

## **South Africa announces policy reforms to advance sector liberalization**

The South African Department of Communications (DOC) issued on 2 September 2004, new policies that will bring forward the liberalization of the sector, particularly for cellular, public phones and value-added services. Moreover, on 17 September 2004, the DOC awarded the second national operator (SNO) license to an alliance of companies, subject to the condition that they accept certain ownership requirements. According to the announcement, the following policies will be effective starting February 2005:

- Mobile operators may have access to fixed lines from any public-switched telecommunication network operator
- Issuance of licenses for public pay phone service
- Value-added network services, including voice using any protocol (e.g. VoIP), may be provided by means of any telecommunications facility
- Value added network providers and private telecommunications network operators may resell their facilities and capacity

The DOC noted that it is also considering removal of license requirements to provide pay phone services. The DOC also indicated that in October 2004, it would announce policy reforms for service-based licenses, under-serviced area licenses, second national operator (SNO), and the convergence bill.

In a separate announcement, the DOC awarded the second national operator (SNO) license to an alliance of companies that include Nexus Connexion, Transtel, Esitel, CommuniTel, and Two Consortium. The ICASA (Independent Communications Authority of South Africa) will issue the license once all shareholders agree to the ownership structure proposed by the DOC and finalize the business plan. Meanwhile, the Government is still looking for the financial investor that will hold the unallocated 51% of the equity shareholding. Once the license is issued, the SNO will be able to provide public switched telecommunications services and compete directly with Telkom, the incumbent operator.

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Source:

- Policy Announcement by the Minister of Communications, Dr Ivy Matsepe-Casaburri, 02 September 2004 [http://www.doc.gov.za/Press\\_Stmnt\\_02Sep\\_2004.htm](http://www.doc.gov.za/Press_Stmnt_02Sep_2004.htm)
- Grant of the Second National Operator License - 17 September 2004 [http://www.doc.gov.za/Grant\\_SNO\\_170904.htm](http://www.doc.gov.za/Grant_SNO_170904.htm)