

OpenWeb claims Telkom is holding back affordable broadband

The Independent Communications Authority of South Africa (ICASA) will engage with the industry to reduce the price of Telkom's IPConnect (IPC) service. This is according to its local loop unbundling document that was released at the end of last year.

However, the industry is confused as to when this will happen and more importantly, what the price reduction will be for IPConnect services.

OpenWeb CEO Keoma Wright says Telkom is holding back fast, affordable broadband in South Africa. "As everyone is aware, the cost of the IPConnect service is the single most expensive ingredient in the make-up of ADSL. If Telkom cuts the cost of their IPConnect link by only 50% per month, ISP's would be able to instantly offer a less contended service that costs less."

Clients pay twice for the same network

Wright says Telkom is charging twice for the same product. "Telkom clients and their ISP's are paying for the use of the same Telkom ADSL network, and this is ludicrous. Telkom really has two choices, both of which they will ignore until the regulatory body forces them to choose. They can either drop the cost of IPConnect significantly; we are talking about a drop of up to 90% to make a significant difference. Alternatively they can offer third party ISP's access to Telkom exchanges."

Although ICASA is discussing its promised ADSL IPConnect price cut intervention with Telkom, nobody can confirm when this will materialise. However, once these discussions have been finalised, ICASA will inform all stakeholders of changes for fixed line services.

"If the Minister of Communications, Dina Pule, wants to achieve 100% broadband penetration by 2020, she must address the above issue first, as this will be a quick win for the government," Wright concludes.