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GENERAL NOTICE

NOTICE 2265 OF 2003

QUERIES AND ANSWERS TO THE MINISTER FOR UNDER SERVICED AREA LICENSE (USAL'S) INVITATION TO APPLY (ITA)

QUESTIONS	ANSWERS
<p>1. A literal interpretation to provision 12.6 and 12.7 of the ITA suggest that consultants are limited in rendering their services only to a single bidding applicant in terms of the ITA does not suggest that applicants in different under serviced areas who are not competing with each other cannot seek and utilize the services of the same consulting group.</p>	<p>Consultants are only limited to one applicant in the licensing process, no consultant shall advice more than one applicant, irrespective of the district.</p> <p>(Refer to Section 12.6 Gazette No.24204, of the ITA published 19 December 2002)</p>
<p>2. Can the closing date for applications be extended?</p>	<p>The extension of the closing date is determined by the circumstances that may arise during or towards the closing date.</p> <p>The ITA states that " in case of an amendment to the invitation the deadline available specified for the submission of applications may be extended by the Minister, if necessary".</p> <p>(Refer to Section 11.3 Gazette No. 24204 published 19 December 2003)</p>
<p>3. Can an applicant have interest in more than one geographic area?</p>	<p>Section 52 regulations on ownership and control in terms of Telecommunication Act 103 of 1996 will be applicable.</p>
<p>4. How is the Universal Service Fund going to assist the applicants?</p>	<p>The Act states that the Fund will be made available to SMME's licensees to rollout the infrastructure.</p> <p>Policy guidelines in respect of the Subsidization of the Under-Serviced Area Licensees in terms of Section 66</p>

	<p>are also available in Universal Service Agency.</p> <p>(Refer to Section 66 of the Telecommunications Act 103 of 1996 as Amended.)</p>
5. Was Thabo Mofutsanyana left out because of a numbering mistake?	<p>No Thabo Mofutsanyane is not in the First Phase as indicated in the ITA.</p> <p>(Refer to Section 1.1 Gazette No.24204)</p>
6. Can the USAL's use any technology of their choice to provide telecommunication services?	<p>The Telecommunication Act of 1996, does not prescribe technology although it has to be type approved by ICASA.</p> <p>(Refer to Section 40A (3) of the Act)</p>
7. Why was the application fee raised from R15000 to R30000?	<p>The R15 000 was in the draft regulations Government Gazette No. 22959 published 18 December 2001 by ICASA for comments in 2001, and the ITA Gazette No.24204 was only published in 19 December 2002 and the application fee was R30 000</p>
8. Is it possible for USAL's applicant to lease switching facilities from an incumbent operator or third party?	<p>There is a regulation published by ICASA on facility leasing, it outlines which facilities can be leased.</p> <p>(Refer to Government Gazette No. 23613 published 9 July 2003)</p>
9. How is the Universal Service Fund contribution going to be utilized to provide telecommunication services in less viable areas?	<p>The USA has developed draft guidelines in respect of the subsidization of the under-served area licensees.</p> <p>The Universal Service Fund will be made available to the licensees in a form of a subsidy to roll out the infrastructure.</p> <p>(Refer to section 66 (1) of the</p>

	Telecommunications Act 103 of 1996) and the above guidelines from the USA.
10. What is the maximum percentage that can be held by a party in a minority shareholding?	Section 52 regulations on Ownership and Control will be applicable.
11. Would the major operators, i.e. PSTN and mobile operators be permitted to hold an equity stake in the USAL's?	Refer to the same regulation above. (section 52 regulation on Ownership and Control)
12. When will the next phase of licensing take place?	The Minister shall pronounce the next phase by issuing a notice in the Gazette.
13. The data supporting designated under serviced areas appears to be based on 1996 figures. How accurate in terms of teledensity is that data?	The only official statistics available was the 1996 Statistics. Using that data is accurate.
14. Will the SNO and Telkom be permitted to expand or deploy their networks in the identified areas?	There is nothing in the Act that precludes other operators to deploy networks in those areas, since most of them have already rolled-out the network.
<p>15. The licensee shall be entitled and required to construct, maintain and operate a network capable of the provision of the above mentioned services, to collaborate with public telecommunications operators and mobile operators whose networks are interconnected with that of the license.</p> <p>(1) Is it mandatory that the licensee should physically construct a network?</p> <p>(2) If it is required, are the time frames specified?</p>	<p>(1) Yes, but subject to the terms and conditions stipulated in the final license that will be issued to the licensees.</p> <p>(2) Time frames are also specified in the final license that is issued by ICASA.</p>

16. Can the interconnection regime be put in place prior to the calling for applications because of its centrality to business planning?

The USAL's will be regulated in terms of the existing Interconnection guidelines Gazetted for other operators.

Refer to Government Gazette No: 24203 published 19 December 2002 which outlines Supplementary Interconnection Guidelines promulgated in consistent with Gazette No: 20993 published in General notice of 2000.