



Independent Communications Authority of South Africa
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Explanatory Memorandum
Draft Amendment Universal Service Access Obligations

Explanation

- (1) Section 2 (c) of the Electronic Communications Act, 2000 (Act No. 36 of 2000) (“EC Act”) states:

The primary object of this Act is to provide for the regulation of electronic communications in the Republic in the public interest and for that purpose to-
(c) promote the universal provision of electronic communication networks and electronic communications services and connectivity for all;

- (2) Section 8 (1),(2) of the EC Act states:

(1)The Authority must prescribe standard terms and conditions to be applied to individual licences and class licences. The terms and conditions may vary according to the different types of individual licences and, according to different types of class licences.

- (3) *Such standard terms and conditions may take into account-*

(a)...

(b)...

(c)...

(d)...

(e)...

(f)...

(g) any universal access and universal service obligations; ...”

(4) Section 10 (1)(f)(g), (2) of the EC Act states:

(1) The Authority may amend an individual licence after consultation with the licensee-

(a)...

(b)...

(c)...

(d)...

(e)...

(f) Where the Authority is satisfied that the amendment is necessary to ensure the achievement of the objectives of the Act;

(g) If the amendment relates to universal access or universal service and is necessary, in the opinion of the Authority , as result of-

(i) Changes circumstances in the market; or

(ii) ...

(2) The provisions of section 9(2) to (6) apply, with the necessary changes, to the amendment of individual licence.

(5) The Authority conducted a review of all the universal service obligations and found that the Sim card obligation and Handset obligation are no longer relevant due to change in the market.

(6) When the above obligations were issued at the time, the cost of obtaining either a sim card or a handset was deemed to be high compared to what the citizens can afford at the time. At present the cost of sim card varies to an extent some can be free or as low as one rand (R1.00). The cost and range of handsets has changed over the years offering more choice in terms of price and product hence each segment of the citizen can be said to be covered.

(7) It was also found in the review that internet access, specifically schools connectivity, that the current obligation could only be implemented if changes are made thereon, as a result the Authority undertook the task to effect the changes which included:

- (i) Providing list of schools to be connected;
 - (ii) Monitoring plan after implementation; and
 - (iii) Specific requirements for schools connectivity.
- (8)** However, due to manner in which the obligations were structured, licensees could connect schools but excluding the requisite hardware peripherals associated with connectivity. Meaning licensees were obliged to provide access to their network but not provide computers, printers etc. In order to have a considerable impact it's also necessary that licensees provided computers, printers etc. however, this would require a change to the obligations.
- (9)** The proposed amendment seeks to redeem the cost of the sim card and handset obligation to providing the computers, printers etc and amending the internet access obligation accordingly. At the same time reduce the total number of schools to be connected by each licensee.