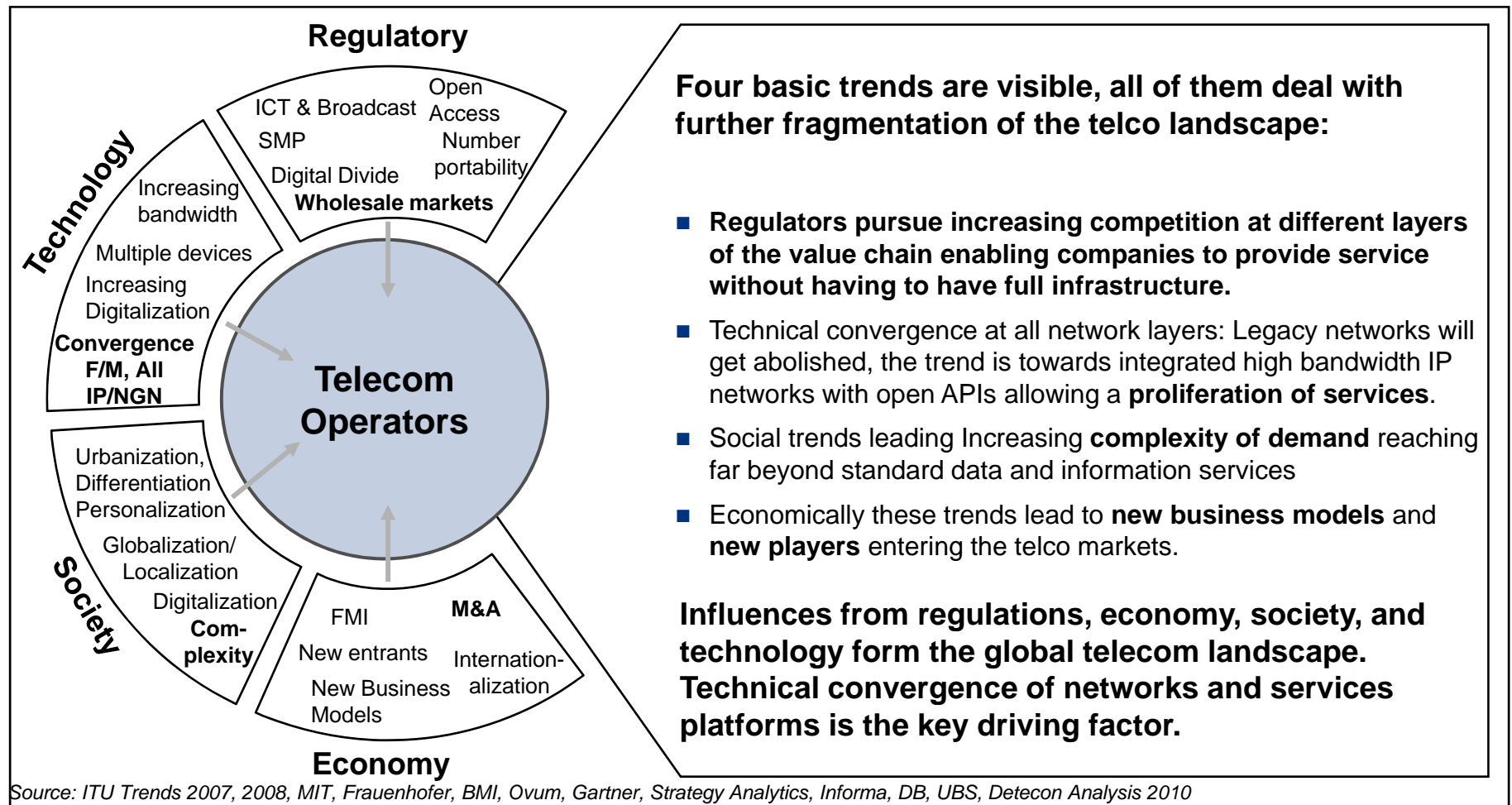
Content

2. Evolution of Telecommunications Regulation

Evolution of Telecommunications Regulation

Regulation is one of the key drivers of the telecommunications industry

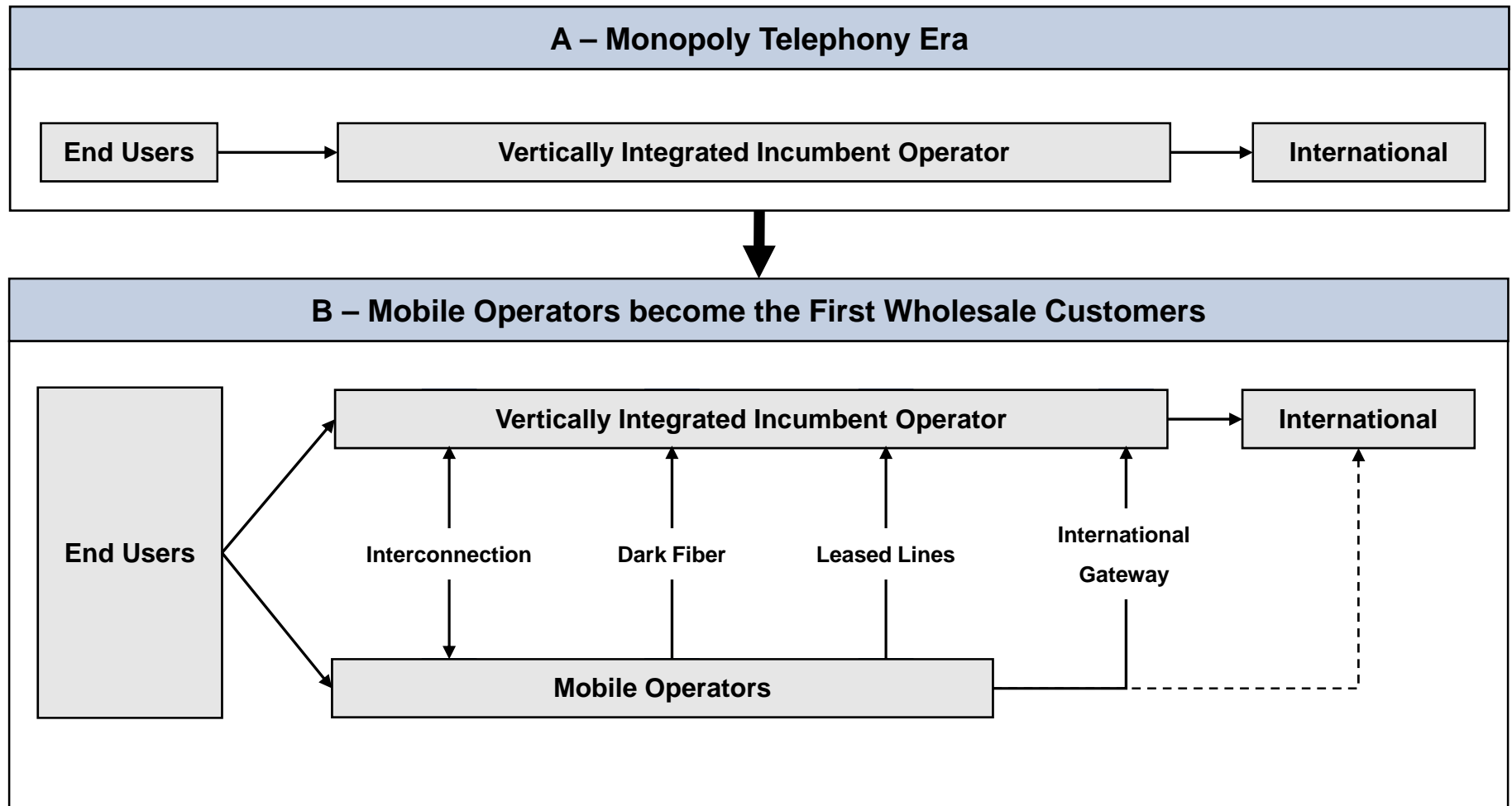
Different factors drive the future of the telecommunications industry and both operators and regulators have to continually rethink their roles in complex environment.



Evolution of Telecommunications Regulation

From Monopoly to Duopoly

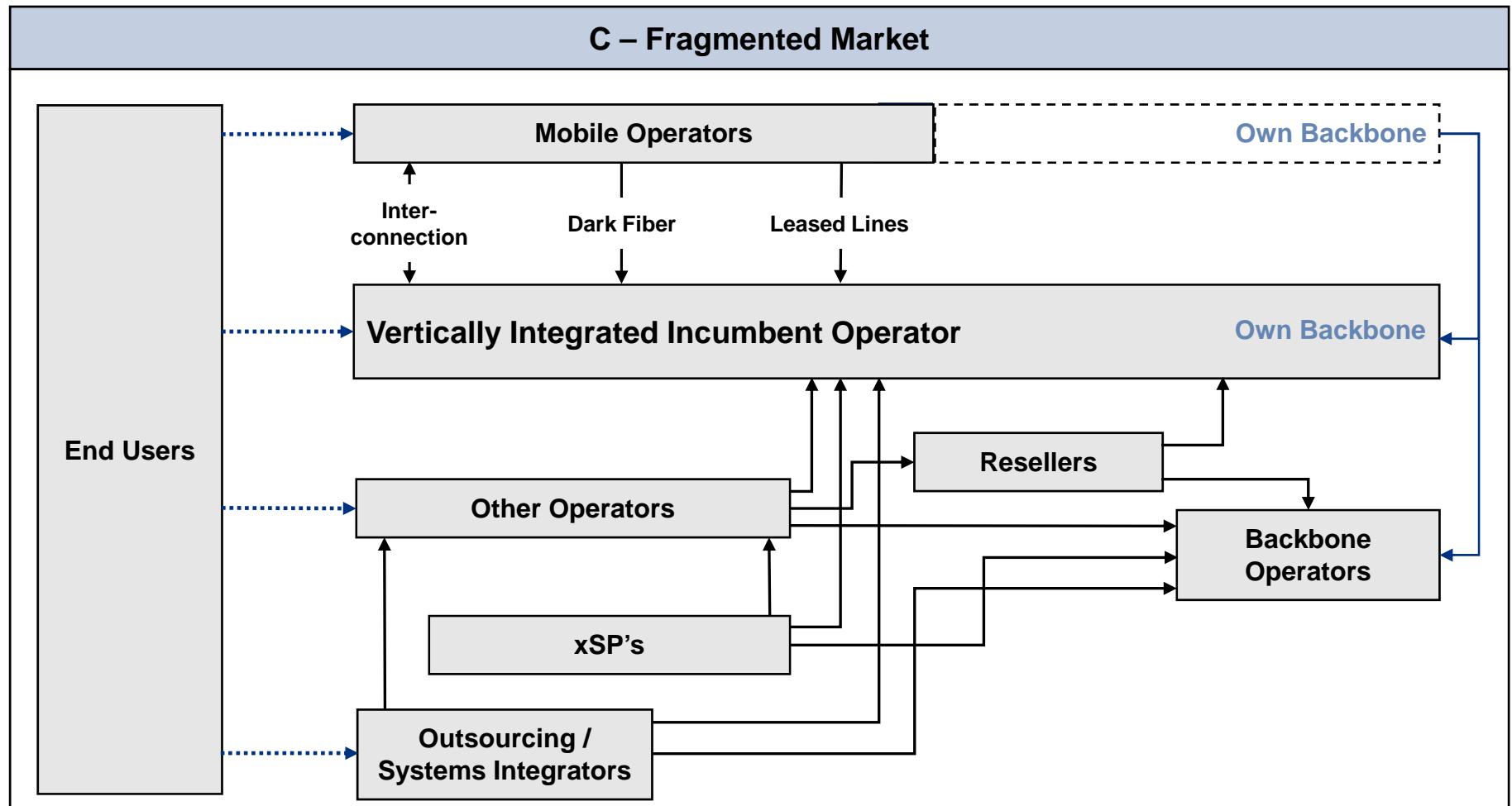
In the era of monopoly telephony providers – no competition and little regulation. Competition and increasing regulation appeared with the first mobile operators.



Evolution of Telecommunications Regulation

The multi-player fragmented market and regulation

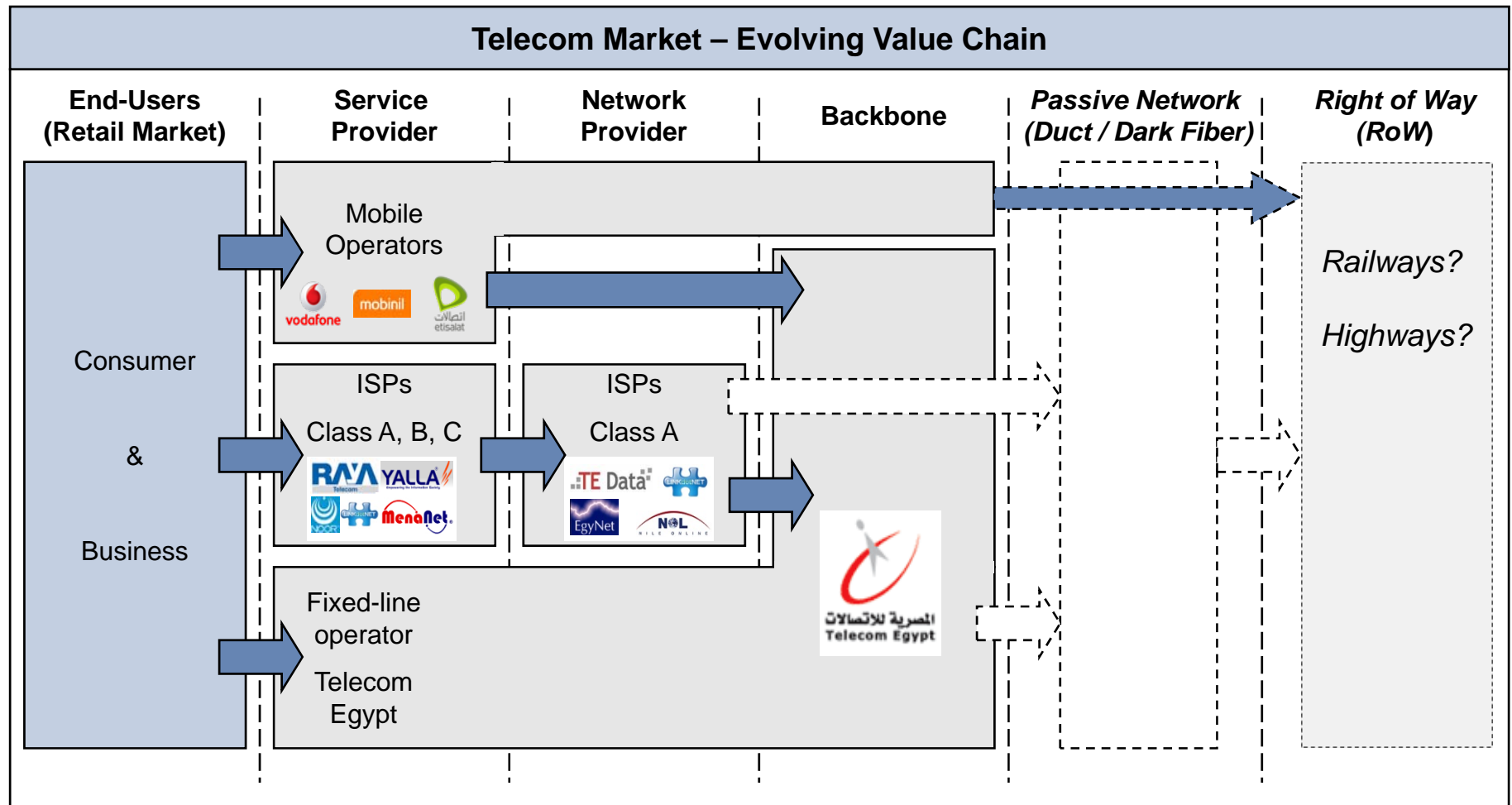
With competition comes the fragmented telecoms market with operators purchasing network capacities / services from each other – requiring greater regulatory oversight.



Evolution of Telecommunications Regulation

The multi-player Fragmented Market - Example

In this example, a previously monopolized market is breaking up into a myriad of niche operators although the former incumbent retains end to end dominance.



Source: Detecon Analysis

Evolution of Telecommunications Regulation

Multiple Players

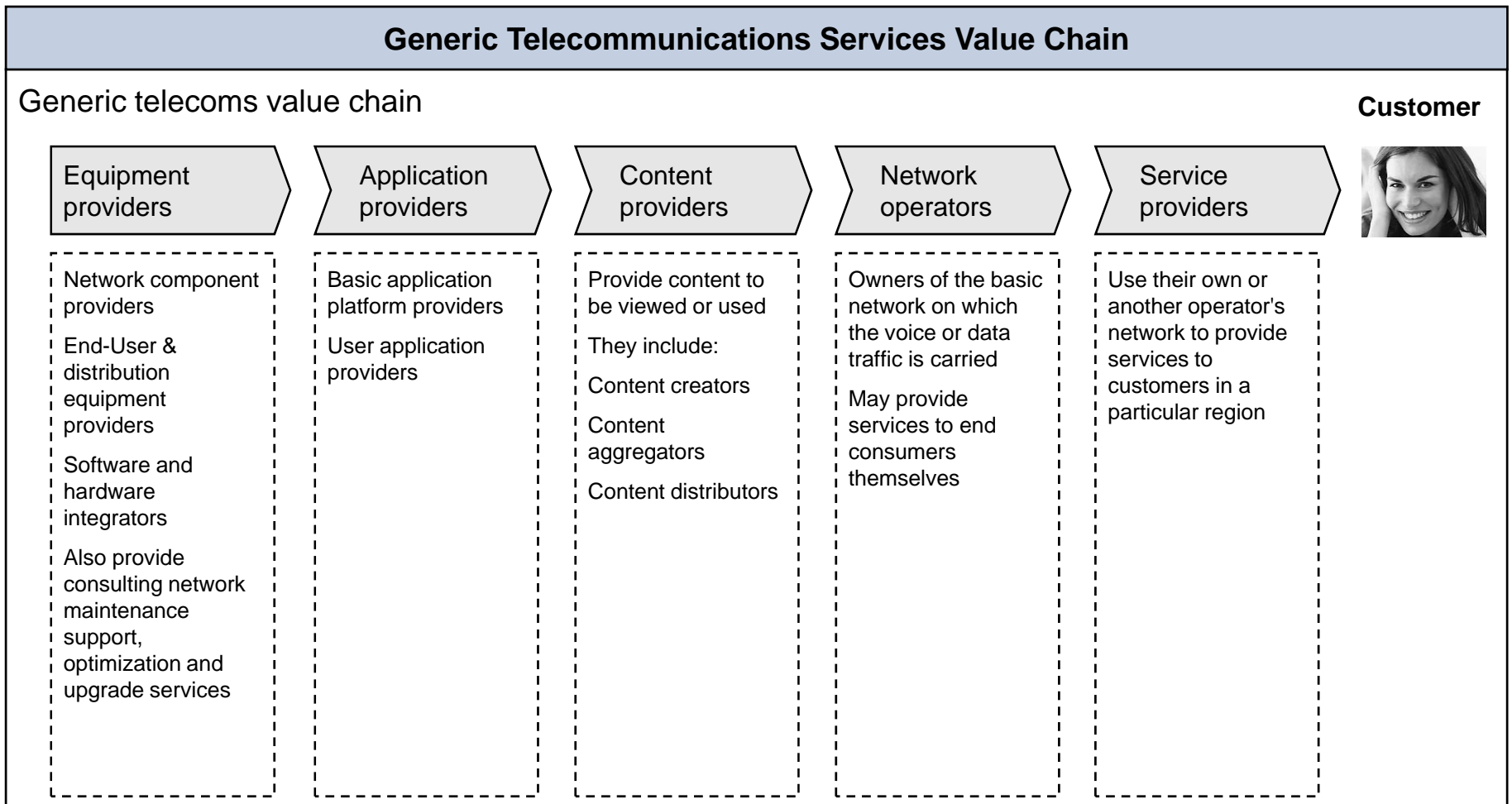
Eventually, the market comprises myriads of companies which either compete, collaborate or coexist.



Evolution of Telecommunications Regulation

Regulating and the Value Chain

Regulation has allowed different companies to operate at different positions in the Value Chain.



Evolution of Telecommunications and Regulation

Regulatory Priorities

The global regulatory trend is continually towards expanding competition, and promoting innovation and convergence.

Main Regulatory Priorities

Increase Competition

- Unbundle Local Loops (Full, Shared, Bitstream)
- Open access to fibre networks
- Liberalize international gateways
- Charge low license and spectrum fees, numbering fees
- Enable national roaming
- Enable Virtual Network Operators
- Ex ante/post regulation of retail pricing, interconnection charges
- Reduce international roaming charges
- Implement asymmetric interconnection
- Legalize VoIP provisioning
- Implement Fixed/ Mobile Number Portability

Decrease Digital Divide

- Subsidize rural, universal services, telecentre services
- Invest in network deployments (e.g. in Scandinavia)
- PPP for NGN access networks (e.g. in Greece)
- Regulatory holidays for incumbents (e.g. in Germany)
- Net neutrality

Enable Innovation & Convergence

- Ensure NGN interconnection, roaming, QoS
- Implement VoIP framework (numbering, emergency, portability, peering and interconnection)
- Implement converged regulation for media, broadcast and telecommunication services
- Provide IPTV licenses to telco providers
- Ensure digital rights
- Net neutrality

Enable efficient Use of Network Resources

- Spectrum management and allocation
- Passive and active infrastructure sharing
- Numbering schemes

Secure Consumer Protection

- Protection of privacy and information security (SPAM, phishing, identity theft)
- Set minimum standards for QoS
- Ensure transparency of service
- Abolish migration barriers (e.g. MNP)
- Control quality of terminals

Content

2. South African Telecoms Regulatory Framework

South African Telecoms Regulatory Framework

Public Bodies and Key Legislation

The regulations are developed under the umbrella of the ECA to implement specific regulatory policies – typically after a comprehensive consultation process.

Public bodies in Telecoms Regulation



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Key Legislation

- The Constitution of the Republic of South Africa;
- The Independent Communications Authority of South Africa Act No 13 of 2000 (ICASA Act);
- **The Electronic Communications Act No 36 of 2005 (ECA)**
- The Broadcasting Act No 4 of 1999;
- The Electronic Communications and Transaction Act No 25 of 2002 (ECT Act);
- The Competition Act of 1998

South African Telecoms Regulatory Framework

Electronic Communications Act (ECA)

The ECA is the primary legislation for telecommunications and broadcasting in South Africa.

The Electronic Communications Act

- LICENSING FRAMEWORK
 - Determining Market Entry
- ELECTRONIC COMMUNICATIONS NETWORKS AND COMMUNICATIONS FACILITIES
 - Rights to install a network on public and private property
- RADIO FREQUENCY SPECTRUM
 - Setting rules for the licensing of radio frequency spectrum
- TECHNICAL EQUIPMENT AND STANDARDS
 - Setting rules for equipment
- INTERCONNECTION
 - Rules to ensure that operators can connect to each other
- ELECTRONIC COMMUNICATIONS FACILITIES LEASING
 - Rules to ensure that operators can use each others equipment.

South African Telecoms Regulatory Framework

Electronic Communications Act (ECA)

The ECA in general establishes and enabling framework for the ICASA to develop detailed regulations.

The Electronic Communications Act

- BROADCASTING SERVICES
 - Specific regulations for broadcasting
- COMPETITION MATTERS
 - Enabling ICASA to act on competition matters
- NUMBERING
 - Dealing with the numbering plans and number portability
- CONSUMER ISSUES
 - Enabling ICASA to legislate on standards for consumers
- UNIVERSAL SERVICE AND ACCESS AGENCY OF SOUTH AFRICA
 - Creating the Universal Service Agency to manage the Universal Service Fund

South African Telecoms Regulatory Framework

Selected Regulations

The regulations are developed under the umbrella of the ECA to implement specific regulatory policies – typically after a comprehensive consultation process.

Regulations	Regulations
<ul style="list-style-type: none">■ Service Licensing Regulations<ul style="list-style-type: none">▪ Individual and Class Licences▪ Application procedures, General Terms and Conditions and Fees.■ Broadcast Regulations<ul style="list-style-type: none">▪ Content, community service, digital migration,■ Universal Service Regulations■ Number Portability Regulation■ Radio Frequency Spectrum Regulations<ul style="list-style-type: none">▪ General regulations, pricing, frequency plan■ Type approval Regulation■ Facilities Leasing Regulation	<ul style="list-style-type: none">■ Interconnection Regulations<ul style="list-style-type: none">▪ Including call termination■ Ownership and Control Regulation■ Consumer Protection Regulations<ul style="list-style-type: none">▪ End user service, people with■ Postal Regulations <p><i>IN PROGRESS</i></p> <ul style="list-style-type: none">▪ <i>Local Loop unbundling</i>

South African Telecoms Regulatory Framework

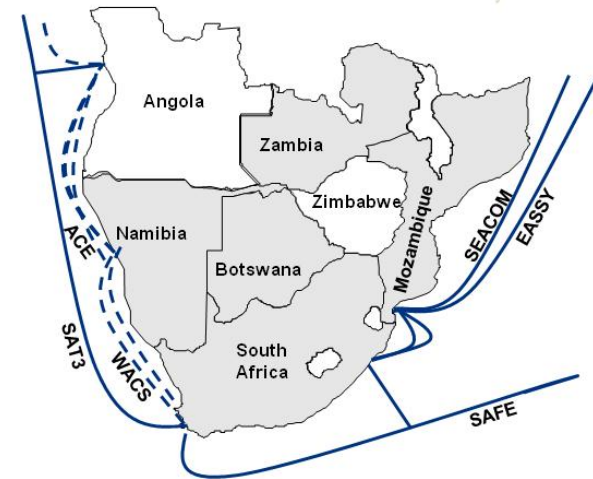
Hot Topics

The overall hot-topic is to bring the benefit of voice and fast internet to all of South Africa – especially now the international bottleneck is being solved.

Hot Topics

- Service Licensing for telecommunications and broadcasting
 - Who is allowed to play in the market
- Local Loop Unbundling
 - Allowing competition in the fixed line network
- Radio Frequency Spectrum for Broadband
 - Balancing urban competition and rural supply
- Universal Service
 - Making sure everyone has the possibility of accessing telecommunications.

Existing and Proposed Sea Cables





Thank You



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