

Data bundle rules due in April

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Final regulations on the expiry of data bundles are set to be published by the end of April, telecommunications regulator the Independent Communications Authority of SA (Icasa) told MPs on Wednesday.



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Icasa said the regulations were part of measures to reduce the cost to communicate.

These are expected to bring relief to consumers, who have long bemoaned usage limits.

The government is pulling out all the stops to reduce the cost of communicating, pointing out that it is only through legislative means that it can ensure reasonable pricing and market structure in the sector.

Network operators have been under intense scrutiny in recent months for allegedly ripping off consumers, especially when it comes to data expiry dates and out-of-bundle billing.

Briefing members of Parliament's select committee on communications and public enterprises on the cost of

communications, Icasa councillor Leweng Mphahlele said the regulator had introduced various measures to reduce the exorbitant costs of communicating. The measures had resulted in the significant reduction in voice tariffs over the years.

However, Icasa remained concerned about the costs of data for the public, particularly out-of-bundle rates.

"SA's data bundles are one of the highest compared to the countries we have benchmarked ourselves against," Mphahlele pointed out.

He said Icasa had concluded public consultations on the end user project and final regulations would be published by the end of April.

"Icasa is proposing that data should not expire within three years, operators must send users notification of service depletion at specific intervals ". the current practice is that if you buy a data bundle and you deplete it, the operator charges you out-of-bundle rates. This current practice exposes users to bill shock. Operators must give end users the option to opt in or out of out-of-bundle rates," said Mphahlele.

Cell C's group general counsel, Graham Mackinnon, told MPs that there was no incentive for the dominant players to reduce their prices. The market is currently dominated by Vodacom and MTN.

"They haven't done it up until now. [The] only thing that will drive prices down is competition. There are tools which Icasa can use to stimulate competition and reduce competition, such as termination rates and number portability " moving networks is hard. Number porting needs to be made easier," he said.

Telkom's chief risk officer, Tsholofelo Molefe, said the Vodacom and MTN duopoly was entrenched and, together with high barriers to entry, it made reducing the cost to communicate much more difficult.

Source: Business Day

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