

PRESS RELEASE

IS disappointed with ICASA's approach to LLU

The local telecommunications industry was expecting the release of a local-loop unbundling (LLU) framework document by the Independent Communications Authority of SA (ICASA) today. However, according to Siyabonga Madyibi, executive for regulatory affairs at Internet Solutions, what ICASA did was completely side step the issue.

"Everyone was hoping to take a major step forward in the process of creating a more open, innovative and competitive marketplace through the release of the LLU framework by ICASA," says Madyibi. "What we effectively got was an outline of how ICASA plans to get to the framework, which has effectively pushed the entire process back by a year."

According to Madyibi, ICASA was mandated by the minister of communications to have the LLU framework in place by the end of 2011, so that operators and service providers could start working on the process in 2012. "ICASA has failed to achieve what they set out to do, in accordance with the ministerial directives they received from the minister. As such, they have failed to meet their mandate, in my opinion."

Following today's announcement, ICASA has committed to implementing phase one of LLU, which is bitstream access to Telkom's copper infrastructure, by November 2012. "We are happy with the phased approach to LLU proposed by ICASA, starting with bitstream access, as we feel that this would best serve the interests of the industry and end-user market, as it would allow Telkom and ICASA to focus on getting one aspect right before trying the other LLU options tabled. The issue we have currently is that ICASA have proven to be very flexible when it comes to deadlines, which leaves us and the rest of the industry very sceptical and disappointed at today's outcome," he says.

"The legal threats made by Telkom have obviously been taken to heart by ICASA, so the deadline ICASA committed to earlier this year has now come and gone," continues Madyibi. "Today was also confirmation that ICASA was ill-prepared for releasing the LLU framework."

ICASA proposed four different LLU models following initial hearings on the matter, with the easiest to implement, and therefore the most popular amongst industry players, being bitstream access. "We feel that tackling LLU with this approach first will work best, before the industry looks into the other three options. This is because, in our view, the regulator has not had sufficient time to comprehensively consider all the options and the industry has not had enough time to accommodate all the proposed forms of LLU at this stage of the process" explains Madyibi.

"The reason for this is that LLU is a complex process that needs a localised plan to meet South African conditions. It therefore needs to be unpacked carefully through a phased plan and we need a workable solution before full unbundling can be implemented, otherwise Telkom will simply run rings around the process. However, if service providers could have made a start in 2012, by at least getting wholesale access to Telkom's last mile copper infrastructure through bitstream access, LLU could have begun to gather steam."

Madyibi says that the industry at large was also hoping to have more clarity and certainty from the communications regulator with regard to how LLU will be implemented in phase one, which they didn't receive. "The next step in the process is for the workgroups on LLU and bitstream access to work on developing the framework that everyone was expecting today."

While this is an important step in the process, the fact that the outline we received today doesn't get us any closer to a workable solution to LLU is extremely frustrating and disappointing," he concludes.

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