

## South Africa Awards Underserved Area Licenses

The South African telecommunications regulator ICASA awarded the first set of underserved area licenses (USALs) to four companies on 5 November 2004. The licenses will enable companies to operate fixed and wireless services in areas that have a teledensity below 5 percent. The licenses are technology neutral and allow operators to interconnect with all public switched telephone and mobile operators.

The first phase includes nine of the 27 regions identified by the Government as “underserved”. The four operators that received a USAL are Bokone Telecoms, Thinta Thinta Telecoms, Kingdom Communications and Ilizwe Telecoms. Three other operators will receive an USAL once they met certain shareholder structure conditions.

The new license category was introduced in 2001, through the amendment of the Telecommunications Act 104 of 1996, to allow small, micro and medium-sized enterprises to offer telecommunications service in rural areas. According to the Government, the objective of the USAL program is to ensure that telecommunications services become available in areas with no service or limited service in the past. The program is part of the Government’s strategy for Universal Service and Access, which seeks to bridge the digital divide in South Africa.

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<http://www.icasa.org.za/Repository/resources/Events&%20Publications/Media%20Releases/Press%20Release%20USAL%20Licences%20041104.doc>