



# Government Gazette Staatskoerant

REPUBLIC OF SOUTH AFRICA  
REPUBLIEK VAN SUID-AFRIKA

Vol. 443

Pretoria, 24 May  
Mei 2002

No. 23458



**AIDS HELPLINE: 0800-0123-22 Prevention is the cure**



9771682584003

23458



CONTENTS

No.

Page  
No.      Gazette  
            No.

GENERAL NOTICE

Independent Communications Authority of South Africa

General Notice

784	Telecommunications Act (103/1996): Notice of intention to supplement the existing interconnection guidelines issued by the authority in terms of section 43.....	3	23458
-----	--	---	-------

---

## GENERAL NOTICE

---

NOTICE 784 OF 2002



### **INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA**

**NOTICE OF INTENTION TO SUPPLEMENT THE EXISTING INTERCONNECTION GUIDELINES ISSUED BY THE AUTHORITY IN TERMS OF SECTION 43 OF THE TELECOMMUNICATIONS ACT OF 1996 AS AMENDED AND WHICH WERE PROMULGATED BY THE MINISTER UNDER GAZETTE NUMBER 20993 NOTICE NUMBER 1259 OF 2000.**

The Independent Communications Authority of South Africa (the Authority) hereby gives notice that it intends to prescribe supplementary interconnection guidelines to the existing interconnection guidelines which were published under the gazette set out above. The supplementary regulations will be effected in terms of section 96(1), (4) and 96 (6) read with section 43 of the Telecommunications Act (Act No. 103 of 1996) (the Act) as amended.

To give effect to the proposed supplementary interconnection guidelines the Authority has attached under the schedule herein a copy of the supplementary interconnection guidelines.

Interested persons are hereby invited to submit written representations in relation to the proposed regulations/guidelines to the Authority by no later than 13h00 on the 28<sup>th</sup> of June 2002 by post, hand delivery or facsimile transmission. Where available a softcopy of the corresponding hardcopy of the representation should be e-mailed to [PHlapolosa@icasa.org.za](mailto:PHlapolosa@icasa.org.za).

The written representations must be addressed to Mr Peter Hlapolosa, Acting Head of Department: Economics and Analysis Unit, Independent

**Communications Authority of South Africa, Private Bag X1, Marlboro, 2063, or Block A, Pin Mill Farm, 164 Katherine Street, Sandton, Facsimile (011) 321-8536, Tel 011 321-8374 or Cell 083 326 3938.**

**Persons making written representations must clearly indicate in their representations if they wish to make oral representations including the duration thereof which shall not exceed one (1) hour. Should a request for such oral hearings be received then public hearings shall be held on a date to be determined by the Authority at Block C, Pin Mill Farm, 164 Katherine Street, Sandton, Gauteng.**

**MANDLA LANGA  
CHAIRPERSON  
ICASA**

- 1.2.2 by the substitution for the definition of "Public Operator" of the following definition:

"Public Operator" means a provider of a public switched telecommunication service or a public mobile telecommunications service, or an under-served area licensee or Sentech for the purposes of its provision of multimedia services or carrier of carriers services.

## **2. APPLICATION OF THESE GUIDELINES**

- 2.1 These guidelines apply to all Interconnection Providers and Interconnection Seekers and set out additional rights and obligations applicable to such persons when entering into an Interconnection Agreement pursuant to General Notice 1259 of 2000. These guidelines do not:

- a. Limit the matters which may be dealt with in an Interconnection Agreement – but provide a minimum set of issues which shall be addressed; or
- b. Prevent the parties to an Interconnection Agreement from negotiating or entering into bilateral or multilateral agreements which deal with issues other than those addressed in these guidelines.

- 2.2 For purposes of these guidelines and General Notice 1259 of 2000, Telkom SA Limited is declared a major operator. Interconnection provided by Telkom SA Limited as an Interconnection Provider under these guidelines and General Notice 1259 of 2000 shall be considered essential services.

## **3. OBLIGATIONS OF INTERCONNECTION PROVIDER**

- 3 The Guidelines of this Section 3 are intended to permit the orderly transition to the LRIC pricing regime prescribed in General Notice 1259 of 2000 and shall apply only for a period of two years from the date on which they are adopted, unless extended by the Authority by notice in the Gazette.
- 3.1 All charges imposed by a Major Operator for essential services for interconnection to any requesting Public Operator must be no greater than the Major Operator's fully allocated costs of providing such services.
- 3.2 The costs used in calculating economic costs of essential services shall be the costs determined on a Current Cost Accounting basis as set forth in the relevant section of the operator's Chart of Accounts/Cost Allocation Manual (COA/CAM)

## **SCHEDULE**

### **SUPPLEMENTARY INTERCONNECTION GUIDELINES**

THE PROVISIONS OF THE INTERCONNECTION GUIDELINES ISSUED BY THE AUTHORITY IN TERMS OF SECTION 43 OF THE TELECOMMUNICATIONS ACT OF 1996 WHICH WERE PROMULGATED BY THE MINISTER UNDER GAZETTE NO. 20993 NOTICE 1259 OF 2000 SHALL CONTINUE TO APPLY AS SUPPLEMENTED AND AS APPLICABLE CLARIFIED AND AMENDED BY THESE GUIDELINES.

EXCEPT WHERE THE INTERCONNECTION GUIDELINES (GENERAL NOTICE 1259 OF 2000) ARE AMENDED BY THESE GUIDELINES, IN ANY CASE WHERE THESE SUPPLEMENTAL GUIDELINES MAY CONFLICT WITH THE INTERCONNECTION GUIDELINES (GENERAL NOTICE 1259 OF 2000), THE INTERCONNECTION GUIDELINES IN GENERAL NOTICE 1259 OF 2000 SHALL GOVERN.

#### **1. DEFINITIONS**

In these Guidelines, words shall have the meaning assigned to them in the Telecommunications Act as amended and in General Notice 1259 of 2000 unless the context otherwise requires.

1.1 The definition of "Avoidable Costs" in section 3.4 (b) (i) herein shall apply to that term wherever used in these guidelines or in General Notice 1259 of 2000.

1.2 Section 1 of the interconnection guidelines (General Notice 1259 of 2000) is hereby amended:

1.2.1 by the substitution for the definition of "Telecommunications Act" of the following definition:

"Telecommunications Act" means the Telecommunications Act of 1996 (Act No. 103 of 1996) as amended from time to time, including the Telecommunications Amendment Act of 2001 (Act No. 64 of 2001).

**3.4 Allowable common costs are economic costs efficiently incurred in providing a group of essential facilities or services that cannot be attributed directly to individual essential facilities or services.**

- a. The sum of the allocation of common costs for all essential services shall equal the total common costs associated with the relevant accounts from the COA/CAM.**
- b. The following factors shall not be considered in a calculation of economic costs of an essential service:**
  - i. Avoidable Costs. Avoidable Costs shall mean the costs of marketing, billing, collection, and other costs associated with offering retail telecommunications services to subscribers who are not telecommunications service providers.**
  - ii. Opportunity costs. Opportunity costs are the revenues that a major operator would have received for the sale of telecommunications services, in the absence of competition from telecommunications service providers that purchase essential facilities.**

**3.5 The cost-based charges per unit of an essential service equals the actual cost of the essential service, as illustrated in section 3.6 herein, divided by the total number of units of the essential service that the major operator has provided to requesting telecommunication carriers or has used in offering its own services, during the most recent measuring period for which such costs and numbers are available.**

**3.6 Essential service rates shall be structured consistently with the manner in which the costs of providing the essential services are incurred.**

**3.6.1 The costs of dedicated services shall be recovered through flat-rate charges.**

**3.6.2 With respect to essential services that a major operator offers on a flat-rate basis, the number of units is defined as the discrete number of essential services that the major operator uses or provides.**

**3.6.3 With respect to essential services and services that a major operator offers on a usage-sensitive basis, the number of units is defined as the unit of measurement of the usage (e.g. minutes of use or call related database queries) of the essential service.**

For example, if an essential service is supplied on the basis of measurement, such as cable, the unit would be a metre or a kilometre; if an essential service is supplied on the basis of a period of time, such as the duration of a call, the unit would be a minute; and if an essential service is supplied on the basis of an occurrence, such as a database query, the unit shall be a single such occurrence.

- 3.7** A major operator must provide the Authority with a cost study that complies with the guidelines set forth in this section 3 and any underlying supporting documentation sufficient to allow the Authority to determine that the rate for each essential service such major operator offers does not exceed the cost-based charges per unit of providing the essential service.

**3.7.1** The Authority may determine that the cost study and supporting documentation made available to it by the major operator with respect to one or more essential service does not support the adoption of a rate or rates that are consistent with the requirements set forth in this section 3. In that event, the Authority may establish a rate for an essential service that is consistent with the best current practices in the international market.

**3.7.2** Any rate(s) established through the use of international best current practices shall be superseded once the Authority has completed review of a cost study that complies with the cost based pricing guidelines described in this section 3, and has concluded that such study is a reasonable basis for establishing essential service rates.

Printed by and obtainable from the Government Printer, Bosman Street, Private Bag X85, Pretoria, 0001

Publications: Tel: (012) 334-4508, 334-4509, 334-4510  
Advertisements: Tel: (012) 334-4673, 334-4674, 334-4504  
Subscriptions: Tel: (012) 334-4735, 334-4736, 334-4737  
Cape Town Branch: Tel: (021) 465-7531

Gedruk deur en verkrygbaar by die Staatsdrukker, Bosmanstraat, Privaatsak X85, Pretoria, 0001

Publikasies: Tel: (012) 334-4508, 334-4509, 334-4510  
Advertensies: Tel: (012) 334-4673, 334-4674, 334-4504  
Subskripsies: Tel: (012) 334-4735, 334-4736, 334-4737  
Kaapstad-tak: Tel: (021) 465-7531