



Local Loop Unbundling

SACF workshop on LLU 14 July 2011

Pieter Grootes

General Manager: Markets and Competition

ICASA



Contents

- ICASA's participation in this workshop
- ICASA's mandate
- Historical Perspective on LLU in South Africa
- ICASA's view and proposal
- LLU Options in the South African Context
- Soliciting industry inputs



ICASA's participation

- ICASA views this event as a pro-active step to participatory solutions to challenges in the ICT sector
- A regulatory process is underway
- Observer status
- ICASA not bound by any views expressed/decisions reached at this workshop
- Look forward to hear what industry has to say



Mandate of ICASA

- Vision:
 - To advance the building of a digital society.
- Mission:
 - To ensure that all South Africans have access to a wide range of high quality communication services at affordable prices.



Timeline of Events



6 June 2007

Marwala Report on LLU

17 September 2007

Policy Directive:
LLU “implemented by
2011” (GG 30308)

22 September 2008

Workshop on LLU

31 May 2010

ECFL regulations (GG 33252)

27 September 2010

CPS regulations (GG 33589)

11 November 2011

Minister confirms policy
directive

22 June 2011

ICASA release of
LLU proposal
(GG 34382)

2007

2008

2010

2011



Historical Perspective on LLU in South Africa



- 2007:
 - Marwala Report on Local Loop Unbundling
 - Recommended:
 - Bitstream
 - Shared Loop
 - Full Loop
 - CPS
 - Policy Directive:
 - “I HAVE TAKEN THE POLICY DECISION that ... enable all operators ... to have access to the local loop ... the unbundling process be urgently completed and implemented by 2011” (GG 30308)



Historical Perspective on LLU in South Africa



- 2008:
 - Exploratory workshop on LLU (22nd September)
 - ICASA chose to finalise the Electronic Communications Facilities Leasing Regulations
- 2010:
 - ECFL regulations published (31 May, GG 33252)
 - CPS regulations (27 September, GG 33589)



Historical Perspective on LLU in South Africa



- 2010
 - Minister, the Honourable Radhakrishna Padayachie, re-affirmed the policy direction to implement local loop unbundling in November
- 2011
 - ICASA releases Discussion Document on Local Loop Unbundling on 22 June (GG 34382)



The LLU Discussion Document

- Broad Rationale:
 - Ensure implementation of the open-access principles enshrined the ECA
 - Object 2(b) of the ECA:
 - ‘promote and facilitate the development of interoperable and interconnected electronic networks’. (pg 8)



ICASA's proposal

- LLU is mandatory (S43(1) of the ECA):
 - The local loop is an electronic communications facility
 - Obligation on all ECNS licensees to lease facilities unless request is unreasonable (pg 13)
- Challenges regarding practical implementation
 - Type of LLU
 - Technical standards
 - Ordering system specifications
 - Pricing structure
- Propose to develop guidelines in conjunction with input from industry (pg 16)



Proposed Benefits

- Principle of Infrastructure Sharing
 - Ability to leverage off existing infrastructure
 - Reduction in costs of network deployment
 - Reduces public disruption
- Incentive to improve internal efficiencies
 - Possibility of increased revenue generation & increase in QoS
- Potentially new revenue stream
 - “outsource” consumer acquisition costs
 - Increase overall utilisation of existing network (pg 16)



LLU Options in the South African Context



- Four options for LLU:
 - Bitstream or Wholesale Access
 - Line Sharing (Shared LLU)
 - Full Loop Unbundling
 - Sub-loop Unbundling (pgs 17-20)
- Each type has its pro's and con's
- Need stakeholder input in order to finalise the regulatory guidelines



Soliciting industry inputs



- ICASA requests inputs on 5 questions:
 - Is ICASA's proposed approach to unbundling the local loop through the implementation of the facilities leasing regulations reasonable, feasible and acceptable?
 - What form of local loop unbundling do stakeholders realistically favour in the South African market?
 - What other cost items should be included in each form of local loop unbundling?
 - Should a standardised ordering and specifications system be developed?
 - In the event that an access line deficit is identified, would you be willing to contribute to an access line deficit recovery scheme?



The process to be followed

- ICASA seeks engagement with all interested parties regarding the impact of LLU
- One-on-One meetings to be held between 15th and 26th August
 - Please submit request to the Chairperson:
 - chairperson@icasa.org.za
 - CC: pcokie@icasa.org.za
- Written submissions due 14th September 2011
 - chairperson@icasa.org.za
 - CC: MMolele@icasa.org.za



Thank you