

Online Publishers' Association slams Telkom

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The Online Publishers' Association (OPA) has lashed out against Telkom for holding the country to ransom over a decision made by the Independent Communications Authority of South Africa (ICASA) this week that the operator may not charge added monthly fees to ADSL subscribers. ICASA's decision was based on hearings held in response to at least 46 complaints made by consumers regarding Telkom's ADSL offering.

ICASA's findings in this matter stated that, "In the interest of consumer protection, Telkom may only charge a once-off access fee and, thereafter, charges are to be restricted to line rental only."

The online industry has been justifiably outraged by the operator's response to the ruling. According to reports, Telkom is set to take legal action against ICASA and has threatened a blanket cut-off of its ADSL services on which many businesses depend.

Russell Hanly, chairperson of the OPA, said Telkom's knee-jerk response to this ruling goes against the level telecoms playing field this country is aiming to build. "Members of the OPA watch helplessly from the sidelines while Telkom bullies and undermines ICASA. The growth in our industry, which broadband access can deliver, continues to be thwarted.

"Regardless of whether ICASA did their homework or not on the technical aspects, the facts still speak for themselves. South Africa is slipping further and further behind other African countries and developing markets such as India and China. In the year 2000 we had 50% of all the internet connections in Africa; now we are down to 25%. Telkom is the gateway to internet access in this country and continues to be a law unto itself," said Hanly.

The OPA represents the top 22 online publishers in South Africa. Online readership research carried out by Nielsen//Netratings has shown that the number of internet users in South Africa is increasing steadily, with a latest unique browser figure of 4.6 million and 115 million page impressions for June this year. This number encompasses both local and international traffic on OPA member websites. Traffic originating from South Africa makes up 37% of the total readership figure, and 87% of the total page impressions.

The OPA points out that South African internet consumers are starting to see the value of the internet as an information and consumer tool, and that it would be a travesty to have these activities affected by Telkom's actions. "Increased local online activity means more online sales for retailers. There is no doubt that this is a growing and sustainable market that is creating a wealth of opportunity for the consumer industry," said Hanly.

The OPA believes that this threat is unreasonable and may have some far-reaching consequences for the economy. e-commerce and online publishing could be severely affected, and while South Africa has made early gains in the online market, progress has been difficult as a result of expensive bandwidth.

Marc Furman, legal manager at Internet Solutions, supports the OPA's view of ICASA's decision. "Telkom has made certain comments regarding the findings which highlight the critical importance of expediting real competition in the telecoms market, and broadband in particular. If one operator holds all the cards, online consumers lose out. Telkom stated in its response that there is indeed competition in the market with players such as Sentech, WBS and the cellular operators providing broadband services, but Telkom still holds the monopoly on fixed-line broadband infrastructure. We would like to see ICASA moving quickly to implement regulations that would be of greatest benefit to the online industry and consumers."

About the OPA

The OPA is a grouping of South Africa's most prominent online publishers. Its aim is to promote the growth and profitability of the online publishing industry, by setting the highest standards and meeting the needs of marketing and advertising professionals. For more information visit www.opa.org.za.

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OPA executive

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