

Vodacom to take Icasa to court

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Vodacom is taking industry regulator the Independent Communications Authority of South Africa (Icasa) to court in a bid to stop it from implementing new mobile termination rates.



Vodacom is to take Icasa to court in a bid to prevent new termination rates from being implemented.

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This comes hot on the heels of a similar case filed by rival MTN. Both companies have said they are not opposed to a cut in the rates - the fees that mobile operators pay to carry each other's calls - but rather to the process followed by Icasa.

Icasa has decided to cut the rates by 50% to 20c/minute. MTN and Vodacom are required to pay an additional 24c/minute (a total of 44c/minute) to smaller rivals in what is described as an asymmetrical interconnection rate.

Both operators are strongly opposing the asymmetric rate, as they say it would subsidise small rivals.

Vodacom said on Wednesday (26 February) that it supported lower mobile termination rates. "The issue is not whether these rates come down; it's about ensuring that the legislated fair and objective process is used to determine the final rates," it said.

It claimed Icasa had not followed this process and, as a result, Vodacom's customers would be "unfairly prejudiced".

Vodacom said it would have preferred to have settled this in direct discussion with the regulator. "Given the inadequate consultation, we have been left with no choice but to approach the courts," the company said.

Vodacom said it stood by its previous proposal to the regulator that an interim cut be implemented immediately. "This will ensure that rates continue to come down and at the same time provide breathing room to follow the correct legislated

process to determine the final rates," it said.

The new rates were due to be introduced next month, but have been delayed until April to give the regulator time to respond to the court action.

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