

**INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA
NOTICE 34 OF 2017**



Independent Communications Authority of South Africa
Pinmill Farm, 164 Katherine Street, Sandton
Private Bag X10002, Sandton, 2146

**REQUEST FOR AMENDMENT OF PUBLIC PAYPHONE UNIVERSAL SERVICE
OBLIGATIONS BY TELKOM SA SOC LIMITED**

1. The Independent Communications Authority of South Africa ("the Authority") hereby gives a notice that it has received a request for the amendment of the universal service obligations by Telkom SA SOC Ltd ("Telkom").
2. On 07 May 1997, Telkom was issued and granted a service licence, Gazette No.17984 as amended¹, the Authority imposed a universal service and access obligations on Telkom to rollout 120 000 (one hundred and twenty thousand) public payphones.
3. Section 10 of the Electronic Communications Act, 2005 (Act No. 36 of 2005) ("ECA"), amongst others, provides that:

"10 (1) The Authority may amend an individual licence after consultation with the Licensee-

 - (f) where the Authority is satisfied that the amendment is necessary to ensure the achievement of the objectives of this Act;*
 - (g) if the amendment relates to universal access or universal service and is necessary, in the opinion of the Authority, as a result of -*
 - (i) changed circumstances in the market; or*
 - (ii) lack of electronic communications network services, broadcasting services, or electronic communications services in specifically identified areas of the Republic."*
4. Telkom has approached the Authority over the years with regards to the review of Universal Service and Access Obligations stating reasons, amongst others;
 - (i) changed circumstances in the market i.e. prevalence of mobile phones, escalating maintenance costs and changes in technology making the public payphone less relevant.

¹ Copy of the Telkom service licence as gazetted can found in the ICASA Library and or via ICASA website.

5. Telkom must provide internet access and services to public health institutions as determined by the Authority and the Department of Health. Telkom must connect three thousand, six hundred and thirty-one (3 631) public health institutions and will exclude national, district, and regional public health institutions and specialized public health institutions. The envisioned Universal Service Obligations are marked as **Annexure A** below.
6. Interested parties are invited to submit written comments **within 21 working days** of publication of this notice by post, hand delivery or electronically for attention:

Moyeni Nkosinkulu: USO Project Leader

Enquiries: Tel: 011 566 3976

or Email: usoproject2016@icasa.org.za

or Attention:

USO Project 2016

Block D, Pinmill Farm

164 Katherine Street

Sandton

7. Telkom shall be entitled to respond in writing to written representations made by interested persons on the application, and such written response must be lodged with the Authority **within forty-two (42) working days** of the date of publication of this notice in the government gazette. Telkom must, at the time of lodging such written response, furnish proof to the Authority's satisfaction that it has delivered a copy of such response by hand, **or** has sent a copy of such response by registered mail **or** by facsimile **or** by email to the relevant person who made such written representation.



Rubben Mohlaloga
Acting Chairperson

**REQUEST FOR AMENDMENT OF PUBLIC PAYPHONE UNIVERSAL SERVICE
OBLIGATIONS BY TELKOM SA SOC LIMITED**

1. OBLIGATIONS

- a. Telkom must continue to maintain and implement the Universal Service Obligations until reviewed by the Authority in terms of sections 10 of the Electronic Communication Act.
- b. Annexure A hereof contains the detailed draft amendment obligations in relation to Telkom's public payphone universal service and access obligations.
- c. It is recorded that Telkom had the following public payphone base in the respective years in fulfilment of its universal service and access obligations for public payphones:

Year	2009	2010	2011	2012	2013	2014	2015
# of PP²	135 111	121 451	116 466	104 997	94 232	78 763	60 435

- d. Universal service and access obligations to be fulfilled by Telkom with effect from the effective date are set out in Annexure A hereof.

² Means public payphones

ANNEXURE A

Schedule A

DEFINITIONS

1. In this Annexure:

1.1 All words and expressions used, unless the context otherwise requires, have the same meanings as ascribed thereto in terms of the Act:

"Allocation" means the Authority will allocate list of public health institutions to roll-out connectivity;

"National Broadband Policy" means the South Africa Connect: Creating Opportunities, Ensuring Inclusion South Africa's Broadband Policy as published on 6 December 2013, and government gazette number 37119;

"Connectivity" means connecting a public health local area network to a dedicated electronic communication network provided by the licensee by means of any chosen technology providing the local area network with the required minimum bandwidth and speed as stated in the National Broadband Policy as published.

"Decommission" means permanently disconnection and termination of the service of a public payphone.

"Department" means the Department of Telecommunication and Postal Services;

"DoH" means Department of Public Health

"Economically feasible" means the cost of installation and maintenance of the public payphone is less than the projected revenues to be realised from usage of the public payphone

"Effective Date" means 01 July 2016 unless authorized and or advised by the Authority;

"Hardware" means any network equipment required for connectivity to the Telkom network;

"LAN" means Local Area Network;

"Public Health" as defined in the National Health Act, 2003 (Act No. 61 of 2003);

"Public Payphone" means a coin, calling card and credit or debit card -operated public payphone, where pre-payment is made prior to accessing the service by inserting money (usually coins) or by billing a credit or debit card, or a telephone card.

"Service Provision Regulations" means any regulations on service provision including but not limited to the End - User and Subscriber Service Charter as amended;

"USAASA" means Universal Service Access Agency of South Africa; and

"VPN" means Virtual Private Network.

Schedule B

1. PROVISION OF CONNECTIVITY TO PUBLIC HEALTH INSTITUTIONS

Telkom must:

- 1.1. provide internet access and services to public health institutions which shall be allocated to Sentech as determined by the Authority and the Department of Health from time to time;
- 1.2. connect 3 631 (three thousand, six hundred and thirty-one) public health institutions and exclude national, district, and regional public health institutions and specialized public health institutions;
- 1.3. commence implementation of connectivity as of the effective date, subject to the allocation of public health institutions by the Authority;
- 1.4. implement connectivity to the public health institutions as allocated;
- 1.5. complete the internet connectivity to the public health institutions as allocated within a period of five (5) years from the effective date.
- 1.6. only connect the public health institutions allocated to it by the Authority. Failure to do so will be treated as non-compliance with the required obligation.

2. PROVISION OF PUBLIC PAYPHONES

- 2.1. Telkom must continue to provide Public Payphones to designated public areas, including but not limited to:
 - 2.1.1. Ports of entry into the Republic of South Africa;
 - 2.1.2. Public transport terminals;
 - 2.1.3. Public health institutions;
 - 2.1.4. Police Stations;
 - 2.1.5. Post Offices;

- 2.1.6. Community Centres (Old age homes, Orphanages);
 - 2.1.7. Schools;
 - 2.1.8. Correctional Institutions; and
 - 2.1.9. Public recreational areas.
- 2.2. Telkom must maintain and install a maximum number of 25 000 (twenty-five thousand) Public Payphones nationally depending on a need, with areas stated in paragraph 2.1 above taking priority.
 - 2.3. Telkom must upon request provide a Public Payphone where it is economically feasible to do so if it is not in any of the areas stated in paragraph 2.1 above and depending on the availability of its infrastructure. The type of Public Payphone and the technology to be deployed shall be at the discretion of the Licensee.
 - 2.4. In the event, Telkom wishes to decommission any Public Payphone rolled-out in any of the areas stated in paragraph 2.1 above, it must follow the process outlined in paragraph 6 below.

3. STANDARDS AND SPECIFICATIONS FOR THE OBLIGATIONS

- 3.1. The specifications required for the implementation of the connectivity shall be as follows:
 - 3.1.1. provide connectivity to 3 631 (three thousand, six hundred and thirty-one) public health institutions and to the DoH Head Office;
 - 3.1.2. inter-connect all public health institutions specified in paragraph 3.1.1 above, at a district, provincial and national level and to the DoH Head Office using any technology including, but not limited to, VPN or anything equivalent. The choice of technology shall be at Telkom's discretion;
 - 3.1.3. provide a minimum of 10GB of data per month to each public health institution; and
- 3.2. Telkom must provide the hardware required for connectivity of the public health institutions in the licensee's network only, except in case of the DoH Head Office.
- 3.3. The hardware to be provided by Telkom *excludes* user end devices e.g. desk computers, laptops and related peripherals, desk phones or handsets and LAN's etc.

- 3.4. Telkom is only obligated to provide connectivity hardware as part of the obligations e.g. modems or anything similar which facilitates access to Telkom's network for the recipient.
- 3.5. The installation must be done by Telkom and Telkom shall bear the obligation to resolve any maintenance and repair issues with regard to the connectivity;
- 3.6. The speed must be no less than 1 Mbps; and
- 3.7. Telkom must maintain the provision of the connectivity and services for the duration of its service licence period.

4. COST AND USAGE

- 4.1. Telkom must provide a service at discounted rate as stated under section 73 of the ECA (i.e. at e-rate), only for connectivity (access) and data service, between public health institutions and to the DoH Head Offices.
- 4.2. The cost of maintaining the network connectivity to the public health institutions for DoH Head Office, at a district, provincial and national level shall be Telkom's responsibility.
- 4.3. Telkom must bear the initial setup costs.

5. REPORTING AND MONITORING

- 5.1. Telkom must report bi-annually according to the Authority's financial year. Reports are due on or before 30 April and 31 October each year; the following information must be submitted:
 - 5.1. Number of public health institutions per, district, province and national connected;
 - 5.2. Names of the public health institutions per district, province and national, geographical coordinates;
 - 5.3. Average speed, data usage and bandwidth over the reporting period;
 - 5.4. Average cost usage (Data) over the reported period;
 - 5.5. Downtime and uptime for all the network connections;
 - 5.7. Number of faults reported to Telkom only network connection related (i.e. if connection of the local area network is down due to failure of licensee network) frequency, time to resolve;

- 5.8 Type of technology used for connectivity;
- 5.9 The number of public payphones; and
- 5.10 The number of decommissioned Public Payphones.

6. DECOMMISSION FROM SERVICE OF PUBLIC PAYPHONES

- 6.1. Telkom must not decommission any Public Payphone except where it can prove the following to the Authority:
 - 6.1.1. revenues from the Public Payphone services provided from that public payphone in any period of twelve (12) consecutive months have fallen below the Licensee's fully allocated costs of providing Public Payphone services.
 - 6.1.2. Telkom has posted prominently a notice on such Public Payphone specifying that the Licensee is ceasing to provide Public Payphone services there, the reasons for the proposal, the address of Telkom's office to which representations and objections with respect to the proposal may be made during normal business hours and the period within which such representations and objections may be made;
 - 6.1.3. Telkom has sent to the local authority for the area in which such Public Payphone is located by registered post or by hand a copy of that notice;
 - 6.1.4. Telkom has sent a copy of the notice to the Authority by notice together with copies of any representations and objections that Telkom has received with respect to the proposal and its comments and conclusions thereon; and
 - 6.1.5. thirty (30) days have elapsed after the material has been sent to the Authority;
 - 6.1.6. or any other person with lawful authority, requires Telkom to remove the Public Payphone in question;
 - 6.1.7. that the Authority agrees that Public Payphone services are no longer to be provided at the area in question for any reason; or
 - 6.1.8. continued provision of Public Payphone services to that area is, in the Authority's opinion.
- 6.2. Where Telkom intends to withdraw from service a public payphone in accordance with condition 6.1.1 to 6.1.8, it shall give the Authority three

(3) months prior written notice, or such shorter period as may be consented to by the Authority, of its intention to do so;

- 6.3. Failure to comply with condition 6.1 in its entirety shall constitute a serious non-compliance.
- 6.4. The restrictions on the withdrawal from service of any Public Payphone set forth in paragraph 6 shall not apply to temporary discontinuance of service due to maintenance, replacement of lines, outages due to natural forces or any other occurrence requiring only a temporary discontinuance of service. Any discontinuance of service of up to a maximum of forty-five (45) days must be treated as a temporary discontinuance of service unless Telkom provides notice, in accordance with the requirements set forth in paragraphs 6.1.1 through 6.1.4, of its intent to discontinue service permanently.

7. CONTRAVENTION AND PENALTIES

Failure by the Telkom to comply with the obligations in this licence constitutes a breach of the Licence terms and conditions and is subject to a fine of no less than One Million Rand (R1 000 000.00), and another million for each month that the offence continues.

ANNEXURE B**ROLES AND RESPONSIBILITIES OF THE PARTIES**

Obligation	Licensee	ICASA	USASSA	DoH	DTPS
1. Allocation of public health institutions		✓			
2. Verifying public health institutions location	✓			✓	
3. Verifying public health institutions contact details	✓			✓	
4. Informing public health institutions of Project	✓			✓	✓
5. Determining if public health institutions has basic amenities e.g. electricity, basic communications e.g. fixed phone line	✓		✓	✓	
6. Re-allocation or replacing of public health institutions to be connected		✓			
7. Installation of Solution	✓				
8. Testing Installation	✓		✓	✓	
9. Documenting Installation	✓		✓		
10. Handing over Installed solution	✓		✓	✓	✓
11. Cost of usage of Solution and Maintenance ³			✓		
12. Monitoring for Compliance		✓			

³See Annexure A, Schedule B, 3