



# RIGHT2KNOW

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ATT: Hon Sikhumbuzo Eric Kholwane,  
Parliamentary Portfolio committee on Communication  
FROM: Right2Know Campaign, Western Cape  
DATE: 30 November 2012

## **Right2Know Western Cape Memorandum on the Cost of Communication**

Our right to know will remain incomplete if our struggle is limited to securing access to information alone. We must struggle to ensure that information flows across society and that information forms the basis of a social dialogue that deepens our democracy and advances social, economic, and environmental justice. Our right to communicate - to receive and impart information and opinions - is central to our right to know.

Noting the lack of media diversity - especially outside of our cities - we are encouraged by the estimation that 82.9% of people living in South Africa already have access to cell phones and that this number is growing. This high level of cell phone access represents a great opportunity for South Africa to advance the right to communicate. The cell phone potentially brings with it all democratising possibility of the internet, including the ability to draw on vast amounts of knowledge as well as the ability to produce and upload content that can give a voice to those marginalized in society.

However in South Africa today the exorbitant cost of communication and other barriers mean that we are not realising that potential. It is estimated that only 28% of the population access the internet. The exorbitant price of cell phone usage - and profiteering by mobile phone companies - means that few people can afford to use these tools to exercise their rights. Poor people are more likely to have pre-paid contracts, per minute billing, and rely on SMS for text messaging. Because government only regulates the "interconnection rates" (or bulk airtime prices the companies charge each other) the prices companies charge users inevitably means that poor people pay more for the right to communicate than those with post-paid contracts or access to the internet and data messaging services other than SMS.

SMS messaging is a particularly stark example of this unfair pricing scheme. It is estimated that an SMS costs the service provider anything from 2.6 cents to 5 cents. The public are charged anything from 50 cents to 80 cents, which means up to a 3,000 percent profit for the cellphone companies. The super profiteering on SMS places a disproportionate burden on poor users who do not have access to new generation messaging services available on smartphones.

The cost of data is also prohibitively high for poor people, and bundles are structured to advantage the rich as they offer discounts for high usage and to high-income earners, who can afford contracts or large upfront payments.

The Right2Know Campaign applaud the efforts by Parliament's Communication Portfolio Committee to hold industry players, the Independent Communications Authority of South Africa (ICASA), and the Department of Communications (DoC) to account for the high costs of communication, which have not been brought down significantly by the reduction in mobile termination rates. We are committed to working with you to ensure everyone enjoys more affordable communication services. This would cost operators very close to nothing and would be a show of good faith bringing much needed relief to those of us who need it most.

Any regulatory process to make communication more affordable will take over a year - assuming there are no delays. We believe that the people of South Africa are entitled to more immediate relief. To get the ball rolling, we believe mobile phone operators should proactively offer SMS free to everyone, across all networks, all of the time without the need for an exhaustive regulatory process.

Of course, the struggle for the right to communicate will be long and complex. Right2Knows consultations have exposed the need address a host of other issues including:

- Further reduction in the interconnection rates and the regulation of retail rates to ensure that interconnection reductions are not simply passed down to the user further down the line;
- A free basic service for communications, to enable poor users to receive and impart information that is essential to them;
- Improve access to land lines and the ADSL network;
- Issues of quality of service (and current unmet operator targets);
- Simplification of - and transparency in - pricing structures to enable proper comparison of offerings;
- Issues of privacy and anonymity (including concerns that legislation such as the General Intelligence Laws Amendment Bill currently before Parliament may lead to further abuse of monitoring and interception of communications)
- Increasing the range of phone numbers that are free to call (for instance, numbers like our children's schools).
- The use of Universal Services Fund to subsidise needy people, as it was meant to;
- Access to operator information (including basic data that has not been reported to the United Nations' International Telecommunication Union)
- Consumer education (knowledge of existing rights when contracting with an operator);
- A proper and well funded regulator;
- A government department that places the public interest above the interests of its portfolio organisations and their share prices.

There is no doubt that as our campaign unfolds this list will grow longer and our proposals will grow more detailed.

Government has an obligation to enable our right to communicate. Section 16.1B of the constitution says that everyone should enjoy the "freedom to receive or impart information or ideas". We assert that our right to communicate is not unlike our rights to water and energy. As with water and electricity we believing there is a legal and ethical basis for increased intervention by the State to ensure greater access to the means of communication for all. As is the case with water and electricity, we believe that it would not be unreasonable to explore the provision of free basic airtime and data to enable those most marginalized in our society to have their right to communicate. Indeed the right to communicate is an enabling right that is a prerequisite for the realization of other socio-economic rights.

We thank you for your time and consideration. As the Right2Know Campaign begins our fight for the right to communicate we are encouraged by the work begun by your committee. We believe that by mobilising citizens - the users of communication services - we will bring a voice that has been too silent in discussions on the state and future of our telecommunication landscape.

Together we will strive to make the right to communicate real for everyone in South Africa.

Delivered by:

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30 November 2012

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