

REPUBLIC
OF
SOUTH AFRICA



REPUBLIEK
VAN
SUID-AFRIKA

Government Gazette Staatskoerant

Vol. 408

PRETORIA, 11 JUNE 1999
JUNIE

No. 20205

GENERAL NOTICE

NOTICE 1320 OF 1999

SOUTH AFRICAN REGULATORY AUTHORITY



**NOTICE OF INTENTION TO MAKE REGULATIONS REGARDING THE MANNER
OF DETERMINING FEES AND CHARGES FOR MOBILE CELLULAR
TELECOMMUNICATION SERVICES**

The South African Telecommunications Regulatory Authority ("the Authority") hereby gives notice that it intends making the following regulations in terms of section 45 read with sections 96(1) and (4) of the Telecommunications Act, 1996 (Act No. 103 of 1996).

Interested persons are hereby invited to submit written comments on or representations with regard to the proposed regulations, to be received by no later than 16h00 on 10 September 1999 by post, hand delivery or facsimile transmission, for the attention of Mr Peter Hlapolosa, South African Telecommunications Regulatory Authority, Private Bag X1, Marlboro, 2063; Block A, Pin Mill Farm, 164 Katherine Street, Sandton; Facsimile (011) 321 8536.

H.N.L. MAEPA

Chairperson

South African Telecommunications Regulatory Authority

**PROPOSED REGULATIONS IN TERMS OF SECTION 45 OF THE
TELECOMMUNICATIONS ACT, 1996 (ACT NO. 103 OF 1996) REGARDING
THE MANNER OF DETERMINING FEES AND CHARGES FOR MOBILE
CELLULAR TELECOMMUNICATION SERVICES**

1. Definitions

- (a) In these regulations, unless the context indicates otherwise, all the terms used shall have the same meanings as those assigned to them in the Act.
- (b) "Act" means the Telecommunications Act, 1996 (Act No. 103 of 1996).
- (c) "Basket of Services" means a package of services offered to an end user of Mobile Telecommunication Services.
 - (i) **Basic Basket**
 - (1) Local calls
 - (2) National calls
 - (3) Mobile to mobile calls
 - (4) Calls to 0800 numbers
 - (5) Calls to 089 numbers
 - (6) Directory calls
 - (7) Call forwarding: local calls and national calls
 - (8) Voice mail
 - (9) Monthly subscription (which includes free minutes where applicable)
 - (ii) **International Voice Basket**
 - (iii) **Data and Fax Basket**
 - (iv) **Faxmail Basket**
- (e) "Offering" means a package of services offered to an end user of mobile cellular telecommunication services.
- (f) "Licensee" means a mobile cellular telecommunication services provider licenced in terms of the Act.
- (g) "Line Item Service" means a service that does not form part of a Basket of Services.
- (h) "Price Control Period" means a twelve month period, the first such period commencing on the date on which the relevant offering becomes effective and subsequent periods commencing on the anniversary of such date.

2. Application

- (a) These regulations shall apply to fees and charges determined by a licensee in terms of the Act.
- (b) The fees and charges determined by a licensee shall be the maximum fees and charges to be paid by end users of mobile cellular telecommunications services.

3. Manner in which Fees and Charges shall be Determined

- (a) The fees and charges determined by a licensee initially for any offering shall be market related.
- (b) Any change to the fees and charges determined by a licensee for any offering shall be market related but shall not exceed the limits imposed by the Price Control Formula set out in this regulation, for each Basket of Services and each Line Item Service.

Price Control Formula: $\Delta P(I,t) \leq \Delta CPI_t - X_t$

$$X_t = 1.5\%$$

Provided that X_t shall only be applied once in a Price Control Period and subject to the following definitions:

$\Delta P(I,t)$ is the average percentage change in the unit price of the I-th service, in period t, which is determined as follows:

$$\Delta P(I,t) = ((P_t/P_{t-1}) - 1)100$$

Where

P_t is the average unit tariff of the I-th service at the end of period t; and

P_{t-1} is the average unit tariff of the I-th service at the end of period t-1.

Where

t is the Price Control Period, with the first such period commencing on the date the relevant offering becomes effective; and

t-1 is the preceding 12 month period.

ΔCPI_t is the period on period change in the Consumer Price Index, which is determined as follows:

$$\Delta CPI_t = ((CPI_t/CPI_{t-1}) - 1)100$$

Where

CPI_t is the Consumer Price Index at the beginning of period t; and

CPI_{t-1} is the Consumer Price Index at the beginning of period t-1.

Where

t is the Price Control Period, with the first such period commencing on the date the relevant offering becomes effective;

t-1 is the preceding 12 month period; and

CPI shall be determined with reference to Statistics South Africa information

X_t is the productivity offset factor, which is as follows.

$X_t = 1,5\%$

4. Value-Added Tax

The fees and charges determined pursuant to these regulations shall be exclusive of value-added tax.

5. Changes to the Basket of Services

A licensee may substitute a service within a Basket of Services only if the substitute service is substantially similar to the substituted service.

6. Submission of Fees and Charges

(a) A licensee shall submit to the Authority, in writing, in the form specified by the Authority, the fees and charges determined by the licensee -

(i) in respect of fees and charges determined by a licensee initially for any offering, at least 30 days prior to the date on which the fees and charges are to become effective; Provided that if the licensee is providing an offering in terms of a valid mobile cellular telecommunication service licence when these regulations become effective, within 30 days of the effective date of these regulations;

(ii) in respect of any change to the fees and charges determined by a licensee for any offering, deletions of offerings and substitutions of services within a Basket of Services, at least 30 days prior to the date on which the fees and charges are to become effective; and

(iii) in the anniversary month in which the licensee's fees and charges were submitted in terms of regulation 6(a)(i); provided that if in such submission there are any changes to the fees and charges determined by a licensee for any offering, deletions of offerings or substitutions of services within a Basket of Services, at least 30 days prior to the date on which the fees and charges are to become effective.

(b) Any change to the fees and charges determined by a licensee for any offering, deletions of offerings or substitutions of services within a basket, from one submission to the next in terms of regulation 6(a), shall be accompanied by a detailed explanation regarding -

(i) the nature of the change;

(ii) the reasons therefor;

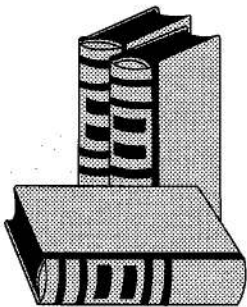
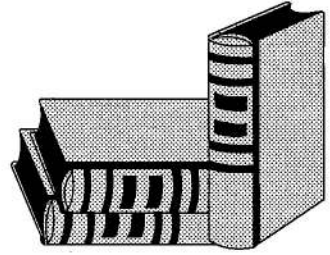
(iii) calculations clearly indicating that regulation 3(b) is complied with; and

(iv) with regard to Baskets of Services, among other relevant information, the following information:

(a) unitisation of time on which fees and charges are based;

- (b) call distribution between national and international calls and in regard to national calls, between peak and off-peak time periods; and
 - (c) average minutes of usage per customer.
 - (c) If the fees and charges determined by a licensee and submitted to the Authority in terms of regulation 6(a) do not comply with regulation 3(b), as determined by the Authority prior to the date on which the fees were to become effective, the fees and charges shall not become effective and the Authority shall notify the licensee that the fees and charges shall not become effective prior to the date on which the fees were to become effective; provided that the fees and charges may become effective the date on which the fees and charges were to become effective if the licensee amends the fees and charges submitted in such a manner that they comply with regulation 3(b).
 - (d) No action or inaction by the Authority in respect of regulation 6(3) shall limit the application of section 100 or any other provision of the Act.
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Where is the largest amount of meteorological information in the whole of South Africa available?



Waar is die meeste weerkundige inligting in die hele Suid-Afrika beskikbaar?

Department of Environmental Affairs and Tourism
Departement van Omgewingsake en Toerisme

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Printed by and obtainable from the Government Printer, Bosman Street, Private Bag X85, Pretoria, 0001
Tel: (012) 334-4507, 334-4511, 334-4509, 334-4515

Gedruk deur en verkrygbaar by die Staatsdrukker, Bosmanstraat, Privaat Sak X85, Pretoria, 0001
Tel: (012) 334-4507, 334-4511, 334-4509, 334-4515